

# **FORM ADV PART 2A DISCLOSURE BROCHURE**

March 2024



**CAPITAL ASSET MANAGEMENT, LLC**  
— PRIVATE WEALTH ADVISORS —

**Office Address:**  
1800 Glenarm Place  
Suite 703  
Denver, CO 80202

Tel: 303-832-7770  
Fax: 303-832-7774

This brochure provides information about the qualifications and business practices of Capital Asset Management, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 303-832-7770. 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 Capital Asset Management, LLC (IARD #284505) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2: Material Changes**

Since the last annual amendment dated October 2023, the following are material changes:

- ☐ Item 4: Advisory Business has been updated to reflect current assets under management.

## Item 3: Table of Contents

### Form ADV – Part 2A – Firm Brochure

Item 1: Cover Page .....	i
Item 2: Material Changes.....	ii
Item 3: Table of Contents .....	iii
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation .....	7
Item 6: Performance-Based Fees and Side-by-Side Management .....	11
Item 7: Types of Clients.....	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Item 9: Disciplinary Information .....	14
Item 10: Other Financial Industry Activities and Affiliations .....	14
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	15
Item 12: Brokerage Practices .....	17
Item 13: Review of Accounts .....	17
Item 14: Client Referrals and Other Compensation.....	18
Item 15: Custody .....	18
Item 16: Investment Discretion .....	18
Item 17: Voting Client Securities .....	19
Item 18: Financial Information.....	19
Brochure Supplement (Part 2B of Form ADV).....	21

## **Item 4: Advisory Business**

### **Firm Description**

Capital Asset Management, LLC (“CAM”) was founded in January of 2003 and registered as an investment advisor in July of 2016. Prior to registration as an investment advisor, CAM was used as a dba for Mr. Matthew Hickey’s advisory and securities business with various firms. Matthew Hickey is 100% owner.

#### **ASSET MANAGEMENT**

CAM offers discretionary direct asset management services to advisory Clients. CAM will offer Clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment management process will be based on the above factors. The Client will authorize CAM discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

Clients maintain the right to place certain restrictions on our discretionary authority such as prohibiting the securities of a certain issuer or a certain type. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to CAM in writing.

#### **Envestnet**

CAM 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. CAM 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 CAM discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

#### **SEI Managed Accounts Solutions**

CAM offers discretionary management services through a program sponsored by SEI Management Corp (SIMC). SIMC has developed a standard managed account solutions (“MAS”), which program includes SEI’s distribution focused strategies, an integrated managed account solutions providing a tax overlay service (“Tax Management”) and a Goals Based Investing managed account solutions, consisting of MAS and Tax Management portfolios invested in accordance with SEI’s goals-based investment solutions and, may, in the future, develop additional managed account solutions (collectively, the “Managed Account Solutions”). Under this program, SIMC acts as a co-investment advisor to the Investor, along with CAM, pursuant to a tri-party investment management agreement executed among SIMC, CAM and each Investor investing assets into the Managed Account Solutions (the “Tri-party Agreement”). For each Managed Account Solutions, SIMC is responsible for developing managed account portfolios designed to be invested in accordance with a stated investment objective (the “Managed Account Portfolios”). For each Managed Account Portfolio, other than the Managed Account Portfolios implementing distribution-focused strategies (the “DFS Portfolios”), SIMC is solely responsible for screening, reviewing and selecting the various money managers and/or individual mutual funds and Other Assets available for selection by Advisors and their Investors designed to meet the specific Managed Account Portfolio’s stated investment objective or goal.

For each DFS Portfolio, SIMC is responsible for selecting the SEI Funds and/or Other Assets underlying each DFS Portfolio and actively managing each Investor Account invested in a DFS Portfolio in accordance with the portfolio's investment objectives.

### **SEI Mutual Fund Models Program and SEI Funds**

CAM offers discretionary management services through a program sponsored by SEI Management Corp (SIMC). SIMC has developed various model mutual fund asset allocation portfolios (the "Mutual Fund Models") designed to be invested in accordance with a stated investment objective or goal (the "Mutual Fund Models Program"). SIMC currently develops its Mutual Fund Models through two underlying programs, described in various SEI literature as either SEI's Institutional Mutual Fund models or SEI's Goals Based Investing models and, may in the future, develop additional mutual fund model programs. Each Mutual Fund Model's underlying portfolio allocation is generally comprised exclusively of mutual funds in the SEI family of funds ("SEI Funds"), which are each advised by SIMC. Pursuant to the Mutual Fund Models Program, SEI will make available its various Mutual Fund Models to CAM who, in turn, may assist Investors in determining into which Mutual Fund Models to invest their assets.

### **ERISA PLAN SERVICES**

CAM 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. CAM acts as a 3(21) advisor:

**Limited Scope ERISA 3(21) Fiduciary.** CAM 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 CAM 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 CAM 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. CAM 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 CAM'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, CAM 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.

CAM 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. CAM 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 CAM on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

As of March 2024, CAM had \$209,545,311 in discretionary assets under management and \$0 in non-discretionary assets under management.

## Item 5: Fees and Compensation

### ASSET MANAGEMENT

Fees for these services will be based on a percentage of Assets Under Management as follows:

Assets Under Management	Annual Fee	Quarterly Fee (in advance)
First \$1,000,000	.95%	.238%
Next \$1,000,000	.90%	.225%
Next \$1,000,000	.85%	.213%
Next \$1,000,000	.80%	.200%
Next \$1,000,000	.75%	.188%
Amounts Over \$5,000,000	Negotiable	Negotiable

This is a blended fee schedule, the asset management fee is calculated by applying different rates to different portions of the portfolio.

For example, a Client with \$4,000,000 under management would pay \$35,000 on an annual basis.

First \$1,000,000 x .0095 = \$9,500

Next \$1,000,000 x .0090 = \$9,000

Next \$1,000,000 x .0085 = \$8,500

Next \$1,000,000 x .0080 = \$8,000

The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Quarterly advisory fees will be deducted directly from the Clients' account by the custodian. Lower fees for comparable services may be available from other sources. The amount of the fee is negotiated on a case-by-case basis, and is determined based upon a number of factors including the amount of work involved, the assets placed under management and the attention needed to manage the account.

Advisory fees are automatically deducted from the account by the custodian. CAM will:

- ☐ provide the Client with an invoice prior to instructing the custodian to deduct the fee stating the amount of the fee, the formula used to calculate the fee, the amount of assets under management the fee is based on and the time period covered by the fee;
- ☐ obtain written authorization signed by the Client allowing the fees to be deducted; and
- ☐ the Client will receive quarterly statements directly from the custodian which disclose the fees deducted.

Investment advisory services begin with the effective date of the Agreement, which is the date the Client signs the Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Any contributions or withdrawals made during a calendar quarter may cause an adjustment to the advisory fee.

Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. For cancellation after the five (5) business days, Client will be entitled to a pro rata refund for the days service was not provided in the final quarter. An updated Client agreement acknowledging any increase in said fees shall be executed by the Client and CAM.

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities and exchange-traded funds. These charges may include Mutual Fund transactions fees, commissions, postage and handling, margin interest, and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. CAM will not receive any of these additional fees.

For more details on the brokerage practices, see Item 12 of this brochure.

CAM does not receive any external compensation for the sale of securities to Clients, but Investment Advisor Representatives of the firm receive commissions as registered representatives of First Allied Securities, Inc., a member of FINRA/SIPC.

### **Envestnet**

For Clients utilizing the Envestnet platform, fees for CAM will be based on assets under management as follows:

<b>Assets Under Management</b>	<b>Annual Fee</b>	<b>Quarterly Fee</b>
First \$1,000,000	.95%	.238%
Next \$1,000,000	.90%	.225%
Next \$1,000,000	.85%	.213%
Next \$1,000,000	.80%	.200%
Next \$1,000,000	.75%	.188%
Amounts Over \$5,000,000	Negotiable	Negotiable

This is a blended fee schedule, the asset management fee is calculated by applying different rates to different portions of the portfolio.

For example, a Client with \$4,000,000 under management would pay \$35,000 on an annual basis.

First \$1,000,000 x .0095 = \$9,500

Next \$1,000,000 x .0090 = \$9,000

Next \$1,000,000 x .0085 = \$8,500

Next \$1,000,000 x .0080 = \$8,000

The annual Fee may be negotiable. Accounts within the same household may be combined for a reduced fee. If margin is utilized, the fees will be billed based on the net asset value of the account. The fees charged by CAM 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, CAM, 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.



### **SEI Managed Account Solutions**

The fees payable to CAM are as follows:

<b>Assets Valuation</b>	<b>Annual Fee</b>
Up to \$2,500,000	1.00%
Over \$2,500,000	0.75%

The annual fee may be negotiable.

SIMC's advisory fee schedule for MAS range from .10% to 1.25%. Certain Clients may receive a fee discount, at the sole discretion of SIMC. These fees may be higher or lower than those charged by other investment advisors for similar services. SIMC may pay a portion of this fee to the portfolio manager acting as the account's Overlay Manager or retain the fee itself if it is serving as the Overlay Manager.

To the extent a Client's assets in MAS are invested in SEI Funds, SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable Fund's prospectus but SIMC will offset the fees set forth above on MAS assets invested in any SEI Fund.

#### **Fees for SEI Funds**

Each SEI Fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the SEI Fund. SIMC's fund advisory fee varies, but it typically ranges from .10% - 1.50% of the portfolio's average daily net assets for its advisory services. Additionally, affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' 10 registration statements. These fees and expenses are paid by the SEI Funds but ultimately are borne by each shareholder of the SEI Funds.

### **SEI Mutual Fund Models Program and SEI Funds**

The fees payable to CAM are as follows:

<b>Assets Valuation</b>	<b>Annual Fee</b>
Up to \$2,500,000	1.00%
Over \$2,500,000	0.75%

The annual fee may be negotiable.

Each SEI Fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the fund. SIMC's fund advisory fee varies, but it typically ranges from .10% - 1.50% of the portfolio's average daily net assets for its advisory services. Affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' registration statements. These fees and expenses are paid by the SEI Funds but ultimately are borne by each shareholder of the SEI Funds. If a Client invests in a model available through the Mutual Fund Models Program, the Client will be charged the expense ratios of each of the SEI Funds included in the applicable model. Clients may have the option to purchase certain SEI investment products, including the SEI Funds, that SIMC recommends through other brokers or agents not affiliated with SIMC. Clients may also pay custody fees to SEI Private Trust Company ("SPTC") when their assets are custodied at SPTC. These fees will vary depending on the account balance and trade activity in

the account. Clients can refer to their account application for specific information on SPTC custody fees.

CAM receives compensation as a result of a Client's participation in SIMC's programs. For assisting Clients in selecting appropriate Mutual Fund Models, Managed Account Portfolios or Custom Portfolios in accordance with the terms of CAM's advisory agreement and, if applicable Triparty Agreement, with such Clients and providing on-going account services, CAM will receive a fee payable from the Client's Account assets. CAM's fee will be calculated quarterly on the Client's Account balance and payable quarterly in arrears net of any income, withholding or other taxes. CAM's fee is separate from and in addition to SIMC's Investment Management Fee described above. CAM's fee and SIMC's Investment Management fee will be deducted by SPTC directly from the Client's account. CAM does not have the ability to directly deduct their advisory fee from the Client account.

Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation. For accounts closed mid-quarter, CAM will be entitled to a pro rata fee for the days service was provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

#### ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The annual fee is negotiable and may be charged as a percentage of the Included Assets or as a flat fee. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). 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, CAM shall be entitled to a prorated fee based on the number of days during the fee period services were provided or 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 CAM 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. CAM does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, CAM will disclose this compensation, the services rendered, and the payer of compensation. CAM will offset the compensation against the fees agreed upon under the Agreement.

## Mutual Fund Strategies (including the Active/Passive Strategies)

The standard fee schedule for the Mutual Fund Strategies is:

	First \$500K	Next \$500K	Next \$1MM	Over \$2MM
MIS Fee	0.40%	0.35%	0.30%	0.20%
CAM	1.10%	1.05%	1.00%	0.90%
Total fee	1.50%	1.40%	1.30%	1.10%

Annual Minimum MIS Net Fee: \$200

Minimum Investment: \$50,000

## ETF Strategies

The standard fee schedule for the ETF Strategies is:

	First \$1MM	Next \$4MM	Thereafter
MIS Fee	0.30%	0.25%	0.20%
CAM	1.10%	1.00%	0.90%
Total fee	1.40%	1.25%	1.10%

Annual Minimum MIS Fee: \$150

Minimum Investment: \$50,000

## Stock Basket Strategies

The standard fee schedule for the Stock Basket Strategies is:

	First \$1MM	Next \$4MM	Thereafter
MIS Fee	0.55%	0.50%	0.45%
CAM	1.10%	1.00%	0.90%
Total fee	1.65%	1.50%	1.35%

Annual Minimum MIS Fee – Custom: \$1,375

Annual Minimum MIS Fee – Strategist: \$550

Minimum Investment – Custom: \$250,000

Minimum Investment – Strategist: \$100,000

## Item 6: Performance-Based Fees and Side-by-Side Management

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

## Item 7: Types of Clients

CAM generally provides investment advice primarily to individuals and high net worth individuals. Client relationships vary in scope and length of service.

CAM requires a minimum of \$500,000 to open an account, but the firm does have the discretion to accept accounts with less assets. Minimum size accounts are accepted as an accommodation to Clients with multiple accounts, and/or for those making regular additions to their account(s).

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

CAM conducts fundamental analysis on all securities recommended for Client accounts. This analysis varies depending on the security in question. For stocks and bonds the analysis generally includes a review of:

- ☐ The issuer's management;
- ☐ The amount and volatility of past profits or losses;
- ☐ The issuer's assets and liabilities, as well as any material changes from historical norms;
- ☐ Prospects for the issuer's industry, as well as the issuer's competitive position within that industry; and
- ☐ Any other factors considered relevant.

For mutual funds and ETFs the analysis generally includes a review of:

- ☐ The fund's management team;
- ☐ The fund's historical risk and return characteristics;
- ☐ The fund's exposure to sectors and individual issuers;
- ☐ The fund's fee structure; and
- ☐ Any other factors considered relevant.

Investments are evaluated independently, as well as in the context of Clients' existing holdings and sector exposures.

CAM primarily invests for relatively long time horizons, often for a year or more. However, market developments could cause CAM to sell securities more quickly.

Our investment recommendations are generally limited to advice regarding mutual fund shares and exchange traded funds (ETFs), however, Advisor occasionally selects individual stocks, bonds, mutual funds, variable annuities and preferred securities.

Each Client completes an initial review questionnaire that documents their objectives, assets and desired investment strategy. The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time with written notice to CAM.

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk.

Each portfolio involves different levels and types of risks. The following identifies the material risks associated with the portfolios CAM manages:

*Market Risk:* Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the portfolio's investments.

*Equity Risk:* Equity securities are subject to market risk. Stocks and other equity securities fluctuate in price, often based on factors unrelated to the issuers' value, and such fluctuations can be pronounced. Equity securities may also be subject to investment style risk, which is the risk that the particular market segment on which a portfolio focuses will underperform other kinds of investments.

*Fixed Income Risk:* Fixed income securities are subject to interest rate risk, credit risk, reinvestment risk, prepayment risk and call risk. Interest rate risk is the potential for a decline in

bond prices due to rising interest rates. Credit risk is the possibility that the issuer of a fixed-income security will fail to make timely payments of interest or principal, or that the security will have its credit rating downgraded. Reinvestment risk is the risk that future proceeds will have to be reinvested at a lower potential interest rate. Prepayment risk is the chance that a large number of the mortgages underlying a mortgage-backed security will be refinanced sooner than the investor had expected. Call risk is the possibility that an issuer will “call”—or repay—a high-yielding bond before the bond’s maturity date. In the case of both prepayments and calls, the portfolio is usually forced to reinvest the proceeds in a security with a lower yield.

*Small-and Medium-Sized Capitalization Company Risk:* Investing in securities of small-and medium-sized capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for CAM to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

*Non-U. S. Securities Risk:* Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of a portfolio’s investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the portfolio may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the portfolio may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to investors. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries. To the extent the portfolio invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a portfolio that is more diversified across countries or geographic regions.

*Exchange-Traded Funds Risk:* ETFs charge their own fees and expenses; thus, portfolios that invest in ETFs will bear extra costs, such as duplicative management fees, brokerage commissions and related charges. In addition, there may from time to time be a significant discrepancy between the net asset value of an ETF and the price at which the ETF trades on an exchange.

*Registered Investment Companies Risk:* A portfolio that invests in registered investment companies is indirectly exposed to all of the risks of an investment in the registered investment

companies, including the risk that the registered investment companies in which it invests will not perform as expected or that the portfolio will invest in registered investment companies with higher fees or expenses.

*Commodities Risk:* Commodity prices can be extremely volatile and are affected by many factors, including changes in overall market movements, real or perceived inflationary trends, commodity index volatility, changes in interest rates or currency exchange rates, population growth and changing demographics, nationalization, expropriation, or other confiscation, international regulatory, political, and economic developments (e.g., regime changes and changes in economic activity levels), and developments affecting a particular industry, such as drought, floods, or other weather conditions, livestock disease, trade embargoes, competition from substitute products, transportation bottlenecks or shortages, fluctuations in supply and demand, and tariffs.

## **Item 9: Disciplinary Information**

The firm and its management have not been involved in any criminal or civil action.

The firm and its management have not been involved in administrative enforcement proceedings.

The firm and its management have not been involved in legal or disciplinary events related to past or present investment Clients.

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

Matthew Hickey and Kathleen Osborne-Davis are registered representatives of First Allied Securities, Inc. This entity is not affiliated with CAM. Approximately 10% of their time is spent on this business. The business provided through First Allied Securities Inc. and CAM are separate and distinct. Through CAM, advisors of the firm offer direct asset management services to Clients. These practices represent conflicts of interest because it gives an incentive to recommend services where they would receive a higher fee rather than on Client's needs. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place the best interest of the Client first and will act in accordance with those responsibilities. Clients have the right to choose which service they prefer or to engage an advisor of their choosing.

Because of the affiliation with First Allied Securities, Inc., Mr. Hickey and Ms. Osborne-Davis may have two different but concurrent roles:

1. As a Registered Representative with First Allied Securities, Inc. who may receive Commissions for securities transactions; and
2. As an Investment Adviser Representative of CAM.

Advisors of the firm are also licensed insurance agents. From time to time, they will offer Clients advice or products from those activities. Less than 10% of their time is spent on the sale of insurance products.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received rather than on Client's needs. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place the best interest of the Client first and will act in accordance with those responsibilities. Clients have the right to purchase these products through another insurance agent, registered representative or investment advisor representative of their choosing.

CAM may refer Clients to third party money managers to manage Client accounts. In such circumstances, CAM receives a portion of the fees charged by the third party money manager. CAM 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. CAM is responsible for:

- ☐ helping the Client complete the necessary paperwork of the third party money manager;
- ☐ providing ongoing services to the Client;
- ☐ updating the third party money manager with any changes in Client status which is provide to CAM by the Client;
- ☐ reviewing the quarterly statements provided by the third party money manager; and
- ☐ delivering the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the third party money manager to the Client.

Clients placed with third party money managers will be billed in accordance with the third party money manager'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 CAM.

These practices represent conflicts of interest because CAM receives a fee from the third party money manager for recommending the third party money manager and may choose to recommend a particular third party money manager based on the fee CAM is to receive. This conflict is mitigated by the fact that CAM and its Investment Advisor Representatives 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 CAM and have the option to receive investment advice through other money managers of their choosing.

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

The employees of CAM have committed to a Code of Ethics ("Code"). The purpose of CAMs Code is to set forth standards of conduct expected of CAM employees and addresses conflicts that arise. The Code defines acceptable behavior for employees of CAM. The Code reflects CAM and its supervised persons' responsibility to act in the best interest of their Client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients. The Client's best interest will be the highest priority.

CAM's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of CAM may engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

CAM's Code is based on the guiding principle that the interests of the Client are our top priority. CAM's officers, directors, advisors, and other employees have a fiduciary duty to our Clients and must diligently perform and uphold that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the

interests of either employees or the company. The Client's best interests will be served in every case.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any Clients' securities, or non-public information regarding the portfolio holdings of any reportable fund.

The firm will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

CAM and its employees do not recommend to Clients securities in which we have a material financial interest.

CAM and its employees may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest, employees are required to disclose all reportable securities transactions as well as provide CAM with copies of their brokerage statements.

The Chief Compliance Officer of CAM is Matthew Hickey. He reviews all employee trades each quarter. The personal trading review and subsequent follow-up regarding any inappropriate trades helps assure that the personal trading of employees does not disadvantage the Client. Trades that otherwise disadvantage the Client will not be allowed.

CAM does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist in this area. However, employees may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest employees are required to disclose all reportable securities transactions as well as provide CAM with copies of their brokerage statements. The personal trading review and subsequent follow-up regarding any inappropriate trades helps assure that the personal trading of employees does not affect the markets. The Chief Compliance Officer of CAM is Matthew Hickey. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that employees of the firm do not receive preferential treatment over Client transactions.

When we provide investment advice to you regarding your retirement plan account or individual retirement account (IRA), we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- ☐ Meet a professional standard of care when making investment recommendations (give prudent advice);
- ☐ Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- ☐ Avoid misleading statements about conflicts of interest, fees, and investments;
- ☐ Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- ☐ Charge no more than is reasonable for our services; and
- ☐ Give you basic information about conflicts of interest.



\* It should be noted that the fiduciary duties enumerated above do not differ from those we observe in all our advisory activities.

## **Item 12: Brokerage Practices**

CAM may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the Client's choosing. CAM will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. CAM relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by CAM.

CAM does not permit clients to direct the execution of securities transactions to a broker-dealer other than the custodian. Some advisers permit clients to direct securities transactions to non-custodial broker-dealers.

### *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by CAM from or through a broker-dealer in exchange for directing Client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, CAM receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of CAM. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when CAM receives soft dollars. This conflict is mitigated by the fact that CAM has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients.

CAM utilizes the services of custodial broker dealers. Economic benefits are received by CAM which would not be received if CAM did not give investment advice to Clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to CAM's accounts, ability to conduct "block" Client trades, electronic download of trades, balances and positions, duplicate and batched Client statements, and the ability to have advisory fees directly deducted from Client accounts.

CAM 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 CAM. 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**

Account reviews are performed quarterly by Matthew Hickey, Chief Compliance Officer. Accounts will be reviewed for such things as:

- ☐ Client objectives are in line with the investments;
- ☐ securities held in the accounts are performing to CAM's and Client's expectations; and
- ☐ asset allocation is balanced in the correct proportion with the strategy.

Account reviews are performed more frequently when market conditions dictate.

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new financial market information, and changes in a Client's own situation.

Clients receive account statements no less than quarterly for managed accounts from the custodian of CAM. Client receives confirmations of each transaction in account from custodian and an additional statement during any month in which a transaction occurs.

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

CAM receives a portion of the annual management fees collected by the third party money managers to whom CAM refers Clients.

This situation creates a conflict of interest because CAM and/or its Investment Advisor Representatives have an incentive to decide what third party money managers to use because of the higher portion of fees to be received by CAM. However, when referring Clients to a third party money manager, the Client's best interest will be the main determining factor of CAM.

CAM does not compensate for Client referrals.

#### **Item 15: Custody**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. For advisory fees deducted directly from the brokerage accounts, see Item 5 for more details.

CAM is deemed to have constructive custody solely because advisory fees are directly deducted from Clients' accounts by the custodian on behalf of CAM.

When advisory fees are deducted from the account by the custodian:

- ☐ CAM will provide the Client with an invoice prior to instructing the custodian to deduct the fee stating the amount of the fee, the formula used to calculate the fee, the amount of assets under management the fee is based on and the time period covered by the fee;
- ☐ CAM has obtained written authorization signed by the Client allowing the fees to be deducted; and
- ☐ the Client receives at least quarterly statements directly from the custodian which disclose the fees deducted.

#### **Item 16: Investment Discretion**

CAM requires discretionary authority to manage securities accounts on behalf of Clients. CAM has the authority to determine, without obtaining specific Client consent, the custodian to be used, the securities to be bought or sold, and the amount of the securities to be bought or sold. Clients maintain the right to place certain restrictions on our discretionary authority such as prohibiting the securities of a certain issuer or a certain type. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to CAM in writing.

CAM 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**

CAM does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, CAM will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18: Financial Information**

A balance sheet is not required to be provided because CAM does not serve as a custodian for Client funds or securities and CAM does not require prepayment of fees of more than \$1200 per Client and six months or more in advance.

CAM believes it has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients, and our balance sheet continues to meet regulatory requirements for net capital.

CAM and its affiliates have no bankruptcies in the past 10 years.

# SUPERVISED PERSON BROCHURE

FORM ADV PART 2B

Matthew D. Hickey, CWS



**CAPITAL ASSET MANAGEMENT, LLC**  
— PRIVATE WEALTH ADVISORS —

**Office Address:**  
1800 Glenarm Place  
Suite 703  
Denver, CO 80202

Tel: 303-832-7770  
Fax: 303-832-7774

[mhickey@capasset.net](mailto:mhickey@capasset.net)

This brochure supplement provides information about Matthew D. Hickey and supplements the Capital Asset Management, LLC brochure. You should have received a copy of that brochure. Please contact Matthew D. Hickey if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Matthew D. Hickey (CRD #1538384) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**March 2024**

## Brochure Supplement (Part 2B of Form ADV)

**Matthew D. Hickey, CWS**

- ☐ Year of birth: 1961

### Item 2: Educational Background and Business Experience

#### **Educational Background:**

- ☐ University of Denver; BS/BA; 1984

#### **Business Experience:**

- ☐ Capital Asset Management, LLC; Managing Member/Investment Advisor Representative; 06/2016 to Present
- ☐ Matthew Hickey, Sole Proprietor; Insurance Agent; 08/1984 to Present
- ☐ First Allied Securities, Inc.; Registered Representative; 05/2008 to Present
- ☐ First Allied Advisory Services, Inc.; Investment Advisor Representative; 07/2012 to 12/2019
- ☐ First Allied Securities, Inc.; Investment Advisor Representative; 05/2008 to 07/2012
- ☐ Multi-Financial Securities Corporation; Registered Representative; 05/1998 to 05/2008
- ☐ Multi-Financial Securities Corporation; Investment Advisor Representative; 05/1998 to 05/2008
- ☐ Jefferson Pilot Securities Corporation; Registered Representative; 10/1997 to 06/1998

#### **Professional Certifications:**

**CERTIFIED WEALTH STRATEGIST®**: The Certified Wealth Strategist® (CWS) utilizes a blended learning approach that includes instructor-led training, 13 Wealth Management Issues study guides, on-line mastery exams, conversation skill builders and e-Lessons. The learning experience culminates with a Capstone Project: a written document demonstrating a sustainable framework which applies the new knowledge and skills to the practitioner's business. The program provides the knowledge, the practice management formula, and the critical Client interaction skills to create and build a dynamic Wealth Advisory practice that works effectively with complex Client issues.

- ☐ Issuing Organization - CWS is currently offered and recognized by the issuing organization of Cannon Financial Institute.
- ☐ Prerequisites – Three years of experience in the financial services industry that must also include direct interaction with Clients and a 4-year degree from an accredited school.
- ☐ Examination Type – Ten Mastery Exams, one for each directed study module.
- ☐ Continuing Education Requirements – 33 hours every two years.
- ☐ Education Requirements – Candidates must complete the following:
  - Two instructor-led training sessions
  - Self-directed study on numerous wealth management issues
  - Capstone project

**Qualified Plan Financial Consultant:** The Qualified Plan Financial Consultant (QPFC) is the professional credential for financial professionals who sell, advise, market or support qualified retirement plans. The QPFC program provides an understanding of general retirement planning concepts, terminology, distinctive features of qualified plans and the role of retirement plan professionals. QPFC is for professionals with two to three years of retirement plan experience. A candidate will be expected to demonstrate a general proficiency of plan administration, compliance, investment, fiduciary, and ethics issues.

- ☐ Issuing Organization- The National Association of Plan Advisors (NAPA)
- ☐ Prerequisites- a candidate must meet **one** of the following requirements:
  - Series 6, 7 or 65 license issued by the FINRA + 2 Years Retirement Plan Experience
  - State-Life or Annuity Insurance License + 2 Years Retirement Plan Experience
  - Investment Advisor Representative or Registered Investment Advisor credential + 2 Years Retirement Plan Experience
  - No existing licensing/credential + 3 Years retirement Plan Experience
- ☐ Examination Type: Pass the CPFA/QPFC Exam
- ☐ Continuing Education Requirements- QPFC credentialed members must acquire 10 hours of Continuing Education (CE) credits (1 of these must be Ethics) annually and renew NAPA Membership annually to retain credentials.

### **Item 3: Disciplinary Information**

- ☐ Criminal or Civil Action: None to report.
- ☐ Administrative Proceeding: None to report.
- ☐ Self-Regulatory Proceeding: None to report.

### **Item 4: Other Business Activities Engaged In**

Matthew Hickey is a registered representative of First Allied Securities, Inc. This entity is not affiliated with CAM. Approximately 10% of Mr. Hickey's time is spent on this business.

Managing Member Matthew Hickey is also a licensed insurance agent as Matthew Hickey, Sole Proprietor. From time to time, he will offer Clients advice or products from those activities. Less than 10% of his time is spent on the sale of insurance products.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received rather than on Client's needs. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the Client first and will act in accordance with those responsibilities. Clients have the right to purchase these products through another insurance agent, broker, or investment advisor representative of their choosing.

### **Item 5: Additional Compensation**

Mr. Hickey receives additional compensation as an insurance agent and as a registered representative of a broker dealer but he does not receive any performance based fees.

### **Item 6: Supervision**

Since Mr. Hickey is the sole owner of Capital Asset Management, LLC, he is solely responsible for all supervision and formulation and monitoring of investment advice offered to Clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual.