

Item 1 – Cover Page

CAPSTONE WEALTH ADVISORS, LLC

2005 Madrona Ave SE
Salem, Oregon 97302

(503) 967-1980

www.capstonewealthadvisors.com

March 11, 2024

This Brochure provides information about the qualifications and business practices of Capstone Wealth Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (503) 967-1980 or compliance@capstonewealthadvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Capstone Wealth Advisors, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Capstone Wealth Advisors, LLC is #287670.

Item 2 – Material Changes

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Capstone Wealth Advisors, LLC is #287670. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

The material changes in this brochure from the last annual updating amendment of Capstone Wealth Advisors, LLC on 03/24/2023, are described below. Material changes relate to Capstone Wealth Advisors, LLC's policies, practices or conflicts of interest.

- Capstone Wealth Advisors, LLC has added Pontera to manage held away assets. (Item 4)
- Capstone Wealth Advisors, LLC will recommend that Clients establish brokerage accounts with Charles Schwab ("Schwab") and removed TD Ameritrade ("Ameritrade") due to its merger with Schwab. (Item 12)

Currently, our Brochure may be requested by contacting Robert T. Norton, Compliance Officer of Capstone Wealth Advisors, LLC at (503) 967-1980 or rob@capstonewealthadvisors.com. Our Brochure is provided free of charge.

CAPSTONE WEALTH ADVISORS, LLC
Form ADV Part 2A – Firm Brochure

Item 3 – Table of Contents

	<u>Page</u>
Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business.....	2
Item 5 – Fees and Compensation.....	4
Item 6 – Performance-Based Fees and Side-By-Side Management	6
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 – Disciplinary Information.....	8
Item 10 – Other Financial Industry Activities and Affiliations	8
Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading	9
Item 12 – Brokerage Practices	10
Item 13 – Review of Accounts.....	11
Item 14 – Client Referrals and Other Compensation	11
Item 15 – Custody.....	12
Item 16 – Investment Discretion	13
Item 17 – Voting Client Securities.....	13
Item 18 – Financial Information.....	13

Item 4 – Advisory Business

- A** Capstone Wealth Advisors, LLC (“Capstone Wealth Advisors” “we” or “us”) is a registered investment advisor located in Salem, Oregon and registered with the SEC since 2017. Capstone Wealth Advisors owners are Ryan Skogstad, and Rob Norton.
- B, C** Capstone Wealth Advisors provides financial planning and investment advisory services. Capstone Wealth Advisor’s investment advisory services are driven by and coordinated with each Client’s individual financial goals. The firm’s approach uses broadly diversified portfolios and a systematic strategy to manage investments. The firm follows strict fiduciary standards, putting its Clients’ interests before its own and seeking to avoid conflicts of interest with its Clients. The firm helps Clients coordinate and prioritize their financial lives with all aspects of their life goals. Integrating investments across all individual retirement accounts, taxable accounts, and employee retirement accounts is crucial to the process. Client input and involvement are critical parts of the financial planning process and implementation of investment decisions. After Client assets are invested, the firm monitors their investments and provides advice related to ongoing financial and investment needs. The firm is objective, and always puts its Clients’ interests first.

Capstone Wealth Advisors has discretionary and non-discretionary authority over Client funds. Discretionary authority means that the firm has the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the Client on a case by case basis. Discretionary authority allows the firm to act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without the Client’s prior approval.

The firm offers the following financial planning services to clients:

- Investment Planning/Investment Policy Statements
- Retirement Planning/Financial Independence
- Capital Needs Analysis (Goal Funding)
- Debt Reduction
- Income Tax Planning
- Estate Planning
- College/Education Planning
- Risk Management (Life and Disability Insurance)
- Philanthropic Planning
- Cash flow and Net Worth Update
- Other Projects

A conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

Capstone Wealth Advisors may, on occasion, recommend that all or a portion of the assets in Client accounts be managed by a Third Party Asset Manager (“TPAM”) or a sub-advisor. TPAM or sub-advisory fees will be paid directly to the TPAM or sub-advisor from the Client’s account and represent a portion of the account management fees paid by the Client. The remainder of the advisory fees debited from the Client’s account will be paid to the Advisor. In all discretionary accounts, except to the extent the Client directs otherwise, the Advisor is authorized to use its discretion in selecting or changing a TPAM and/or sub-advisor to the Account without prior notice to the Client. Client may be required to execute a limited power of attorney with a TPAM or sub-advisor selected by Advisor under this Section.

Advice and services are tailored to the stated objectives of the Client(s). The firm discusses with the Client in detail critically important information, such as the Client’s risk tolerance, time horizon, and projected future needs, to formulate an investment policy. This policy guides the firm in objectively and suitably managing the Client’s account. A registered investment advisor of the firm will meet with Clients on an as needed basis to review portfolio performance, discuss current issues, and re-assess goals and plans.

The firm approach uses broadly diversified portfolios and a systematic strategy to manage investments. Our investment recommendations generally include mutual funds, exchange-traded funds, and exchange-listed and non-exchange-listed equity securities. We also recommend certificates of deposit, municipal securities, U.S. government securities, money market funds and REITs. If Clients hold other types of investments, we will advise them on those investments also. Clients may impose restrictions on investing in certain securities or types of securities. We consider such restrictions when preparing the Investment Policy Statement.

Pontera

Capstone Wealth Advisors uses a third-party platform to facilitate management of certain held-away assets such as defined contribution plan participant accounts, with discretion (“Pontera Platform”). The Pontera Platform allows Capstone Wealth Advisors to avoid being considered to have custody of Client funds since Capstone Wealth Advisors does not have direct access to client log-in credentials to affect trades. Capstone Wealth Advisors is not affiliated with Pontera in any way and receives no compensation from Pontera for using the platform. A link will be provided to the client allowing the client to connect their designated held-away account(s) to the Pontera Platform. Once the client’s account is connected to the Pontera Platform, Capstone Wealth Advisors will review the current account allocations. When deemed necessary, Capstone Wealth Advisors will reallocate and/or rebalance the account in consideration of your investment goals, risk tolerance, and current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) on the Pontera Platform will be reviewed at least quarterly, and allocation changes will be made as deemed necessary.

See Item 8 for a description of our investment strategy.

We follow strict fiduciary standards as required by the SEC, putting our Clients' interests before our own and seeking to avoid conflicts of interest with our Clients. We are compensated only by our Clients. Nonetheless, conflicts of interest do exist between our interests and our Clients' interests. Thus, our Clients are not obligated to act on our recommendations, or they can act on one or more of our recommendations without transacting business directly with us.

- D** We may participate in a wrap fee program.
- E** We manage \$720,909,582 of Client assets on a discretionary basis and \$0 of Client assets on a non-discretionary basis. This amount was calculated as of December 2023.

Item 5 – Fees and Compensation

Capstone Wealth Advisors provides investment advisory and financial planning services to its clients. Services may include the analysis of the Client's current portfolio, development of an investment policy statement, implementation of a recommended portfolio(s), and ongoing monitoring of the investment portfolio(s).

Capstone Wealth Advisors also charges annual fees for managing Clients' portfolios. The fees charged vary between 0.10% and 1.5% of assets under management according to the amount of assets under management and the specific needs of the client. Capstone Wealth Advisors has no set account minimum, but fees are generally not negotiable.

We bill client advisory fees in advance, quarterly. A notice, detailing the amount of the fee to be deducted from the Client's account, is sent directly to the custodian. Fees are paid directly to us from the account by the custodian upon our submission of an invoice to custodian. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account. The fee is based on an average daily balance calculated using the daily market value of the Client's account based on the number of days in the prior quarter.

Market value means the value of all assets in the account (not adjusted by any margin debit). To determine value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities and other instruments shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by Capstone Wealth Advisors and in accordance with Capstone Wealth Advisor's fiduciary duty.

Fees for a partial quarter at the commencement of an agreement will be prorated based on the number of days the account was open during the quarter.

For fixed fee and hourly projects 50% of the fixed fee or of the estimated total project cost for hourly projects shall be billed and prepaid up front with the remainder immediately due and payable upon completion of the project.

Clients pay brokerage transaction costs and other charges directly to the custodian. See Item 12. Clients may be required to pay, in addition to Capstone Wealth Advisors fee, a proportionate share of any Exchange Traded Fund's (ETF) or mutual fund's fees and charges. For example, Mutual fund operating expenses are paid out of the fund and are an additional expense incurred by the Client.

In circumstances where a TPAM or a sub-advisor is utilized to provide certain investment advisory services to a Client, Capstone Wealth Advisors will submit an invoice to the custodian quarterly in advance for the advisory services and the custodian will deduct the TPAM or sub-advisor's fee directly from the Client's custodial account as well as Capstone Wealth Advisor's investment advisory fee. The TPAM or sub-advisor's fee will always be a portion of the Client's total advisory fees as stated in the Client's investment advisory agreement with Capstone Wealth Advisors. The TPAM or sub-advisory fees may range from 0.15% to 1.25% of the Clients AUM. Fees for these services are generally not negotiable.

We also offer investment consultations or financial planning services at an hourly or fixed fee rate. Hourly consulting or financial planning rates range from \$100 to \$750 per hour, depending on the complexity of the project, the scope of work to be performed, and the differential expertise of the IAR providing the services. Some of the factors contributing to determination of the hourly rate for financial planning services may include which and how many of the following areas will be addressed in the financial planning services: statements of financial position (includes net worth and cash flow statements), risk assessment, long term care and disability evaluation, core tax planning, core estate planning, asset allocation, real estate analysis, retirement planning, and business transition planning. Fixed fee projects are estimated to range from \$500 - \$10,000. Pricing will be developed on a project-by-project basis for each Client, also depending on the complexity, scope of work to be performed, expertise of the investment advisor representative providing the services, and the estimated time required to complete the project. Examples of the factors contributing to the determination of the hourly rate for fixed fee projects may include the same areas as described above for financial planning rates. Lower fees for comparable services may be available from other sources. Advisor does not require the prepayment six months or more in advance of more than \$500 of advisory fees.

Hourly fees will be charged monthly in arrears. Fixed fee projects may require one half of the fixed fee to be paid up front, with the balance due upon completion of the project.

New accounts are pro-rated from the time we begin charging a fee to the Client. Fees for partial quarters at the commencement or termination of this Agreement will be billed on a pro-rated basis contingent on the number of days the account was open during the quarter. Additionally, all service agreements may be terminated at any time by providing us with 15 days written notice. Any compensation paid for services beyond the time the agreement was terminated in writing will

be refunded to the Client.

Upon termination of any fixed fee project, any prepaid but unearned fees will be promptly refunded by Capstone Wealth Advisors and any partially completed plan will be delivered to the Client in its partially completed form. Any fees that have been earned by Capstone Wealth Advisors but not yet paid by Client will be immediately due and payable.

If Capstone Wealth Advisors has provided the Client a copy of its Form ADV Part 2 less than forty-eight hours prior to entering into any investment advisory contract or if Capstone Wealth Advisors provided the Client a copy of its Form ADV Part 2 at the time of entering into the investment advisory agreement, then the Client may terminate the investment advisory agreement without penalty within five business days after entering into the contract. Alternatively, the investment advisory agreement may be terminated at any time by either party by providing 15 days written notice to the other party.

Certain Investment Adviser Representatives of Capstone Wealth Advisors are also licensed to sell insurance in one or more states, either through a licensed general insurance agency or as direct agent representative of a specific insurance company.

Insurance related business is transacted with advisory Clients, and individuals may receive commissions from insurance products sold to Clients. Clients are advised that the fees paid to Capstone Wealth Advisors for investment advisory services are separate and distinct from the commissions earned by any individual for selling Clients other insurance products. If requested by a Client, we will disclose the amount of commission expected to be paid.

The receipt of commissions by an individual associated with the firm presents a conflict of interest.

As fiduciaries we must act primarily for the benefit of investment advisory Clients. As such, we will only transact insurance related business with Clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. Clients are informed that they are under no obligation to use any individual associated with Capstone Wealth Advisors for insurance products or services. Clients may use any insurance firm or agent they choose

As described in Item 4, when advising clients who participate in employee benefit plans, Capstone Wealth Advisors will utilize the Pontera Platform. Pontera will directly Capstone Wealth Advisors an annual fee equal to 0.3% of the assets under management contained in such accounts, quarterly in advance. For assets managed using the Pontera Platform, Capstone Wealth Advisors will charge the client 1.30% of AUM held at Pontera annually. Capstone Wealth Advisors will retain 1.00% of the 1.30% charge and transmit an additional 0.30% to Pontera. This fee is separate from the above fee table which will be charged as a percentage of assets under management held with our usual direct asset management custodian.

Item 6 – Performance-Based Fees and Side-By-Side Management

Capstone Wealth Advisors does not charge any performance-based fees for its services or perform side

by side management. Accordingly, this item is not applicable to our firm.

Item 7 – Types of Clients

We provide investment advice to individuals, high net worth individuals, and businesses. Because each Client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our clients to remain informed and have a sense of security about their investments. Capstone Wealth Advisors has no minimum account size for opening or maintaining an account.

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

A Capstone Wealth Advisors believes in a long-term, balanced, disciplined approach to investing. As such, we build globally diversified portfolios that typically include stocks, bonds, real estate, and cash. These asset classes are accessed via mutual funds, exchange traded funds, and individual stocks and bonds. Investing takes place within the context of the plan that is tailored to each client's unique situation. We develop a statement of investment policy with each Client, outlining the investment philosophy, management procedures, long-term goals, risk tolerance, and other factors as they pertain to the investor(s). Numerous studies and statistics have shown that a stable, disciplined investment approach with a long-term perspective yields better long-term results than a rapid trading, market timing approach.

As part of our core investment approach, we purchase on behalf of clients' investments including (but not limited to) the following:

- Mutual Fund shares
- Exchange Traded Fund shares
- Publicly and non-publicly traded securities
- Corporate debt securities
- Certificates of deposit
- Municipal securities
- United States government and agency securities

We primarily research and review securities using traditional fundamental analysis. The primary investment strategies used to implement investment advice given to Clients include long-term (securities held at least one year) and short-term (securities sold within a year) purchases. The fundamental analysis of securities is used in conjunction with modern portfolio theory to generate diversified portfolios of securities based on the individual Client's investment goals and risk tolerance profile. While this practice does mediate some investment risk, it cannot mediate all investment risk. This residual systemic risk includes, but is not limited to, interest rate risk, inflation risk, market risk, corporate risk, geopolitical risk, and risk due to war or natural disasters.

The main sources of information we rely upon when researching and analyzing securities include traditional research materials such as financial newspapers and magazines, annual reports,

prospectuses, filings with the SEC, as well as research materials prepared by others and company press releases. We also subscribe to various professional publications deemed to be consistent and supportive of our investment philosophy.

- B** We use our best judgment and good faith efforts in rendering services to Client. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. Investing in securities involves risk of loss that Clients should be prepared to bear. Clients assume all market risk involved in the investment of account assets. Investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

- any loss that Clients may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of Client accounts.

It is the responsibility of the Client to give us complete information and to notify us of any changes in financial circumstances or goals.

Item 9 – Disciplinary Information

Capstone Wealth Advisors is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with Capstone Wealth Advisors has any information to disclose which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

As disclosed in Section 5 above, Investment Adviser Representatives of Capstone Wealth Advisors are also licensed as insurance agents. In their separate capacity as insurance agents, Capstone Wealth Advisors will typically receive commissions for the sale of insurance products. Clients are not obligated to implement any recommendation provided by Capstone Wealth Advisors or purchase any insurance products from any Capstone Wealth Advisors investment advisor representative.

Certain Investment Adviser Representatives of Capstone Wealth Advisors are also licensed as insurance agents in one or more states, either through a licensed general insurance agency or as direct agent representative of a specific insurance company. The conflicts of interest associated with the above arrangements and how these conflicts are addressed are described in Section 5E, above.

Capstone Wealth Advisors may, on occasion, recommend that all or a portion of a Client's assets be managed by an unaffiliated investment manager or sub-advisor. Fees charged by a sub-advisor will be fully disclosed to Clients. Sub-advisory fees may be deducted directly from Client accounts and may

result in increased fees to Client. In all discretionary accounts, except to the extent the Client directs otherwise, we are authorized to use our discretion in selecting or changing a sub-advisor and/or outside money manager to the account without prior approval from a Client. Clients may be required to execute a limited power of attorney with a sub-advisor selected by us. Prior to selecting other advisers to manage client assets, Capstone Wealth Advisors will confirm that the other advisers are properly licensed or registered as an investment adviser.

Stephen Matthew Juetten is the founder of Advisor Exit Guide.

Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading

A Capstone Wealth Advisors has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting Robert T. Norton, at (503) 967-1980 or rob@capstonewealthadvisors.com.

B, C, D We do not own or manage any companies or investments that we advise our Clients to buy.

Capstone Wealth Advisors or individuals associated with our firm may buy and sell some of the same securities for their own account that Capstone Wealth Advisors buys and sells for its Clients. When appropriate, we will purchase or sell securities for Clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases, Capstone Wealth Advisors or representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our Clients. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory Clients while at the same time, allowing employees to invest their own accounts.

Capstone Wealth Advisors will disclose to advisory Clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of Capstone Wealth Advisors shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the

investing public on reasonable inquiry. No person of Capstone Wealth Advisors shall prefer his or her own interest to that of the advisory Client.

2. Capstone Wealth Advisors maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of Capstone Wealth Advisors reviews these holdings on a regular basis.

3. Any individual not in observance of the above may be subject to termination.

Item 12 – Brokerage Practices

A Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, Capstone Wealth Advisors may use its discretion in selecting or recommending the broker-dealer. The Client is not obligated to effect transactions through any broker-dealer recommended by Capstone Wealth Advisors. In recommending broker-dealers, Capstone Wealth Advisors will comply with its fiduciary duty to seek best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order; and
- Any other factors that we consider to be relevant.

Generally speaking, we will recommend that Clients establish brokerage accounts with Charles Schwab ("Schwab"). Schwab is a registered broker-dealer and SIPC member, so long as Schwab continues to meet the above criteria. We work with primarily with Schwab for administrative convenience and also because Schwab offers a good value to our Clients for the transaction costs and other costs incurred.

B Capstone Wealth Advisors may aggregate trades for Clients. The allocations of a particular security will be determined by Capstone Wealth Advisors before the trade is placed with the broker. When practical, Client trades in the same security will be bunched in a single order ("block") in an effort to obtain best execution at the best security price available. When employing a block trade:

- Capstone Wealth Advisors will make reasonable efforts to attempt to fill Client orders by day-end.
- If the block order is not filled by day-end, Capstone Wealth Advisors will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep Client transaction costs to a minimum.
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed.
- All participants receiving securities from the block trade will receive the average price.
- Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment to some or all of Capstone Wealth Advisor's Clients, Capstone Wealth Advisors may deviate from this policy.

Item 13 – Review of Accounts

- A** Accounts are reviewed by Robert T. Norton who is responsible for overseeing all investment advisory activities for the firm. The frequency of reviews is determined based on the Client's investment objectives. Accounts are generally reviewed quarterly, but in any event, no less than annually.
- B** More frequent reviews may be triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in the economic climate.
- C** Investment advisory Clients receive standard account statements from the custodian of their accounts on a monthly basis. Capstone Wealth Advisors also provides Clients with a written report summarizing the account activity generally quarterly, but in any event, no less than annually.

Item 14 – Client Referrals and Other Compensation

From time to time, Capstone Wealth Advisors may pay a fee to individuals or entities which refer Clients to the firm or Capstone Wealth Advisors may receive a fee for referring a client to another advisor. Based on Capstone Wealth Advisors referral arrangements it is incentivized to recommend an advisor for which it has a referral arrangement over other advisors. Capstone Wealth Advisors will at all times meet its fiduciary duty to its clients and only refer clients when it is in the best interest of the client.

Schwab provides Capstone Wealth Advisors with access to Schwab's institutional trading and custody services, which are typically not available to Schwab 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 Schwab. Schwab 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 Capstone Wealth Advisors client accounts maintained in its custody, Schwab 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 Schwab or that settle into Schwab accounts.

Schwab also makes available to Capstone Wealth Advisors other products and services that benefit Capstone Wealth Advisors but may not benefit its clients' accounts. These benefits may include national, regional or Capstone Wealth Advisors specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Capstone Wealth Advisors by Schwab 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 Capstone Wealth Advisors 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 Capstone Wealth Advisors'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 Capstone Wealth Advisors's accounts. Schwab also makes available to Capstone Wealth Advisors other services intended to help Capstone Wealth Advisors 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, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Capstone Wealth Advisors by independent third parties. Schwab 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 Capstone Wealth Advisors. Capstone Wealth Advisors is independently owned and operated and not affiliated with Schwab.

Item 15 – Custody

With the exception of Capstone Wealth Advisor's ability to debit fees, Capstone Wealth Advisors does not otherwise have custody of the assets in the account. Clients provide written authority to have fees debited from their accounts when they review and sign Capstone Wealth Advisor's Investment Advisory Agreement. They also provide the Custodian the authority to release fee payments from their accounts when they sign the custodial account application. Clients shall receive monthly account statements from the Custodian. Clients also receive quarterly statements from Capstone Wealth Advisors that include notification of advisory fee calculations and the debiting from of these fees from client accounts. We urge clients to review the Capstone Wealth Advisors statements carefully and compare these accounts statements with the account statements from the Custodian.

Capstone Wealth Advisors shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a custodian.

Certain client accounts subject to Capstone Wealth Advisors' services may be held at a custodian that is not directly accessible by Capstone Wealth Advisors ("qualified accounts"). Capstone Wealth Advisors may, but is not required to, manage these qualified accounts using the Pontera Platform, allowing Capstone Wealth Advisors to view and manage these assets. To manage qualified assets, you must agree to the Pontera End User Terms and Conditions and Privacy Policy and must further agree to keep Capstone Wealth Advisors apprised of any changes to your usernames and passwords for qualified accounts so that Capstone Wealth Advisors can promptly update your credentials using the Pontera

system. You also must agree to promptly address any requests to update your login credentials when requested by the Pontera system or Capstone Wealth Advisors. In the event of any delay by you to update your login credentials, you must acknowledge in your agreement that Capstone Wealth Advisors will not have access to view or manage your qualified account, which may result in investment losses. Capstone Wealth Advisors will not be responsible for any losses arising from your delays in updating its login credentials through the Pontera system. Capstone Wealth Advisors will be under no obligation to credit any fees for valuations made in good faith during periods when Capstone Wealth Advisors did not have access to any qualified account in calculating its fees under the investment management agreement.

Item 16 – Investment Discretion

Clients may grant Capstone Wealth Advisors ongoing and continuous discretionary authority to execute its investment recommendations in accordance with Capstone Wealth Advisor's Statement of Investment Policy (or similar document used to establish each Client's objectives and suitability), without the Client's prior approval of each specific transaction. Under this discretionary authority, Client allows Capstone Wealth Advisors to purchase and sell securities and instruments in their account(s), arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in matters necessary or incidental to the handling of the account, including monitoring certain assets.

Clients may also grant Capstone Wealth Advisors non-discretionary authority to execute its investment recommendations. Non-discretionary authority requires Capstone Wealth Advisors to obtain a Client's prior approval of each specific transaction prior to executing the investment recommendations.

Item 17 – Voting Client Securities

- A** Without exception, Capstone Wealth Advisors does not vote proxies on behalf of Clients. Additionally, Capstone Wealth Advisors will not provide advice to Clients on how the Client should vote.
- B** Capstone Wealth Advisors does not have authority to vote Client securities. Clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a Client, they will be sent directly to the Client or a designated representative of the Client, who is responsible to vote the proxy.

Item 18 – Financial Information

- A** Capstone Wealth Advisors does not require or solicit prepayment of more than \$500 in fees per client, six month or more in advance.
- B** Capstone Wealth Advisors does have discretionary authority over Client funds or securities, but we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to Clients.

CAPSTONE WEALTH ADVISORS, LLC

Form ADV Part 2A – Firm Brochure

- C** Neither Capstone Wealth Advisors, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past.