



**CAPITAL CITY  
ASSET MANAGEMENT GROUP, LLC**

**Customized Discretionary Asset Management Program**

**Advisory Services Brochure ADV Part 2A**

This brochure provides information about the qualifications and business practices of Capital City Asset Management Group, LLC. If you have any questions about the contents of this brochure, please contact us at 614-485-0803 and or [www.capitalcitypartners.com](http://www.capitalcitypartners.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 Capital City Asset Management Group, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration does not imply that a certain level of skill or training is required.

**Capital City Asset Management Group, LLC**

**1335 Dublin Road, Suite 122-D, Columbus, Ohio 43215**

**Phone: 614-485-0803 Toll Free: 866-485-0803 Fax: 614-486-4774**

**[www.capitalcitypartners.com](http://www.capitalcitypartners.com)**

## **Material Changes:**

The items stated below are material changes that have taken place since our last annual update of our brochure in 2016.

Capital City Asset Management Group, LLC is/has moved from SEC Registration to State Registration.

The ADV 2A Brochure and the Fee Agreement for services in past Brochures were combined in one document now they are two separate documents.

The Management Fee Schedule and Compensation has been modified.

# Table of Contents

Advisory Business Overview . . . . .	4
Management Fee Schedule and Compensation . . . . .	5
Performance Based Fees . . . . .	7
Types of Clients . . . . .	7
Methods of Analysis, Investment Strategies and Risk of Loss . . . . .	7
Disciplinary Information . . . . .	9
Other Financial Activities and Affiliations . . . . .	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Brokerage Practices . . . . .	11
Review of Client Accounts . . . . .	12
Client Referrals and Other Compensation . . . . .	12
Custody . . . . .	12
Investment Discretion. . . . .	12
Voting Client Securities . . . . .	13
Financial Information & Other Contractual Matters . . . . .	13
Requirements for State-Registered Advisors. . . . .	14
Notes . . . . .	15

## ADVISORY BUSINESS OVERVIEW

Capital City Asset Management Group, LLC (CCAMG) is a wholly owned subsidiary of Capital City Partners, Inc. and has been providing discretionary investment advisory services for investment portfolios since 2005.

CCAMG's principal business is to provide investment advice and services to clients who are typically individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. As of December 31, 2016 CCAMG managed over \$35,800,000.00 in discretionary assets.

Our Investment Advisor Representatives construct and manage customized investment portfolios based on the particular goals of the client for each of their investment portfolios taking into account client facts and information such as: client mandated restrictions on investing in certain types of securities, income needs, liquidity requirements, investment time horizon, investment return objective, tax considerations, client restrictions, risk tolerance and existing investments. CCAMG also offers comprehensive financial planning services for individuals and businesses. Planning services included retirement, estate, college, wealth accumulation, financial protection and more.

Our Investment Advisor Representatives use an array of investment vehicles including, but not limited to: equity securities: exchange listed securities, securities traded over-the-counter, foreign issues, warrants, corporate debt securities, certificates of deposits, municipal securities. Investment company securities: variable life insurance, variable annuities, mutual fund shares, United States Government securities, option contracts, partnerships, hedge funds, private placements, insurance contracts and separately managed accounts. CCAMG may employ nonaffiliated Registered Investment Advisors to manage all or part of a client's portfolio. The selection of these nonaffiliated Registered Investment Advisors is based on the client's needs and the Investment Advisor's expertise. They also must be a SEC or State registered investment advisor. They may also employ specific investment strategies such as: long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, option writing (including covered options, uncovered options or spreading strategies) and alternative investments (should they meet the specific goals and risk tolerance of the particular investment portfolio).

Depending on the particular security and/or investment strategy, your Investor Advisor Representative may employ a variety of security analysis methods including charting, fundamental, technical, cyclical and statistical analysis. They may also consult a wide range of information to analyze and execute investment strategies such as: financial newspapers and magazines, inspections of corporate activities, third party research materials, corporate rating services, timing services, annual reports, prospectuses, regulatory filings, company press releases and the internet.

To provide clients with the broadest range of investment products and services possible, your Investment Advisor Representatives may be licensed with our affiliated Broker/Dealer, Capital City Securities, LLC, member Financial Industry Regulatory Authority (FINRA), Securities Investor Protection Corporation (SIPC) and licensed Municipal Securities Rulemaking Board (MSRB) and Capital City Insurance Group, LLC to provide products and services not available through Capital City Asset Management Group, LLC. Your Investment Advisor Representative may receive compensation for the placement of the Broker/Dealers' and/or Insurance Agency's products and/or services.

Other affiliated companies of Capital City Asset Management Group, LLC from time to time may create, package and are the general partners of limited partnerships, which at times may be solicited and placed in client accounts. Your Investment Advisor Representative may receive compensation for these products and services. Capital City Partners, Inc. wholly owned subsidiaries include Capital City Asset Management Group, LLC, Capital City Securities, LLC, Capital Insurance Group, LLC, and Capital City Consulting Group, LLC.

## MANAGEMENT FEES and COMPENSATION

Advice, management and financial planning services may be based on an agreed hourly rate, flat fee or percentage of assets managed. At times there may be additional charges for agreed upon expenses incurred by the Advisor for travel and etc. Financial Planning fees range from no cost for minimal advice to as much \$5,000.00 for a complete individual's financial plan; business planning costs can range from no cost for minimal advice to \$100,000.00 or more for complex planning. Financial planning hourly rates range from \$150 to \$300 per hour depending on the experience and expertise of the planner and does not include 3<sup>rd</sup> party legal, accounting and other experts. Financial planning fees are billed separately from other fees and services. As follows is the maximum fees charged for asset management services. Fees charged are negotiable and may be lower but no higher than the amounts stated below. If a client has more than one account with CCAMG, all account balances may or may not be aggregated depending on the management services provided to each individual account to determine the rate scale.

**For clients paying a fee equivalent to a percent of assets under management (AUM), charged on a quarterly basis:**

Client agrees to pay Advisor an Investment Advisory Fee for its investment advisory services, determined, calculated and payable as follows.

The Investment Advisory Fee is based on a percentage of Client's assets that Advisor managed and is calculated and charged in accordance with the following fee schedule:

<u>Assets under Management</u>	<u>Annualized Fee</u>	<u>Florida Residence</u>
\$0.00 - \$250,000	2.9% or less	2.0% or less
\$250,001 - \$500,000	2.5% or less	2.0% or less
\$500,001 - \$1,000,000	2.0% or less	2.0% or less
\$1,000,001 - \$2,000,000	1.5% or less	1.5% or less
\$2,000,001 - \$5,000,000	1.0% or less	1.0% or less
\$5,000,001 and above	0.75% or less	0.75% or less

CCAMG bills after portfolio management services are provided. New accounts will be pro-rated based on the account value at the end of the first quarter under management, the management percentage charge agreed to and the number of days the account was under management in the quarter. Thereafter, the fee will be based on the account value on the last business day of the preceding calendar quarter, and will cover the preceding calendar quarter.

If the client terminates this agreement within five business days of its signing, the client will not be billed. If this agreement is terminated after five business days of its signing, any fees will be prorated. Any fees incurred due to transferring accounts to and from third party custodians are beyond the control of CCAMG, thus are not refundable by CCAMG. CCAMG will impose no start-up, closing, or penalty fees in connection with an account; however, the custodian may charge some or all of these fees.

Fees are billed at the end of each quarter, at  $\frac{1}{4}$  (one fourth) of the annual rate. Fees are deducted from each client account unless otherwise stated in the client's Investment Advisory Agreement. In the Investment Advisory Agreement the client may specify which account(s) will have all fees due deducted and or fees paid by check. Upon termination of an Investment Advisory Agreement fees due are deducted from the client's account(s).

During the calendar quarter, CCAMG is not compensated on the basis of a share of capital gains, capital appreciation of the funds or any portion of the funds of the client. There may be instances where the client portfolio includes a product which may pay the referring Investment Advisor a portion of expenses and/or fees charged by the investment each year.

No fee adjustments will be made for additional contributions or for account appreciation or depreciation within a billing period.

A pro-rata fee will be charged if an account is closed within a billing period based on the account balance when the account is closed and the number of days managed in the quarter.

CCAMG's fees do not include commissions and transactions charges; they are in addition to CCAMG's portfolio management fees.

All advisory fees are separate from the fees and expenses charged by each hedge fund, mutual fund, insurance company and other investments for their services and products. These fees and expenses are described in the prospectus or offering documents of each investment. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the investment also imposes a sales charge, then the client may pay an initial or a deferred sales charge. A client could invest in hedge funds, mutual funds, annuities and/or life insurance policies and other investments directly, without the services of CCAMG. Accordingly, the client should review both the fees charged by the hedge funds, mutual funds, insurance companies and other investments, as well as the fees charged by CCAMG to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

The following practices present conflicts of interest and gives CCAMG and or it's supervised persons an incentive to recommend investment products based on compensation received and or the supervised persons ownership interest, rather than on a client's needs. Some of CCAMG supervised persons may accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds and other investments. Capital City Asset Management Group, LLC is a registered investment advisory firm, Capital City Consulting Group, LLC engages in investment banking activity, Capital City Insurance Group, LLC, is an insurance agency and Capital City Securities, LLC is a FINRA, SIPC & MSRB securities broker-dealer all are wholly owned subsidiaries of Capital City Partners, Inc. Todd Crawford CEO of CCAMG and Timothy Shear Senior Vice President of CCAMG are beneficial shareholders, board of director members and Timothy Shear CEO and Todd Crawford Chairman of the Board of Directors of Capital City Energy Group, Inc., a public company. Your Advisor may recommend an investment in or a product from one or more of the above mentioned affiliated companies. This may create a conflict of interest between you and your Advisor, as your Advisor may have an ownership interest in some or all of the above mentioned affiliated companies and or receive commissions and or fees from these companies. The client may have the option to purchase the products CCAMG recommends through other brokers or agents that are not affiliated with CCAMG. CCAMG does not reduce advisory fees to offset commissions and or mark ups paid by the client. For some clients seeking advice and/or financial planning services it may be possible that more than 50% of the revenue derived from an advisory client would be the result of commissions and other compensation for the sale of investment products recommend by CCAMG to the client from insurance products, distribution fees for the sale of mutual funds and other investment products.

No increases to this fee schedule will be permitted without prior written notice from CCAMG.

The client authorizes CCAMG to bill the Custodian the fees described above and the client authorizes the Custodian to pay CCAMG directly.

All fees will be invoiced and paid as directed in the agreed upon fee schedule however if fees to be paid by check are not paid to CCAMG in a timely manner CCAMG may bill the Custodian directly. A copy of each quarterly invoice will be sent to the client by first class mail with the exact amount of the withdrawal, and the specific manner or basis on which the fee has been calculated. In addition, if applicable, the Custodian of each account shall receive a statement of the exact amount of proposed withdrawals. The management fee will be deducted by the Custodian on a quarterly basis and paid to CCAMG, unless otherwise noted in the Investment Advisory Agreement.

Some Custodians of Broker/Dealers for the accounts of clients in CCAMG's Customized Discretionary Asset Management Program may charge maintenance or transaction fees that are separate from the advisory fees charged by CCAMG for its advisory services. The custodian of the client's account, which may be a broker dealer, IRA custodian, mutual fund, insurance company and or another third party, may provide confirmations with each transaction and statements either monthly or quarterly.

**Other Fees** - CCAMG's management fee is payment for management of the accounts by CCAMG. Any transfer fees, transaction fees, redemption fees, sales loads, wiring fees, etc. charged against an account are separate from the CCAMG management fee, and will be deducted from the account by the custodian or added to the client's fees due.

CCAMG employs Investment Advisor Representatives (IAR) and may use solicitors. A solicitor typically gathers information from the client about the client's financial situation and investment objectives, periodically reviews reports provided to the client and consults with the client. The solicitor contacts the client periodically to review with the client the client's financial situation and objectives. Then communicates information to CCAMG as warranted and assists the client in understanding and evaluating the services provided by CCAMG. Clients may also contact CCAMG directly. Fees paid to solicitors may be up to 50% of the annual advisory fee charged by CCAMG. All fees, as well as the participation of any solicitor, are disclosed in the "Solicitor Disclosure Statement" that is given to and signed by each client involved in a transaction in which some of the advisory fee is paid to a solicitor. Client advisory fees are not increased because of the solicitor arrangements; the compensation for the solicitor is paid entirely by CCAMG. No additional fees are charged where CCAMG licensed Investment Advisor Representatives are involved in the solicitation of clients. CCAMG pays such representatives from its clients' advisory fees. CCAMG may also choose to engage a consultant who would be paid a stated dollar amount, for a stated time period to introduce CCAMG to prospective clientele.

## **PERFORMANCE BASED FEES**

CCAMG does not charge performance based fees however CCAMG and/or supervised persons may accept performance-based fees from a third party asset manager. These fees are based on a share of capital gains on or capital appreciation of the assets of a client invested in a hedge fund or other pooled investment vehicle. This creates a conflict of interest in that CCAMG or its' supervised persons have an incentive to favor investments for which CCAMG or its' supervised persons receives a share of the performance based fee for that investment. These types of investments are allowed if they are suitable for the client's portfolio. The performance based fees are in addition to fees charged by CCAMG.

## **TYPES of CLIENTS**

CCAMG's principal business is to provide investment advice and services to clients who are typically individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. There is no minimum account size for opening and maintaining an account with CCAMG. Any requirements for opening or maintaining accounts such as a minimum account size are at the discretion of the portfolio manager.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Investing in securities involves risk of loss that clients should be prepared to bear. Some investments and investment strategies involve a high degree of risk where it is possible to lose your entire investment. Some investments have limited or no liquidity for an extended period of time and therefore an investor should be able to have the financial resources to bear this illiquidity. Past performance in an investment or investment strategy is no guarantee of future performance.

Capital City Asset Management Group, LLC ("CCAMG") advisors, analyze, construct and manage custom investment portfolios based on the particular goals and objectives of each client. Each client's objective

takes into account facts and information such as: income needs, liquidity requirements, investment time horizon, targeted rate of return, tax considerations, risk tolerance and existing investments. Our advisors may use a variety of investment vehicles, including but not limited to, equity securities, warrants, debt securities, certificates of deposits, municipal securities, investment company securities, United States government securities, option contracts, partnerships, hedge funds, private placements, insurance contracts and third party separately managed accounts. Your account(s) may be managed in one or more of the following strategies.

**Contrarian Strategy** is a "contrarian" approach. One's tolerance to volatility will dictate the ratio of equity to fixed income in the portfolio. The mix will contain, but is not limited to, value stocks, preferred stocks and discounted bonds. The portfolio is actively managed, utilizing up to five strategies, including fundamental and technical analysis. These portfolios could have over a 100% turnover of investments in two to three years, depending on the market. This will increase transaction costs and may increase taxes.

**Tactical Asset Allocation Strategy** is a tactical asset allocation portfolio which utilizes Modern Portfolio Theory. The strategy of this asset management service is to construct a diversified portfolio from a wide range of different asset classes to manage risk based on the client's liquidity needs, risk tolerance and objectives. The portfolio's custom asset allocation model takes into account expected rate of return, standard deviation and correlation of the various asset classes utilized as well as over weighting specific asset classes that are expected to outperform the general market and/or their asset class and under weighting or short selling specific asset classes that are expected to underperform the general market and/or their asset class. Tactical asset allocation portfolio management may be utilized in a wide variety of investment types and investment vehicles including, but not limited to, brokerage accounts, qualified accounts, insurance products such as variable life and variable annuity contracts, self-held investments, publicly traded securities, derivatives, private debt and equities. At times, we also employ hedging strategies such as options and/or stop loss sell orders to protect gains and minimize potential losses. Depending on the mix of assets in the portfolio there may be higher risk, costs, volatility, and tax consequences.

**Value Investing Strategy** The value investing discipline utilizes Modern Portfolio Theory models in providing clients with broad-based diversification, as well as strategic asset concentrations where economically advantageous market segments encourage this orientation. This approach seeks to further mitigate risk by acquiring investment interests in sound businesses at prices we believe are below their intrinsic values. Portfolio construction is typically built upon a screened base of mutual funds and or exchange traded funds (ETFs) that have historically outperformed their respective benchmarks. Additionally, strategic holdings in publicly traded, individual securities, private equity and other instruments are employed in prudent allocations, where our analysis suggests significant potential for market out-performance. This screening and analysis of investments, with an emphasis on sound fundamentals, seeks always to invest in a manner consistent with practices pioneered by Benjamin Graham in the 1930s and keenly sharpened by Warren Buffet and others more recently. Due to our size and independent market positioning, investments are available to our clientele that may be undetected and or unavailable by larger financial service organizations. Depending on the mix of assets in the portfolio there may be higher risk, costs, volatility, and tax consequences.

**Dynamic Money Management Strategy** monitors daily movements, trends, signals and indicators in the financial markets and switches client assets between money market, mutual funds, sub accounts or exchange traded funds (ETF). Many of the funds used may be leveraged and or are valued inversely to market movements to enhance the portfolios return. Clients participating in this timing service are placed in selected funds in accordance with the clients' investment policy parameters. Investment parameters are documented and detailed in discussions with clients concerning risk tolerance and financial situation. This strategy can also be deployed in brokerage accounts, direct mutual fund accounts, select variable annuity and variable life insurance contracts. Frequent trading will increase transaction costs and may increase taxes. This strategy involves a high degree of risk and volatility. These accounts must have investment objectives that are aggressive or speculative.



## DISCIPLINARY INFORMATION

When Investment Advisor Representative, Mr. David Gilg was employed by Chase Investment Services he was found guilty of a non-industry related felony on 09/04/2010. Related to this event, Mr. Gilg was suspended by FINRA for 30 days from association with any FINRA member which was completed on 1/14/2014. When Investment Advisor Representative Mr. Clint Keener was employed by Stifel & Nicolaus he was found by the State of Ohio Division of Securities and FINRA to have made unsuitable trade recommendations, incorrectly marking order tickets and using verbal discretion not written authorization when making some trades. Mr. Keener was suspended 10 days from all industry related activities ending 2/28/2011 by the state of Ohio and 2 months by FINRA from all industry related activities ending 10/15/2010. When Investment Advisor Representative Norbert Enslen was employed by Morgan Stanley, the American Stock Exchange found that he failed to aggregate multiple odd lots into round lots in accounts in which he had an interest. This matter was resolved on 2/19/2005. Mr. Enslen also consented to an order revoking his registration in Illinois at that time.

## OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS

CCAMG Investment Advisor Representatives (IAR) typically are Register Representatives of Capital City Securities, LLC (CCS). CCS is an affiliated broker-dealer who charges CCAMG clients a transaction cost for entering trades in CCAMG client accounts held with CCS. Some CCAMG IARs are licensed agents with Capital City Insurance Group, LLC and receive commissions built into insurance products; these transactions are reviewed individually for suitability. Some CCAMG IARs are consultants with Capital City Consulting Group, LLC and may receive fees from companies that CCAMG recommends to its clients. CCAMG IARs from time to time may place a limited partnership from an affiliated management, related person or entity. CCAMG may recommend to its clients that they buy or sell proprietary products such as private placements in which an affiliate is a sponsor or a manager, in which case a private placement memorandum is provided along with subscription documents that must be executed by the client for a purchase to be made. These securities/investments are disclosed to the client in writing and acknowledged verbally by the client. Securities of companies with which affiliates of the CCAMG have an investment banking and/or consulting agreement are acknowledged verbally and in writing. If another investment advisor is recommended and or selected their fee is included in the fee CCAMG charges the client. Todd Crawford CEO of CCAMG and Timothy Shear Senior Vice President of CCAMG are beneficial shareholders, board of director members and Timothy Shear CEO and Todd Crawford Chairman of the Board of Directors of Capital City Energy Group, Inc., a public company. Douglas Pauly a CCAMG IAR is also a CPA and owns and operates Pauly Accounting and Payroll. Clint Keener a CCAMG IAR owns and operates Keener Wealth Management. Alva R. Royston, Sr. a CCAMG IAR owns and operates A. Randall Financial. Shyam Mayadev owns and operates Mayadev Pension and Financial Services, he offers retirement and trust asset organizing, reporting, and administration services. Mr. Mayadev also offers estate planning and risk management solutions through Shyam Mayadev ChFC, CLU & Associates. All of the preceding described businesses that create a conflict of interest and gives CCAMG and or its supervised persons an incentive to recommend services and/or investment products based on compensation received and or the supervised persons ownership interest, rather than on a client's needs.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A.) Responsibility. It is expected that all supervisory personnel, access persons, solicitors and employees conduct business with the highest level of ethical standards, keeping in mind at all times the Company's fiduciary duties to its clients, to comply with Federal securities laws and to report any violations of the Code of Ethics to the Chief Compliance Officer (CCO) as soon as the violation is discovered. The CCO will be responsible for having each supervised/access person sign a written acknowledgement of their receipt of the Company's current Code of Ethics (Code) and any amendments thereto (see Supplement Section for sample Acknowledgement receipt). A copy of such receipt will be kept in the supervised/access person's employment file. Furthermore, the CCO will be responsible for maintaining and enforcing the

Company's Code, recording any violation of the Code and any actions taken as a result of any violation, and reporting any violation of the Code to the senior management of the Company.

B.) Duty to clients. The Company has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, and to refrain from having outside interests that conflict with the interests of its clients and to disclose any conflicts if they do exist. The Company is committed to avoid circumstances that might adversely affect its duty of complete loyalty to its clients.

C.) Privacy of Client Financial Information. The Company will not disclose any nonpublic personal information about a client to any nonaffiliated third party unless the client expressly gives permission to the Company to do so or required by law. In writing, the client must grant or deny such permission to the Company. A copy of the permission/denial document will be kept in the client file.

D.) Prohibited Acts. The Company, or any of its supervised persons, access persons, or employees will not:

1. Employ any device, scheme or artifice to defraud;
2. Make any untrue statement of a material fact;
3. Omit to state a material fact that is necessary in order to make a statement, in light of the circumstances under which it is made, not misleading;
4. Engage in any fraudulent or deceitful act, practice or course of business; or,
5. Engage in any manipulative practices.

E.) Conflicts of interest. The Company has a duty to disclose potential and actual conflicts of interest to their clients. All supervised persons, access persons and solicitors have a duty to report potential and actual conflicts of interest to the CCO. Gifts (other than de minimis gifts, which are usually defined as having a value under \$100.00) should not be accepted from persons or entities doing business with the Company.

F.) Use of Disclaimers. The Company shall not attempt to limit liability for willful misconduct or gross negligence through the use of disclaimers.

G.) Suitability. The Company shall only recommend those investments that it has reasonable basis for believing are suitable for a client, based upon the client's particular situation and circumstances. In addition, clients should be instructed to immediately notify the Company of any significant changes in their situation or circumstances so that the Company can respond appropriately.

H.) Duty to Supervise. Advisors Act Section 203(e) (5). The CCO is responsible for ensuring adequate supervision over the activities of all persons who act on the Company's behalf. Specific duties include, but are not limited to:

1. Establishing procedures that could be reasonably expected to prevent and detect violations of the law by its advisory personnel;
2. Analyzing its operations and creating a system of controls to ensure compliance with applicable securities laws;
3. Ensuring that all advisory personnel fully understand the Company's policies and procedures; and
4. Establishing an annual review system designed to provide reasonable assurance that the Company's policies and procedures are effective and are being followed.

I.) Personal Securities Transactions. The Company's policies and procedures governing personal security transactions are that each transaction must be fully disclosed in complete detail, in writing within 30 days of the end of each quarter. The Company requires a complete report of each access person's security holdings, at the time the person becomes an access person, and at least once a year thereafter. The holdings report must be current as of a date not more than 45 days prior to the individual becoming an access person. The CCO must pre-approve (or disapprove) all personal securities transactions in writing in an initial public offering or a private placement. CCAMG and its Advisors may recommend to clients the purchase or sale of a security that CCAMG, Advisor or related parties may own. If a supervised or related person of CCAMG buys or sells a security for themselves that is to be bought or sold for clients that day they must be last to buy and last to sell said security that day. Owning the same securities as clients creates a conflict of interest in that CCAMG and or its Advisor may pay a higher price to buy a security and receive a lower price selling a security because they are required to be last in and last out during any trading day. The following practices present conflicts of interest and gives CCAMG and or its supervised persons an incentive to recommend investment products based on compensation received and or the supervised persons ownership interest, rather than on a client's needs. Some of CCAMG supervised persons may accept compensation for the sale of securities or other investment products, including asset

based sales charges or service fees from the sale of mutual funds and other investments. Your Advisor may recommend an investment in or a product from one or more affiliated companies. This may create a conflict of interest between you and your Advisor, as your Advisor may have an ownership interest in some or all of the affiliated companies and or receive commissions and or fees from these companies. The client may have the option to purchase the products CCAMG recommends through other brokers or agents that are not affiliated with CCAMG. CCAMG does not reduce advisory fees to offset commissions and or mark ups paid by the client. CCAMG endeavors to recommend no load, load waved, commission free products and services when practical and available.

CCAMG will provide a copy of our Code of Ethics to any current or prospective client at their request.

## **BROKERAGE PRACTICES**

CCAMG endeavors to select those broker/dealers and custodians, which provide the appropriate product, and services at competitive prices. The reasonableness of the costs of brokerage and custodian services, commissions and related services is based on the broker/dealers' and custodian's abilities to provide compliance, professional services, research, competitive rates and related services which assist CCAMG in providing investment management services to our clients. CCAMG believes that the transaction costs, commission rates and any other fees charged are comparable to those that could be obtained from other brokers providing those services. The portfolios managed by CCAMG are typically accounts held by Capital City Securities, LLC an affiliated broker/dealer, mutual fund companies, insurance companies and other third party custodians. CCAMG has evaluated these firms, determined that through a combination of efficiencies, and cost effectiveness these firms are able to execute, settle and maintain client positions. They also provide additional compliance, administrative services and offer very competitive professional services in the marketplace for the advisory services provided by CCAMG. Some custodians, broker dealers and or other third parties that CCAMG recommends provide research and other soft dollar benefits at no charge to CCAMG this may create a conflict of interest. This conflict is due to the fact that CCAMG may have an incentive to select or recommend a broker dealer, custodian or other third party based on CCAMG's interest in receiving the research or other products or services at no charge, rather than on the clients' interest in receiving the most favorable execution. CCAMG receives research from RBC Capital Markets one of our recommended custodians. This research includes proprietary and third party research that we would otherwise have to purchase as well as advice on operations and administration. We use these benefits to service all of our client accounts however this may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers.

CCAMG minimizes commissions whenever possible however it does pass on the costs of ticket charges, transaction charges and custodian fees to its clients who participate in the CCAMG "Customized Discretionary Asset Management Program". Brokerage commissions and all other charges are passed on to the clients if they select their own broker/dealer. Certain investment products have built-in commissions that cannot be minimized and are therefore paid by clients.

The client appoints a separate custodian (the Custodian) to take possession of the cash, securities, and other assets in the client's account. As a result, CCAMG will have no access to the assets in the account or to the income produced there from and will not be responsible for any acts or omissions of the Custodian.

The Custodian shall send to the client, at least quarterly, a statement indicating all amounts disbursed from the account (including the amount of any fees paid to CCAMG pursuant to the client's agreement and authorization), all transactions occurring in the account during the period covered by the statement, and a summary of the account positions and portfolio value at the end of the period. The client also agrees to direct the Custodian to send copies of the account statements to CCAMG.

In the event that the client directs CCAMG to use a particular custodian or broker/dealer, the client will be responsible for all costs associated with this relationship. CCAMG may not be authorized under those

circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct CCAMG to use a particular broker/dealer and other clients who do not direct CCAMG to use a particular broker/dealer.

Aggregate purchases and sales of securities in client accounts are at the discretion of the portfolio manager. When orders are not aggregated that could be aggregated this may cause a client to pay more for a security than they would if their purchase or sale was aggregated with other clients making the same purchase or sale of a security.

## **REVIEW OF ACCOUNTS**

Account values are reviewed on a quarterly basis for their overall values and accuracy when quarterly billing statements are prepared and then sent to clients. This is completed by CCAMG management and each individual portfolio manager for the accounts and clients they are responsible for. Individual client accounts are reviewed from time to time when purchases and sales of securities are made in the account by the portfolio manager. Compliance and or selected administrative personnel review accounts at least once per twelve month period for adherence to investment objectives and risk tolerance. Clients are provided written account statements quarterly that reflect the total value of each of their individual accounts managed by CCAMG. Qualified custodians such as broker dealers, insurance companies and etc. send quarterly, or more frequent, account statements directly to CCAMG clients. CCAMG clients should carefully review those statements and compare them to the quarterly billing account statement provided by CCAMG.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

CCAMG does not accept sales awards or other prizes for providing investment products to its clientele. CCAMG does not currently compensate third parties or solicitors for client referrals.

## **CUSTODY**

Clients are provided written account statements quarterly by CCAMG that reflect the total value of each of their individual accounts managed by CCAMG. Qualified custodians such as broker dealers, insurance companies and etc. send quarterly, or more frequent, account statements directly to CCAMG clients. CCAMG clients should carefully review those statements and compare them to the quarterly billing account statement provided by CCAMG.

## **INVESTMENT DISCRETION**

The client grants CCAMG the authority to invest and/or reinvest the assets on the client's behalf without prior consultation from the client (discretionary basis), subject to the client's stated investment objectives and any other specific written client instructions. Investment products that require signatures of the client for their purchase such as private placements, insurance contracts and etc. must be approved and executed by the client because CCAMG does not require the execution of a power of attorney and therefore cannot sign on behalf of the client.

CCAMG will invest in the investment types listed in ADV Part 2 which include, but are not limited to: equity securities: exchange listed securities, securities traded over-the-counter, foreign issues, warrants, corporate debt securities, certificates of deposits, municipal securities. Investment company securities: variable life insurance, variable annuities, mutual fund shares, United States Government securities, option contracts, partnerships, hedge funds, private placements, insurance contracts and separately managed accounts. Partnerships, private placements, hedge funds, and insurance contracts may have limited or no liquidity for long periods of time.

The client authorizes CCAMG to take any necessary action in connection with the opening and maintenance of the client's account as well as for the completion and payment of transactions for the account.

CCAMG will make investment decisions for the client's account according to the client's investment objectives and financial circumstances as described in the Client Information & Investor Profile.

The client agrees to promptly inform CCAMG if the information provided in the Client Information & Investor Profile materially changes and to consult with CCAMG to provide updated information on an annual basis.

Investment management services include investment advice, executions and quarterly fee invoices.

CCAMG shall use all reasonable efforts to increase the value of the account, but CCAMG cannot guarantee any increase in the account value, or that there will not be a decrease in the account value. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future performance.

There are no restrictions on the ability of clients to contact and consult with portfolio managers, unless clearly specified by the manager.

#### **VOTING CLIENT SECURITIES**

CCAMG is not required to take any action or render any advice with respect to the voting of proxies regarding the issuers of securities held in Client's account except as may be directed by Client or otherwise required by law. Client is responsible for all decisions concerning the voting of proxies for securities held in his or her account, and Advisor cannot give any advice or take any action with respect to the voting of these proxies. Also, Advisor shall have no responsibility to render legal advice or take any legal action on Client's behalf with respect to securities then or previously held in the account or the issuers thereof, that become the subject of legal proceedings, including bankruptcy proceedings or class actions. Client remains responsible for: (i) directing the manner in which proxies solicited by issuers of securities will be voted; and (ii) making all elections relating to mergers, acquisitions, tender offers, bankruptcy proceedings and other events pertaining to the securities in the account.

Advisor will instruct the Custodian to forward copies of all proxies and shareholder communications relating to the assets in the account, including information concerning legal proceedings or corporate actions involving securities in the account to Client and not Advisor. The Custodian, and not Advisor, is responsible for timely transmission of any proxy materials to Client.

#### **FINANCIAL INFORMATION AND OTHER CONTRACTUAL MATTERS**

CCAMG does not require or solicit prepayment of fees from its clients

This agreement represents CCAMG's entire understanding with regard to the matters specified herein and any changes must be made in writing. If any part of this agreement is found to be invalid or unenforceable, it will not affect the validity or enforceability of the remainder of this agreement. This agreement will be interpreted under the laws of the State of Ohio, without reference to principles of conflict of laws, provided that there is no inconsistency with federal laws.

CCAMG cannot assign this agreement without your written consent.

This agreement may be terminated by either party at any time without penalty upon written notice.

Such termination shall not affect liabilities or obligations incurred or arising from transactions initiated under this agreement prior to such termination.

Upon termination, it is the account owner's responsibility to monitor the securities in the account and CCAMG will have no further obligation to act or give advice with respect to those assets.

At no time shall CCAMG or its representatives have access to the funds of the client except to withdraw fees.

CCAMG does not accept or maintain custody of client assets.

CCAMG will endeavor, to the best of its ability, to exercise good faith and diligence in the execution of its duties. However, the client recognizes that there may be loss or depreciation of the value of any investment due to the fluctuation of market values and other factors. CCAMG shall not be liable for any error in judgment and/or for any investment losses in the client's account in the absence of malfeasance, negligence, or violation of applicable law. Nothing in this agreement shall constitute a waiver or limitation of any rights which the client may have under applicable state or federal law.

CCAMG is permitted to amend this agreement by notice to the client, with the amendment becoming effective 30 days (90 days if it is an increase in the fee schedule) after notice of the change unless the client elects to terminate the agreement.

Any notice or other communication required or permitted to be given pursuant to this agreement shall be deemed to have been duly given when delivered in person, sent by facsimile, sent by overnight courier, or three days after mailing by first class mail (postage prepaid). All notices or communications to CCAMG should be sent to CCAMG's main address. All notices or communications pertaining to the account from CCAMG will be sent to the client at the address contained on their most recent account information form. All notices or communications pertaining to the account from the Custodian will be sent to the client at the address of record on their account statements.

## **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Todd E. Crawford is the Chief Executive Officer, Chief Investment Officer and Chief Compliance Officer, born November 22, 1958. He attended The Ohio State University from 1978 to 1982 and majored in Economics. He holds FINRA Series 7 Full Registration/General Securities Representative, Series 24 General Securities Principal Registration, Series 63 Uniform Securities Agent State Registration, Series 65 Uniform Investment Advisor Registration, Series 99 Operations Professional Registration, Series 79 Investment Banking Representative Registration and the State of Ohio Department of Insurance Life, Health, Accident and Annuity licenses. Todd's Investment Advisory career spans over 28 years helping clients achieve their investment goals. His in depth experience managing assets makes him uniquely qualified to manage aggregated customized investment portfolios. In 2002, Todd co-founded Capital City Asset Management Group, LLC, formerly American Wealth Preservation Group, in order to offer independent investment and consulting services to businesses and high net worth individuals. Previously, Todd was an Investment Consultant for McDonald Investments Inc., formerly a KeyCorp Company, acquired by U.B.S. There he was the investment specialist for a group of financial professionals that consulted high net worth individuals and businesses on appropriate solutions for their investment, banking and insurance needs. Todd began his financial career in 1988 with Jefferson Pilot Financial Services, Inc. as a financial planner. The following year he joined Banc Stock Financial Services, Inc., a wholly owned subsidiary of The Banc Stock Group (now Diamond Hill Investment Group, Inc.) as a registered representative. There he managed primarily fee based equity investment portfolio accounts for companies and high net worth individuals. He also worked in the investment banking division placing first and secondary offerings for Banks and Thrifts in the United States.

Todd E. Crawford business activities: Todd is CEO of Capital City Partners, Inc. a holding company for financial service companies, located at 1335 Dublin Road, Suite 122-D, Columbus, OH 43215. He started in December 2007 and works approximately 15 hours per month rarely during trading hours. Capital City

Consulting Group, LLC is an investment banking company located at 1335 Dublin Road, Suite 122-D, Columbus, OH 43215. Todd is the managing partner since October 2009. He works approximately 40 hours per month rarely during trading hours. Capital City Energy Group, Inc. is a public oil and natural gas exploration and production company. It is located at 1335 Dublin Road, Suite 122-D, Columbus, OH 43215. Todd has been Chairman of the Board of Directors since February 2010. He works approximately 40 hours per month rarely during trading hours. Capital City Insurance Group, LLC is an insurance agency offering life, health and annuities located at 1335 Dublin Rd., Suite 122-D, Columbus, OH 43215. Todd has been an officer of the company since December of 2007. He works 12 hours per month rarely during trading hours. Capital City Asset Management Group, LLC located at 1335 Dublin Road, Suite 122-D, Columbus, OH 43215 is an investment advisory company offering fee based asset management and financial planning services. Todd is the CEO beginning in May 2002 (formerly known as American Wealth Preservation Group, Ltd.) He works approximately 80 hours per month and approximately 3.5 hours per day during trading hours. Capital City Securities, LLC located at 1335 Dublin Road, Suite 122-D, Columbus, OH 43215 is a FINRA, SIPC, MSRB broker dealer offering securities and investments. Todd is the President beginning in January 2008. He works approximately 80 hours per month and 3.5 hours per day during trading hours.

If CCAMG or one of its IARs recommends a performance-based fees investment product such as a hedge fund or pooled investment the performance based fee will be disclosed to the client. Further, performance-based compensation investment products may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

The following investment advisor representatives will not be providing investment advisory services to New York residences do to disclosable events. David Thomas Gilg, regulatory action (30) day suspension and criminal conviction (not industry related) of 2/11. Clint H. Keener, (2) month suspension with \$75,000 fine and (1) day suspension. Peter Martin Fuhlbrigge, (2) judgement liens outstanding. Norbert William Enslen, revocation 3/21/06 and (90) days suspension with \$50,000 fine.

If you have any questions about the contents of this brochure, please contact CEO, Todd Crawford at 614-485-0803 and/or [www.capitalcitypartners.com](http://www.capitalcitypartners.com).

## **NOTES**