

**Form ADV Part 2B – Brochure Supplement
Item 1: Cover Page
July 2016**

Brian Kraus

**Kraus Capital Management, LLC
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www.krauscapital.com**

This brochure supplement provides information about Brian Kraus that supplements our brochure. You should have received a copy of that brochure. Please contact Brian Kraus, Chief Compliance Officer if you did not receive Kraus Capital Management's brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Kraus is available on the SEC's website at www.adviserinfo.sec.gov by searching CRD #3186444.

Item 2: Educational Background & Business Experience

Brian Kraus

Year of Birth: 1970

Educational Background:

- 1998: Columbia College; B.A. Business Administration

Business Background:

- 03/2016 – Present Purshe Kaplan Sterling Investments, Inc; Registered Representative
- 12/2008 – Present Kraus Capital Management, LLC; Chief Executive Officer and Chief Compliance Officer as of March 2016
- 12/2008 – 03/2016 Securities America, Inc.; Financial Advisor
- 03/2002 – 12/2008 Hanson McClain; Financial Advisor
- 04/2002 – 12/2007 Securities America, Inc.; Financial Advisor

Exams, Licenses & Other Professional Designations:

- 03/2006: Texas State Insurance
- 05/2004: Certified Financial Planner, CFP®
- 03/2003: Certified Fund Specialist (CFS®)
- 05/1999: California State Insurance
- 04/1999: Series 7
- 04/1999: Series 66

The and federally registered CFP marks are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its high standard of professional education, stringent code of conduct and standards of practice and ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements: Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university, pass the comprehensive CFP® Certification Examination, Complete at least three years of full-time financial planning-related experience and agree to be bound by CFP Board's Standards of Professional Conduct.

Individuals who become certified must complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial industry and renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

With mutual funds training, a Certified Fund Specialist® is able to evaluate and compare financial measurements and benchmarks when constructing a portfolio. Modern portfolio theory (MPT) is a key part of the program; its components are broken down and detailed in terms the advisor can easily understand and convey to a client. Armed with MPT and other selection criteria learned as part of the mutual fund education, a suitable and efficient portfolio using closed-end, exchange-traded, and open-end funds can be derived. Practitioners and academics continually update the CFS® materials. Students obtain the best of both worlds—the practical as well as the theoretical. Closed-end funds, ETFs, REITs and UITs are also covered, thereby providing the student with a more rounded education. With this additional investment knowledge, advisors and brokers offer ideas to clients that they would not receive elsewhere.

Item 3: Disciplinary Information¹

There are no legal or disciplinary events material to the evaluation of Mr. Kraus.

Item 4: Other Business Activities

Mr. Kraus is a registered representative of Purshe Kaplan Sterling Investments, Inc., member FINRA/SIPC, and licensed insurance agent/broker. He may offer products and receive normal and customary commissions as a result of these transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, he will act in the client's best interest.

Item 5: Additional Compensation

Mr. Kraus does not receive any other economic benefit for providing advisory services in addition to advisory fees.

Item 6: Supervision

Mr. Kraus is the firm's sole owner and Chief Compliance Officer and has no internal supervision placed over him. He is, however, bound by our firm's Code of Ethics and those of the Certified Financial Planning (CFP®) Board. As an Investment Adviser Representative, Mr. Kraus has a responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of client at all times.

¹ Note: Our firm may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving the advisor to determine whether it is appropriate to rebut the presumption of materiality, we consider all of the following factors: (1) the proximity of advisor to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we prepare and maintain a file memorandum of our determination in our records. We follow SEC rule 204-2(a)(14)(iii) and similar state rules.

Item 7: Requirements for State-Registered Advisers

Mr. Kraus has not been involved in any arbitration claim alleging damages in excess of \$2,500. Furthermore, he has neither been involved in nor found liable in any civil, self-regulatory organization, or administrative proceeding nor has been the subject of any bankruptcy petitions.