

Item 1 – Cover Page

CAPSTONE WEALTH ADVISORS, LLC

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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.

Capstone Wealth Advisors, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

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

This is our initial Wrap Fee Brochure. There are no material changes.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Wrap Fee 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.

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.

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Item 4 – Services, Fees and Compensation

- A** Under this Wrap Fee Program, Capstone Wealth Advisors provides 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.

Under this Wrap Fee Program, Capstone Wealth Advisors charges Clients annual fees for investment advisory services ranging from 0.0 to 2.5% of assets under management according to the amount of assets under management and the specific needs of the client for managing Clients' portfolios. Fees are generally not negotiable.

In circumstances where a Third Party Asset Manager ("TPAM") or a sub-advisor is utilized to provide certain investment advisory services to a Client, 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 0.45% to 1.25% of the Clients AUM.

- B** In determining whether to establish an account under our wrap fee program, you should be aware that the overall cost to you of the program may be higher or lower than you might incur by purchasing separately, or unbundled the types of securities available in the program. In order to compare the cost of the program with unbundled services, you should consider the turnover rate in our investment strategies, trading activity in the account and standard advisory fees and brokerage commissions that would be charged at our custodian, or at other broker-dealers and investment advisors.

Depending upon the percentage wrap-fee charged by our firm (as described more fully above), the amount of portfolio activity in your account, and the value of custodial and other services provided, the wrap-fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if we were to negotiate transaction fees and seek best price and execution of transactions for your individual account. In as much as the execution costs for transactions effected in your account will be paid by our firm, a conflict of interest arises in that we may have a disincentive to trade securities in your account.

- C** Clients that are enrolled in the wrap fee program will still be required to pay certain fees including:
- The Client's proportionate share of any internal mutual fund's fees and charges.
 - The Client's proportionate share of internal fees and expenses of exchange-traded funds such as fees and expenses for investment advisory services, administration, and other fund-level expenses

- Client charges imposed by the Client's current custodian (e.g., a transfer or termination fee) before the assets are transferred to Capstone Wealth Advisors.
- Client charges imposed by the Capstone Wealth Advisors' custodian (e.g., a transfer or termination fee) before the assets are transferred from Capstone Wealth Advisors.
- Client charges necessary to liquidate incoming positions into our recommended portfolio.

D Capstone Wealth Advisors and its investment advisor representatives receive compensation as a result of your participation in the wrap fee program. This compensation may be more than the amount Capstone Wealth Advisors and its investment advisor representatives would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because Capstone Wealth Advisors and its investment advisor representatives have a financial incentive to recommend the program.

Item 5 – Account Requirements and Types of Clients

Capstone Wealth Advisors provides investment advice to individuals, high net worth individuals, and businesses. Capstone Wealth Advisors has no minimum account size for opening or maintaining a Wrap Fee Program Account.

Item 6 – Portfolio Manager Selection and Evaluation

- A** Investment advisor representatives of Capstone Wealth Advisors may act as the portfolio manager under a wrap fee program account. In circumstances where Capstone Wealth Advisors recommends separate account managers, we consider several factors including account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment advisor. The recommendation of the initial portfolio manager and or the replacement of the portfolio manager will be based on a number of factors including client service, portfolio performance, customer satisfaction and other similar factors. The Chief Compliance Officer or other firm manager may conduct periodic portfolio performance evaluations where the performance of the portfolio being evaluated may be compared to other similarly managed accounts. Each portfolio evaluated may be evaluated based on its particular circumstances. Therefore, the portfolio performance evaluations of accounts may not be conducted on a uniform or consistent basis.
- B** Investment advisor representatives of Capstone Wealth Advisors may act as the portfolio manager under a wrap fee program account. Capstone Wealth Advisors and its investment advisor representatives receive compensation as a result of your participation in the program. This compensation may be more than the amount Capstone Wealth Advisors and its investment advisor representatives would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because Capstone Wealth Advisors and its investment advisor representatives have a financial incentive to recommend the program. Related persons are subject to the same selection criteria as outside portfolio managers.
- C** **Advisory Business.**
Information regarding types of advisory services offered, how advisory services are tailored to individual needs of clients, and differences between the wrap fee program and separately managed accounts can be found in Item 4 above.

Performance-Based Fees and Side-By-Side Management.

Capstone Wealth Advisors does not charge any performance-based fees for its services and does not provide side-by-side management.

Methods of Analysis, Investment Strategies and Risk of Loss.

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.

Voting Client Securities.

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.

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 7 – Client Information Provided to Portfolio Managers

Once the client selects an investment advisor representative and an advisory relationship is initiated, the investment advisor representative will obtain information from the client on the client's financial background, prior investment experience, investment objectives, goals and restrictions, if any, and risk tolerance, among other things. This information is shared with any separate account manager selected by the client.

Item 8 – Client Contact with Portfolio Managers

Capstone Wealth Advisors does not place any restrictions on its client's ability to contact and consult with their portfolio managers.

Item 9 – Additional Information

A 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.

Other Financial Industry Activities and Affiliations.

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.

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.

B Code of Ethics, Participation or interest in client transactions and personal trading.

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.

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.

Review of Accounts.

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.

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.

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.

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.

Financial Information.

Capstone Wealth Advisors does not require or solicit prepayment of more than \$500 in fees per client, six month or more in advance.

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.

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