

**Item 1: Cover Page
Part 2A of Form ADV: Firm Brochure
March 2020**



**Capital Region Financial Group, LLC
101 Parkshore Drive, Suite 100
Folsom, CA 95630
www.crfg-llc.com**

**Firm Contact: Ellwood Jones
President & Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Capital Region Financial Group, LLC. If clients have any questions about the contents of this brochure, please contact Mr. Jones by telephone at (916) 985-6000 or email at ellwood@crfg-llc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at www.adviserinfo.sec.gov by searching CRD #154990.

Please note that the use of the term "registered investment adviser" and description of Capital Region Financial Group, LLC and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

Item 2: Material Changes

Capital Financial Group, LLC is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since our last annual amendment filing on 03/04/2019, the following changes have been made:

- TD Ameritrade, Inc. ("TD Ameritrade") recently eliminated transaction fees for U.S. listed equities and exchange traded funds.
- TD Ameritrade announced that it will be acquired by Charles Schwab & Co., Inc. The acquisition is expected to be completed in the summer of 2020. We will provide additional information about the acquisition as it becomes available.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business.....	4
Item 5: Fees & Compensation	7
Item 6: Performance-Based Fees & Side-By-Side Management.....	11
Item 7: Types of Clients & Account Requirements	11
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss	11
Item 9: Disciplinary Information.....	13
Item 10: Other Financial Industry Activities & Affiliations.....	13
Item 11: Code of Ethics, Participation or Interest in.....	14
Item 12: Brokerage Practices	15
Item 13: Review of Accounts or Financial Plans.....	17
Item 14: Client Referrals & Other Compensation.....	17
Item 15: Custody.....	18
Item 16: Investment Discretion.....	19
Item 17: Voting Client Securities.....	19
Item 18: Financial Information	20

Item 4: Advisory Business

Capital Region Financial Group, LLC is an SEC-registered investment adviser with its principal place of business located in California. Capital Region Financial Group, LLC began conducting business in 2000 and is solely owned by Ellwood L. Jones. Capital Region Financial Group, LLC became registered as an investment adviser in 2010 and offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES (“ISS”)

Model Portfolio Management:

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the securities mentioned above.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
2. be reasonably available to consult with the client; and
3. maintain client suitability information in each client's file.

We may utilize Independent Money Managers, where we design an investment portfolio on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

Pension-Consulting Services:

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations which would be incorporated into their asset management agreement. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services:

Investment Policy Statement Preparation ("IPS"):

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Employee communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Financial Planning:

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information, and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. We also provide general non-securities advice on topics that may include tax and budgetary. Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Tailoring of Advisory Services

Our firm offers individualized investment advice to our Model Portfolio Management clients. General investment advice will be offered to our Pension Consulting and Financial Planning clients.

Participation in Wrap Fee Programs

Our firm does not offer or sponsor a wrap fee program.

Assets Under Management:

As of December 31, 2019, we actively manage \$101,300,000 of clients' assets on a non-discretionary basis; and provide supervision over additional clients' assets being managed by third-party money managers.

Item 5: Fees & Compensation

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable.

INVESTMENT SUPERVISORY SERVICES ("ISS"):

Model Portfolio Management Fees:

Flat Fees

The quarterly fee for Model Portfolio Management will be \$2,500 per household. This fee will be billed at the beginning of each quarter and may be negotiated at the discretion of our firm based on the scope and complexity of each investment situation. In any case, the flat fee will not represent more than 3% of assets under management. The minimum investment amount for this fee schedule is \$1,000,000 at the household level.

We may pay compensation to Independent Managers for services rendered by these firms to our clients and our firm. This compensation is typically equal to a percentage of the assets under management or an agreed upon fixed fee.

Assets Managed at Assetmark

The maximum combined annual fee charged by our firm and AssetMark will not exceed 2.00%. Our firm will debit fees for this service as disclosed in the executed advisory agreement between the client and our firm. This fee shall be in addition to any fees assessed by the chosen third-party money manager. AssetMark will not directly charge you a higher fee than they would have charged without us introducing you to them. AssetMark maintains their own separate billing processes over which we have no control.

Our fees are billed in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. Fee adjustments will be made for deposits and withdrawals in client accounts. A minimum of **\$150,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Capital Region Financial Group, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Legacy Accounts

Accounts opened prior to August 1, 2017* are deemed "Legacy Accounts". The annualized fee for Investment Supervisory Services will be charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
0 - \$500,000	1.25%
\$500,000 - \$1,000,000	1.15%
\$1,000,000 - \$5,000,000	1.00%
\$5,000,000 - \$10,000,000	0.60%
\$10,000,000 - \$25,000,000	0.45%
\$25,000,000 - \$40,000,000	0.30%
Over \$40,000,000	Negotiable

Our fees are billed in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. Fee adjustments will be made for deposits and withdrawals in client accounts. A minimum of **\$150,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Capital Region Financial Group, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Additional Disclosures

We may pay compensation to Independent Managers for services rendered by these firms to our clients and our firm. This compensation is typically equal to a percentage of the overall investment advisory fee charged by our firm or an agreed upon fixed fee.

**In rare cases and at the discretion of our firm, Clients may have their accounts managed with the fee schedule for Legacy Accounts when accounts are opened after August 1, 2017.*

Pension Consulting Fees:

Our fees for Pension Consulting Services are based on a percentage of assets under advisement. Capital Region Financial Group charges Pension Consulting clients a percentage of plan assets, ranging from 0.50% to 0.90%. The fee charged will depend on the services requested, the size of the plan, and negotiations with vendors and third party administrator. Plan sponsors will be invoiced in arrears, or have an account directly debited, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the plan at the end of the previous quarter. Capital Region Financial Group will not directly debit any account without receiving written authorization from the client/plan sponsor.

In addition to Adviser's consulting fee, the Client may also incur certain charges imposed by unaffiliated third parties. Such charges include, but are not limited to, custodial fees, administrative fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

Financial Planning Fees:

Capital Region Financial Group, LLC's Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$500 to \$20,000, depending on the specific arrangement reached with the client. Our hourly fee is \$350/hr. We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the plan. Clients engaged on an hourly basis will be billed quarterly in arrears based on actual hours accrued.

Financial Planning Fee Offset:

Capital Region Financial Group, LLC reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

General Information:*Termination of the Advisory Relationship:*

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within 5 business days of signing an agreement. After 5 business days from initial signing, either party must provide the other party 30 days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

Commissionable Securities Sales

Our firm and representatives do not sell securities for a commission in advisory accounts.

Wrap Fee Programs and Separately Managed Account Fees:

Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses:

Clients will incur transaction fees for trades executed by their chosen custodian. These transaction fees are separate from Capital Region Financial Group, LLC's advisory fees and will be disclosed by the chosen custodian. TD Ameritrade does not charge transaction fees for U.S. listed equities and exchange traded funds.

Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

ERISA Accounts:

Capital Region Financial Group, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Capital Region Financial Group, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Capital Region Financial Group, LLC's advisory fees.

Advisory Fees in General:

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees:

Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Item 6: Performance-Based Fees & Side-By-Side Management

Capital Region Financial Group, LLC does not charge performance-based fees.

Item 7: Types of Clients & Account Requirements

Capital Region Financial Group, LLC has the following types of clients:

- Individuals and High Net Worth Individuals;
- Corporations (or other businesses not listed above)
- Pension and Profit-Sharing Plans (other than plan participants)

Capital Region Financial Group, LLC imposes the following requirements to open an account or otherwise engage us:

- A minimum of **\$150,000** of assets under management is required for our Individual Portfolio Management Service under the Legacy Account fee schedule. A minimum of **\$150,000** of assets under management is also required for clients with assets managed at AssetMark. However, Capital Region Financial Group, LLC may reduce or waive the minimum account balance requirement on a case-by-case basis.
- For accounts subject to the fixed-fee schedule, the minimum investment amount is **\$1,000,000** per household. This account size may be negotiable under certain circumstances. Capital Region Financial Group, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks. A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for All Forms of Analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies We Use

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations: account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

Long-Term purchases. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities & Affiliations

Our advisory representatives are licensed to sell insurance products. They may receive normal commissions for the sale of these products. A conflict of interest exists as these insurance sales create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn. Our clients are never under any obligation to purchase insurance products through our advisory representatives. To mitigate this potential conflict, our representatives will act in the client's best interest.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Capital Region Financial Group, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions. Capital Region Financial Group, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. A copy of our Code of Ethics is available to our advisory clients and prospective clients.

You may request a copy by email sent to ellwood@crfg-llc.com, or by calling us at (916) 985-6000. Capital Region Financial Group, LLC or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients. Capital Region Financial Group, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Related persons of our firm may also buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 48 hours of buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

(Continued on Next Page)

Item 12: Brokerage Practices

Capital Region Financial Group, LLC requires that it be provided with written authority to determine the broker-dealer to use for client transactions and the commission costs that will be charged to our clients for these transactions. Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing. As a matter of policy and practice, Capital Region Financial Group, LLC does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade member FINRA/SIPC. Capital Region Financial Group, LLC has an arrangement with TD Ameritrade, AssetMark, and Trust Company of America Inc. (collectively hereinafter referred to as the "Custodians"). The Custodians are independent and unaffiliated SEC-registered broker-dealers. The Custodians offer to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor may receive some benefits from the Custodians through its participation in the program.

The Custodians charge brokerage commissions and transaction fees for effecting certain securities transactions. However, TD Ameritrade does not charge transaction fees for U.S. listed equities and exchange traded funds. The Custodians enable Capital Region Financial Group, LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodians' commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, the Custodians also make available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by the Custodians directly from independent research companies, as selected by Capital Region Financial Group, LLC (within specified parameters). These research and brokerage services presently include services such as MorningStar and are used by our firm to manage accounts for which we have investment discretion.

Capital Region Financial Group, LLC may also receive additional services which may include consultation and back office support. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of the Custodians' services. We examined this potential conflict of interest when we chose to enter into the relationship with the Custodians and have determined that the relationship is in the best interests of Capital Region Financial Group, LLC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Capital Region Financial Group, LLC will seek competitive rates,

to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Capital Region Financial Group, LLC and the Custodians are not affiliated and no broker-dealer affiliated with us is involved in the relationship between Capital Region Financial Group, LLC and the Custodians.

Soft Dollars:

Capital Region Financial Group, LLC does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

Client Brokerage Commissions:

The Custodians do not make client brokerage commissions generated by client transactions available for our use.

Client Transactions in Return for Soft Dollars:

Capital Region Financial Group, LLC does not direct client transactions to a particular broker dealer in return for soft dollar benefits.

Brokerage for Client Referrals:

We do not receive brokerage for client referrals.

Directed Brokerage:

Neither our firm nor any of our firm's representatives have discretionary authority in making the determination of the brokers-dealers and/or custodians with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Our firm routinely requests that clients direct us to execute through a specified broker-dealer. Our firm recommends the use of the Custodians. Each client will be required to establish their account(s) with one of the recommended Custodians if not already done. Please note that not all advisers have this requirement.

Special Considerations for ERISA Clients:

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Client-Directed Brokerage:

We do not allow client-directed brokerage outside our recommendations.

Item 13: Review of Accounts or Financial Plans**Model Portfolio Management Service:**

While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by Mr. Jones.

Pension Consulting Services:

Capital Region Financial Group, LLC will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Capital Region Financial Group, LLC will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly. These accounts are reviewed by Mr. Jones. These client accounts will receive reports as contracted for at the inception of the advisory relationship.

Financial Planning Services:

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless they separately engage us for a post-financial plan meeting. Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14: Client Referrals & Other Compensation**AssetMark & Trust Company of America:**

Except for the arrangements outlined in Item 12 of this brochure, we have no additional arrangements to disclose with AssetMark and Trust Company of America.

TD Ameritrade:

As disclosed under Item 12 of this Brochure, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program

that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody and brokerage services.

Referral Fees:

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

Item 15: Custody

Deduction of Advisory Fees:

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under "Third Party Money Movement." All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

Third Party Money Movement:

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the Custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

Our firm does not accept discretionary authority to manage securities accounts on behalf of clients.

Item 17: Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do not offer any consulting assistance regarding proxy issues to clients.

Third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities

beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third-party money manager), our firm and/or the client shall instruct the qualified custodian to forward to copies of all proxies and shareholder communications relating to the client's investment assets.

Item 18: Financial Information

Capital Region Financial Group, LLC is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding.