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January 6, 2021

**Part 2A of Form ADV: Firm Brochure**

**Item 1. Cover Page**

This brochure provides information about the qualifications and business practices of M1 Capital Management. If you have any questions about the contents of this brochure, please contact us at (248) 647-1412 and/or [elizabeth@m1capitalmanagement.com](mailto:elizabeth@m1capitalmanagement.com). Our website address is [www.m1capitalmanagement.com](http://www.m1capitalmanagement.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. M1 Capital Management is a registered investment adviser with the United States Securities and Exchange Commission. Registration as an investment adviser does not imply any level of skill or training.

Additional information about M1 Capital Management also is available on the SEC's website at [www.adviserinform.sec.gov](http://www.adviserinform.sec.gov).

## **Item 2. Material Changes**

This section will discuss the material changes that we have made to our Brochure and will give you a summary of those changes.

No significant changes were made to this brochure when it was updated for the 2020 annual updating amendment.

Pursuant to the new SEC rules, we will make sure that you receive a summary of any material changes to this Brochure and our subsequent Brochures within 120 days of the end of our fiscal year, which is December 31. We may also provide to you other ongoing disclosure information about material changes affecting our business and the information previously provided to you, as required by SEC rules and regulations. All updated information will be provided to you without charge.

You may request a copy of our Brochure at any time by contacting Kristy Reynolds at (248) 647-3474 or [kristy@m1capitalmanagement.com](mailto:kristy@m1capitalmanagement.com). A Brochure will be sent to you without charge.

Additional information about M1 Capital Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information on M1 Capital and on persons who are registered as investment adviser representatives of M1 Capital.

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One of the two Brochure supplements designated below is applicable to our business. Consequently, we have included that supplement in the M1 Capital Management Brochure.

Form ADV, Part 2A, Appendix 1: The Wrap Brochure. M1 Capital Management does not sponsor a wrap fee program. Consequently, we do not need to prepare the supplement required by Form ADV, Part 2A, Appendix 1.

Form ADV, Part 2B, Brochure Supplement: This is a Brochure Supplement related to supervised personnel (“Supervised Persons”). Supervised Persons are any of our officers, partners,

directors (or other **persons** occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on our behalf and is subject to our supervision or control. This brochure includes a brochure supplement for four Supervised Persons: Robert Stapleton, Paul Dunbar, Steve Rashis and Mark LaBlance.

#### **Item 4. Advisory Business**

M1 Capital has been in business as an investment advisor registered with the SEC since 2011. M1 Capital is an LLC owned by partners Ryan Malloch and Paul Dunbar. We provide investment advice to our clients and manage their portfolios. We also provide financial planning services. Our investment strategies include general asset allocation and tactical asset allocation as well as a more actively traded total return program. Our strategies are geared toward specific client financial objectives, as explained in more detail below. We tailor our advisory services to the individual needs and goals of our clients. Clients may impose restrictions on the investments we make for their accounts. Such restrictions may include limitations on the types of investments or restrictions on investments in specific securities.

We do not manage any assets on a non-discretionary basis.

##### Tactical Asset Allocation (“TAA”)

Our Tactical Asset Allocation program is a portfolio management strategy designed to develop solutions for clients with varied financial goals. Our process utilizes active asset allocation strategies that seek to balance a client’s risk/return parameters to meet that client’s specific needs. We diversify the fixed income portion of the portfolio by maturity and sector. For those clients who have an equity allocation, we create the core equity exposure of the portfolio, which may include a blend of any of the following ETFs based on growth and value, and international and emerging markets exposure. We expect the benefit of our approach to be reduced volatility of our clients’ portfolios.

Each client completes a questionnaire that we use to determine the appropriate portfolio recommendations for that client. Our recommendations are based on the client’s tolerance for risk, expected rate of return, and investment objectives. For our TAA program, we use ETFs (exchange traded funds) to obtain the desired market exposure. We use a proprietary model to determine entry and exit points for each of the ETFs in a portfolio.

##### Tactical Dividend Income (“TDI”)

The Tactical Dividend Income program is a portfolio management strategy that seeks high dividend yield while attempting to reduce volatility by moving to cash when in our opinion market conditions warrant a more conservative position. The portfolio is comprised of diversified ETFs that have as their objective high dividend yield. Each ETF has an independent signal that is used to determine when to purchase or sell. The signals are received daily but the objective is to maintain positions during stable or upward trending moves for the specific ETF. This strategy is intended to be for those clients seeking high dividend yield while still desiring a sell discipline when warranted. Consideration of the client’s long term investment objectives,

tolerance for risk, expectation for returns, and income needs are some of the factors used when recommending this strategy.

### General Investment Advice

Our general investment advice service involves making asset allocation recommendations for you and selecting ETFs, individual stocks, bonds, CMOs and mutual funds to meet the recommended asset classes, based upon your individualized risk and return parameters and tolerance. We generally charge an annual fee of up to 150 basis points of the assets under management for this service, depending upon the size of your account and the complexity of the recommendations you request. Fees generally are charged quarterly in advance.

### Other Services

#### Option Strategies

We offer you the ability to add an option enhancement strategy to your portfolio. Our option overlay or enhancement strategy is a passively managed option investment strategy that generally uses a defined-risk option investing in an attempt to generate income against the core portfolio assets. The goal of adding this option overlay strategy is to seek to provide additional return to a tactical portfolio, concentrated stock position, or an existing portfolio. We attempt to deliver an “alpha” strategy that adds to the returns and dividend streams of the core portfolio by implementing a premium-selling option strategy based on time, probability of success, and implied volatility. It is important to understand that our option strategy is not intended to be an active trading strategy. The goal is to generate income from the premium erosion of the short option positions, not from speculation regarding future option prices. Premium-selling involves selling call or put options, or potentially both, depending on the client’s objectives, to generate income against the long assets held in the portfolio. In certain circumstances, options may also be used to initiate long ETF or equity positions in client accounts. We also offer portfolio protection option strategies. We charge an additional fee of up to 50 basis points for use of our option strategies.

#### Consulting

From time to time, we provide consulting services to clients that involve the evaluation of client portfolios or portions of client portfolios. Each consulting engagement is unique and we negotiate our fees for such services on an individualized basis.

#### Arctaris Funds, L.P.

To suitable clients we may offer investment in one of several Arctaris Funds. These funds are limited partnerships which invest in lower middle market US companies through security structures designed to provide investors current income, high liquidity, and above-market returns on investment. The funds address a capital void in the lower and middle markets by issuing subordinated debt with royalty-based enhancements or equity components such as warrants or restricted stock. The expected result is a diversified portfolio of income-generating

securities in companies with sufficient cash flows to pay attractive returns to the funds. Investors must be able to prove accredited investor status to participate.

#### Annuities

We may, on occasion recommend or purchase for a client, a fixed rate or variable annuity.

### **Item 5. Fees and Compensation**

For our TAA and TDI, our annual fees range from .10% to 1.50% of assets under management. For our generalized advice, our annual fees range from .10% to 1.50% of assets under management. We will negotiate our fees based upon the size of a client's portfolio and the strategies requested by the client. We generally charge up to an additional 50 basis points for clients that add an option strategy to the management of their portfolios.

Fees for our special consulting services are negotiated on an individualized basis and may be a percentage of assets or a flat fee.

We generally charge our fees quarterly in advance. No fee adjustments will be made for changes in the value of your portfolio, including the depreciation or appreciation of assets in your account during the quarter. If you terminate your advisory contract with us prior to the end of a quarter, we will return the unused portion of your quarterly advisory fee, which will be calculated on a pro-rated basis. For example, if you terminate your advisory agreement with us after two months of a three month quarter, we will return to you one-third of your advisory fee for that quarter.

Generally, our fees are automatically deducted from our clients' assets and our clients are not given a choice on the method of payment. However, some of our clients request that we bill them instead of automatically deducting our fees from their accounts and we generally will agree to do so.

Our clients whose assets are invested in ETFs, mutual funds, CMOs and REITs pay both a direct management fee to us and an indirect management fee through such funds and mutual funds to the funds' advisors. We recommend ETFs, CMOs and REITs. On occasion, we do recommend mutual funds to achieve specific investment objectives for our clients. In such cases, we purchase mutual funds for our clients' portfolios. We make efforts to purchase investor class shares and generally use only no load funds. All of our clients also pay brokerage fees, which include brokerage commissions, wire transfer fees and fees for other services a client may request. Clients who choose custodians other than their brokerage firms will pay separate custodian fees. Clients that are trusts or ERISA accounts may also pay trustee and other service fees.

Neither our firm nor our registered or supervised personnel 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 to advisory clients. One of our employees is also an employee of

Purshe Kaplan Sterling and he may receive, on behalf of M1 Capital, commissions for sales and purchases in non-advisory, brokerage-only client accounts.

**Item 6. Performance-Based Fees and Side-By-Side Management**

Neither our firm nor our registered or supervised personnel accept performance based fees, nor do any subadvisors we may use charge performance based fees on any of our client accounts. Performance based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. Performance based fees are typically charged for hedged funds and other pooled investments.

**Item 7. Types of Clients**

We provide our investment advisory services primarily to individuals, most of whom are high net worth individuals. We also provide investment advisory services to pension and profit sharing plans.

Our stated minimum account size for generalized investment supervisory services and management of investment advisory accounts is \$300,000. On an individualized basis and under special circumstances, we may negotiate our minimum account sizes and fees.

**Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

We use various methods of analysis, sources of information, and investment strategies in order to deliver investment management, advice, and guidance to clients. Our primary investment strategy involves asset allocation. We believe in tactical asset allocation and invest client funds in diversified investment vehicles such as CMOs and other fixed income instruments, ETFS, mutual funds, individual stocks and listed options.

Our TAA strategy is a diversified ETF strategy based on a tactical asset allocation model. In our TAA model, clients either hold long positions or cash. For this strategy we do not hold short positions in our clients' accounts. As an addition to an all ETF portfolio, we may purchase collateralized mortgage obligations ("CMOs") for clients whose accounts are managed using our TAA and TDI programs. We also may purchase CMOs for stand alone accounts with fixed income as an objective. The goals of our TAA and TDI asset allocation strategies are to reduce volatility and investment risk by diversifying investments while retaining the ability to achieve a desired rate of return based on our clients' individual risk tolerance and investment objectives. We may also add strategies to these investment programs achieve increased tax efficiency and options enhancement at the request of our clients.

The securities we use include without limitation: ETFs, mutual funds, individual equities, including growth, value and yield based stocks, fixed income securities, including corporate bonds, municipal bonds, and government bonds, and money market instruments. We also purchase CMOs for our clients' portfolios. Our strategies are focused on controlling risk and realizing a satisfactory rate of return over the long term. Other than the option strategies, which are short term by their nature, it is generally not our intent to engage in short-term

trading of our client accounts. However, the tactical discipline of the TAA and TDI strategies may on occasion result in shorter-term trading. As a result of their short-term nature, our strategies that involve options trading have higher transaction costs.

Investing in securities involves substantial risk and there can be no guarantee that our investment strategies will permit you to achieve your investment objectives, your desired rate of return or any tax benefits. There is no guarantee our investments strategies will generate positive returns. That means that you can lose your capital. Our clients' portfolios and the investment products in those portfolios are subject to market risk, liquidity risk, credit risk, business risk, general economic risk and political risk. Market risk is the risk that the value of a portfolio will decrease due to the change in value of the market risk factors. Liquidity risk is the risk that a sufficiently liquid market does not exist for a given security or asset and as a result the security or other asset cannot be traded quickly enough in the market to prevent a loss or to be able to sell at a satisfactory price. Credit risk, also called *default risk*, is the risk associated with a borrower defaulting on an obligation (not making payments as promised). You could include lost principal and interest, receive decreased cash flow, and have increased collection cost as a result of a default. Business risk is the risk arising from execution of a company's business plan and the success of its operations. Business risks encompass broad categories of risks, including those arising from the people, systems, and processes through which a company operates. It also includes other categories such as fraud risks, legal risk, physical, or environmental risks. Economic risk includes the impact of general economic conditions and industry specific conditions on an issuer or a sector of issuers. Political risks, are the problems and issues businesses and governments may face as a result of political decisions and the political climate. Mutual funds and ETFs have additional risks. Mutual fund and ETF investment values will fluctuate, and shares, when redeemed, may be worth more or less than original cost. Some funds invest in international securities, which can involve different risks than U.S. investments. These risks include political and economic instability, changing currency exchange rates, foreign taxes, and differences in financial accounting standards. ETFs traded funds are subject to risks similar to those of mutual funds and stocks. However, an additional risk with ETFs is that unlike mutual funds, shares of ETFs are not bought from and sold to the ETF fund company. ETFs are bought from and sold to other investors and traders. Therefore, the value of the ETF may fluctuate not only based on the value of the underlying securities, but based on supply and demand for the actual ETF.

Options trading involves different risks; however, we use options to attempt to enhance our clients' underlying portfolios. Our options strategies involve covered call writing, options spread trades and on occasion, naked option positions. Options involve shorter term trading as the options have limited time to expiration. Short calls can be exercised which will result in your stock being called away. You may not want your stock position to be called away. Any short option position, prior to or on an expiration date, may be exercised at a time when you would rather retain the option. Options can expire worthless. You can lose unlimited amounts of money on naked short call position and large amounts of money on naked short put



positions. Risks of options trading may increase in volatile markets. We do not trade over the counter options or derivative contracts for our client portfolios.

CMOs have special risks. Although CMOs entitle investors to payments of principal and interest, CMOs differ from CDs, corporate bonds, and Treasury securities in significant ways. CDs, corporate bonds, and Treasuries are issued with stated maturities and fixed interest rates. When a CD or bond matures or is called, the issuer returns the face value to the investor in a single principal payment. In contrast, while CMOs have stated final maturity dates at which all principal must be returned, they can make principal payments throughout the life of the security. In addition, the timing of these payments may vary significantly depending on interest rate changes and other factors, including speed of default.

Principal payments on CMOs arise from both the regular amortization of the underlying mortgages and from prepayments of those mortgages due to sales, defaults, or refinancings. When interest rates decline substantially, many homeowners choose to refinance their mortgages. This activity can result in CMOs paying off principal more rapidly than had been anticipated. Thus, a CMO investor may be faced with reinvesting his or her principal at a current lower rate. In a rising interest rate environment, homeowners may not refinance or sell their houses as quickly; thus, CMO investors may face holding their investment for longer than anticipated. While principal payments may be quite predictable for certain tranches or classes of a given CMO, other tranches of the same issue may be significantly less predictable. The prices and yields and other factors of CMOs are influenced by the prepayment assumptions of the particular CMO.

Different tranches of CMOs are structured differently. Certain tranches may be structured in such a way that, depending on interest rates and prepayments, investors are at substantial risk and may lose all or a substantial portion of their principal. Further, while there is a sizable secondary market for CMOs generally, there is less of a market for the more risky and complex tranches. CMOs are less uniform than traditional mortgage-backed securities and more expensive to trade. It is also harder to obtain current pricing information. We will evaluate the suitability of such high-risk tranches for each client portfolios based upon such client's individual risk tolerance and investment objectives.

CMOs may be purchased at a premium or discount. However, any guarantees on those securities will only apply to the par value of the security and not to any premium paid.

#### **Item 9. Disciplinary Information**

We have never been disciplined. None of our management personnel or supervised persons has been involved in a legal or disciplinary event that is required to be disclosed to you or that would be material to your evaluation of our firm.

#### **Item 10. Other Financial Industry Activities and Affiliations**

We generally recommend TD Ameritrade Institutional as a broker-dealer to our clients. We place orders with TD Ameritrade Institutional for our clients' accounts. For some clients we

have discretionary authority to choose the broker-dealer and for other clients the decision whether the client will become a customer of TD Ameritrade is made by the client, not us.

We have chosen TD Ameritrade Institutional because of the quality executions we receive at a competitive price. We believe our recommendation of TD Ameritrade is consistent with our obligation to receive “best execution” for our clients. For more information about our use of TD Ameritrade, see our response to Item 12 below.

We have a strategic relationship with Sawtooth Asset Management whereby they provide administrative services related to portfolio management and performance reporting. We pay a fee to Sawtooth for the accounts they administer.

**Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We have adopted a Code of Ethics that governs the conduct of our personnel. Our Code of Ethics requires that all of our personnel observe the highest ethical standards and resolve any situation involving the potential for a conflict of interest in favor of our clients. Our Code of Ethics requires all of our management and other personnel that have access to our client portfolio recommendations or that are involved in portfolio management to place the interests of our clients first, to avoid taking inappropriate advantage of their positions and to conduct all personal securities transactions in full compliance with the Code of Ethics. Although we generally do not restrict the securities our personnel may purchase and sell, we may restrict our personnel from purchasing or selling certain securities. We generally do not require pre-clearance of the personal securities transactions of our personnel, however, we may in our discretion require pre-clearance of most of the personal securities transactions of a specific person or persons. Our Code of Ethics prohibits trading on inside information and requires all personnel to report all personal securities transactions to us on a quarterly basis. Our Code of Ethics includes our firm policies on gifts, confidentiality, company opportunities and the reporting of violations of the Code of Ethics. A copy of our Code of Ethics will be provided to any client or prospective client upon request.

At times our management and advisory personnel may invest in the same securities (or related securities such as options or warrants) that we or our advisory personnel recommend to our clients. Similarly, our management and advisory personnel may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that our management or advisory personnel buys or sells the same securities for their own account accounts. We understand that these situations involve conflicts of interest and have policies designed to protect our clients interests. We review the securities transactions of our personnel. That review would flag any situations in which our personnel are consistently taking the opposite position in a security that is being recommended for our clients’ portfolios. We would check to make sure such actions were consistent with the investment strategies of both parties. None of our management or advisory personnel are permitted to trade ahead of our clients. When our management personnel buy or sell securities at the same time as our clients, the trades are entered as bunched orders and all participants, including our management and

advisory personnel, receive the same average price. If the trades occur at different times, the prices are different. However, as stated above, we review the personal securities transactions of our management and advisory personnel to check for conflicts of interest and to make sure that none of them is taking advantage of our clients in any way.

## **Item 12. Brokerage Practices**

M1 Capital participates in the institutional advisor program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14. below.)

We generally recommend that our clients open brokerage accounts at TD Ameritrade. In this respect we may be deemed to routinely direct our clients to execute transactions through a specified broker-dealer. In making this decision, we take into account, commission rates, execution quality, service and other factors regarding TD Ameritrade. Not all advisors require or recommend that their clients direct brokerage to specified broker-dealers. By directing brokerage to TD Ameritrade we may be unable to achieve the most favorable execution for our clients' transactions. We take these conflicts of interest into consideration when we recommend TD Ameritrade, and we believe our recommendation of thinkorswim by TD Ameritrade is consistent with our best execution obligations.

TD Ameritrade may send your orders to another broker-dealer for execution. TD Ameritrade accepts payment for order flow from executing broker-dealers and may receive payment for order flow on your orders.

thinkorswim by TD Ameritrade was rated #1 overall online broker and "best for options traders" in Barron's ranking of online brokers, 3/15/10 and 3/16/2009; "best software-based online broker" and "best for options traders," 3/6/2006 and 3/5/2007. thinkorswim by TD Ameritrade was evaluated by Barrons versus others in eight total categories, including: the types of tradable investments; the quality and ease-of-use of screeners that help investors choose stock, options or funds; and the site's startup process, overall functionality and potential for customization; thinkorswim by TD Ameritrade topped the list in 2006, 2007, 2009 and 2010 with the highest weighted-average score and was runner-up in 2008. TD Ameritrade has been rated by Barron's as the top brokerage firm for Long Term Investing in 2013, 2014 and 2015.

We permit our clients to direct brokerage to firms other than TD Ameritrade. If clients direct brokerage to a firm other than TD Ameritrade, we may be unable to achieve most favorable execution of such clients' transactions. Directing brokerage may cost clients more money for executions. In a directed brokerage account, the clients may pay higher commissions because we may not be able to aggregate orders to reduce transaction costs, and we may not be able to

negotiate favorable or competitive commission rates, all of which means those clients who choose to direct brokerage may receive less favorable prices.

Paul Dunbar, Partner of M1 Capital is a registered representative of Purshe Kaplan Sterling Investments ("PKS"). PKS is not involved in the investment management aspects of M1 Capital and M1 Capital and PKS are not affiliated companies. M1 Capital may place clients in investment products sold through PKS and receive a usual and customary commission for doing so. Clients should be aware that the recommendation of PKS products may constitute a conflict of interest in that the receipt of commissions by M1 Capital or personnel of M1 Capital may provide an incentive to recommend investment products based on commissions.

We aggregate the purchase and sale of securities for various client accounts on a regular basis. We often purchase and sell the same securities for the accounts of multiple clients at the same time. In such event we enter aggregated orders. Each client pays or receives the average price for the purchase or sale his securities. If we did not aggregate these orders, some clients would receive more favorable prices and other clients would be disadvantaged. Our procedures are designed to treat all clients fairly. In order to execute these large orders at a more favorable price to our clients, we may occasionally make use of a third party liquidity provider to execute block trades. Such a provider would charge a per share commission which would slightly increase the average purchase price and decrease the average sale price.

We also aggregate the purchase and sale of Collateralized Mortgage Obligations. Aggregating these purchases may benefit our clients due to more favorable purchase prices and availability of small lot trades. Due to the many variables involved in allocating these securities, we have developed the following CMO Allocation Guidelines:

#### CMO Allocation Guidelines

Given the different nature of the CMO purchase and allocation process, general guidelines are used when allocating to client accounts. M1 Capital maintains a list of clients accounts that wish to purchase CMOs along with a target amount of CMOs that each account is looking to hold. Over the course of a month, previously purchased CMOs will often return principal which necessitates the purchase of additional CMOs to maintain the target holding amount. CMOs that are available for purchase during the course of a month will vary in several ways. Differences include, but are not limited to: price, yield, WAM, duration, collateral, extension risk, coupon, price sensitivity, and commissions. Certain characteristics may be more suited to one account than another. In addition, M1 Capital is selective when choosing CMOs based on these characteristics to suit the objective of the CMO strategy.

Uncertainty exists each month in the amount of desirable CMOs that will be able to be purchased. Also, it is usually not possible to simply allocate each CMO purchase prorata to each account on the list. M1 often receives attractive offers for odd lot CMOs that are too small to be split or receives an offer to purchase an amount of CMOs that would not be sufficient to be allocated prorata. In addition differences between accounts with larger amounts of cash for purchase and smaller make certain kinds of purchases more beneficial to

one than the other. All of these factors create the need for allocation guidelines that provide a process to ensure as equitable a distribution as reasonably possible over the course of a month of CMO purchases. It must be clearly understood that regardless of the allocation processes used there will always be differences in the securities purchased, the timing of the purchases relative to interest rates, and the timing of the known cash flow. Therefore, the following considerations must be taken into account when determining the allocation of each purchase. (Please note that this list is not intended to be in order of priority):

1. **Security diversification (GNMA, FNMA, FNR, FHR):** *When possible if there is a large enough dollar amount to invest, an attempt will be made to diversify by underlying collateral and or CUSIP number.*
2. **Duration:** *The expected duration will be considered in light of the client's investment objectives, risk tolerance, potential future cash needs, and existing holdings.*
3. **Coupon (for taxable vs tax exempt accounts):** *In some circumstances a higher coupon CMO will be considered favorably over a lower coupon CMO in tax deferred accounts to optimize the tax ramifications.*
4. **Amount requested:** *An attempt will be made to fill the entire amount of cash targeted for CMO's. This may not always be possible given availability of desirable CMOs or the size of the amount being requested.*
5. **Liquidity:** *Generally CMO's will not be allocated for less than \$10,000 due to liquidity issues if the position ever had to be sold in the future. Exceptions to this rule are permissible if the perceived probability of a future need to sell the position is remote.*
6. **Interest Rates:** *The amount of CMOs purchased as a percentage of cash identified for CMO purchases may vary based on interest rate outlook at the judgment of the portfolio manager.*
7. **Clients Investment Objective:** *Each client has investment objectives specific to their own risk/return tolerance. Consideration will be given to the individual's specific short term/long term outlook when determination is made regarding a given allocation.*
8. **Commissions Charged:** *Commissions may vary depending on the broker from whom each CMO is purchased. Larger commissions will have a larger impact on the return possibilities for smaller accounts making smaller purchases so this factor may be taken into account when determining allocations.*

When possible, an attempt will be made to average the prices of multiple purchases of identical securities. When this cannot be done, or if there are multiple collateral issues, the above

criteria will be used during the allocation process. In some instances the allocation may be based solely on a proportion of the identified need verses the available amount of CMOs.

To document the allocation process, a CMO needs list will be created at the beginning of each month once last month's cash flows are known. The list will include: the clients name, account number, cash available for CMO purchase, date of identified cash availability. As each offer to purchase is received, the list will be consulted to see which accounts need CMOs and a running tally will be kept of CMOs purchased so far and remaining cash needs. Taking the above factors into account, each purchase will be allocated to one or more accounts. Every effort will be made to do so fairly over the course of a month of purchases, but there will be times when some accounts may not receive any or all of their available cash amount in a given month. This could be due to unavailability of desirable CMOs, differences in suitability to different kinds of accounts or other factors. If an account does not receive any CMOs in a given month, an effort will be made to give priority to that account in the following month.

This is intended to be a guideline for the allocation process. While every effort will be made to make the process as equitable as possible, there may be differences from one account to the next.

#### **Item 13. Review of Accounts**

We review some of our client accounts on a daily basis and others on a weekly basis. All accounts are reviewed at least on a quarterly basis. Our Managing Partner and our Chief Compliance Officer conduct our client account reviews. Additional reviews may be triggered by client requests for information or review of their account.

We also make available to our clients written reports on a quarterly basis, as well as additional oral or written reports as our clients request. These reports may include profit and loss, annualized return, account holdings, and other information pertaining to the account that the client may request. In addition, clients have online access to performance reports through our performance reporting website. Clients also have online access through the brokerage firm to view account status.

#### **Item 14. Client Referrals and Other Compensation**

As disclosed under Item 12 above, M1 Capital participates 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 M1 Capital's participation in the program and the investment advice we give to our clients, although M1 Capital receives 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 advisor 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 advisors by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by M1 Capital's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit M1 Capital 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 M1 Capital manage and further develop our business enterprise. The benefits received by M1 Capital or our personnel through participation in the TD Ameritrade Institutional program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, M1 Capital endeavors at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by M1 Capital or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

M1 Capital may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with M1 Capital and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise M1 Capital and has no responsibility for our management of client portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to M1 Capital ("Solicitation Fee"). M1 Capital will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by M1 Capital from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client, and who hired M1 Capital on the recommendation of such referred client. M1 Capital will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

M1 Capital's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, M1 Capital may have an incentive to recommend to clients that the assets under management by M1

Capital be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, we have agreed not to solicit clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require doing so. Our participation in AdvisorDirect does not diminish our duty to seek best execution of trades for client accounts.

#### **Item 15. Custody**

We are deemed to have custody of our clients' funds because we deduct our advisory fees directly from our clients' accounts.

You will receive account statements not less than quarterly as of the end of each calendar quarter from the brokerage firm that maintains your funds and securities. That brokerage firm is deemed to be your qualified custodian. We do not send separate account statements to our clients.

You should review account statements you receive from your brokerage firm carefully.

#### **Item 16. Investment Discretion**

We have investment discretion over all of our clients' accounts under management. Investment discretion means that we have the authority to purchase and sell securities for your account without obtaining your authorization to make the trade.

We enter into advisory agreements with all of our clients that specify the types of advisory services the clients desire to receive from us and the clients' investment objectives. The advisory agreements specify that we have discretionary authority to manage our clients' accounts. Our clients may place restrictions on our investment discretion. Such restrictions may include limitations on the types of investments we may make for their accounts or restrictions on investments in specific securities. Any restrictions on our investment discretion must be set forth in writing, generally in the advisory agreement.

Our clients sign a limited power of attorney form that is given to the clients' brokerage firm. The limited power of attorney form gives us the authority to enter transactions for the clients' account.

#### **Item 17. Voting Client Securities**

##### **Proxy Voting**

M1 Capital will not vote or accept authority to vote proxies on behalf of its clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client accounts. However, M1 Capital may, in their discretion, provide advice to clients regarding the voting of proxies.



## Class Actions, Bankruptcies and Other Legal Proceedings

Client's should note that M1 Capital will not advise or act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

### **Item 18. Financial Information**

Because we have discretionary authority over clients' funds, we are required in this section to disclose to you any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. We are not aware of any financial conditions nor do we have any financial commitments that are reasonably likely to impair our ability to meet our contractual commitments to our clients.

### **Item 19. Requirements for State Registered Advisers**

We are registered with the SEC. We are not required to include any special disclosures required for state registered investment advisers.

**Part 2B of Form ADV: Brochure Supplement**

**For Ryan Malloch**

**Item 1. Cover Page**

Supervised Person:

Ryan Malloch

36800 Woodward Avenue, Suite 101

Bloomfield Hills, MI 48304

Name of Firm

M1 Capital Management

36800 Woodward Avenue, Suite 101

Bloomfield Hills, MI 48304

(248) 647 – 1780

The date of this Supplement is January 6, 2021

**This brochure supplement provides information about Ryan Malloch that supplements the M1 Capital Management brochure. You should have received a copy of that brochure. Please contact Kristy Reynolds at (248) 647-3474 if you did not receive M1 Capital Management's brochure or if you have any questions about the contents about this supplement.**

**Additional information about Steve Rashis also is available on the SEC's website at [www.adviserinform.sec.gov](http://www.adviserinform.sec.gov).**

**Item 2. Educational Background and Business Experience**

**Name:** Ryan Malloch

Date of Birth: March 28, 1977

Formal Education

After High School: Western Michigan University

B.A. Business Administration (2000)

Business Background

for the Preceding **Partner**

Five Years: M1 Capital Management

Bloomfield Hills, MI

January 2021 – Present

**Partner, Financial Advisor**

Innovative Investment Services

Livonia, MI

November 2006 – Present

**Registered Representative, Investment Adviser Representative**

Cetera Advisors LLC

Denver, CO

January 2013 – Present

**Registered Representative, Investment Adviser Representative**

Multi-Financial Securities Corporation

Denver, CO

November 2006 – December 2012

**Vice President**

Manaia Capital Management

Auburn Hills, MI

March 2003 – October 2006

**Registered Representative**

United Securities Alliance

Auburn Hills, MI

March 2005 – October 2006

**Originator**

National Discount Mortgage

Auburn Hills, MI

March 2004 – May 2006

**Registered Representative**

Cambridge Investment Research

Fairfield, IA

March 2003 – January 2005

**Financial Advisor Trainee**

PaineWebber Inc.

Kalamazoo, MI

July 2000 – March 2003

**Intern**

Salomon Smith Barney

Kalamazoo, MI

July 1999 – May 2000

**Item 3. Disciplinary Information**

There is no legal or disciplinary event material to a client's or prospective client's evaluation of Ryan Malloch.

**Item 4. Other Business Activities**

In addition to his role as Partner of M1 Capital Management, Mr. Malloch is also a partner at Innovative Investment Services where he provides investment advice, financial planning and educational services. He is also a Registered Representative and Investment Adviser Representative of Cetera Advisors LLC in which capacity he provides investment advice and brokerage services. He is also licensed by the State of Michigan to sell Life, Health and Variable insurance contracts.

Mr. Malloch is the owner of Malloch Properties LLC which is a business that owns a rental property. Mr. Malloch receives compensation through this LLC for the rental property.

**Item 5. Additional Compensation**

Mr. Malloch receives compensation for his roles at Innovative Investment Services and Cetera Advisors in addition to the compensation he receives as Partner of M1 Capital Management.

**Item 6. Supervision**

We supervise Mr. Malloch's activities. An officer of our firm reviews the accounts managed by Mr. Malloch. Mr. Malloch is supervised by Paul Dunbar, Partner. Mr. Dunbar's telephone number is (248) 647 – 5232.

**Item 7. Requirements for State-Registered Advisers**

Not applicable.

**Part 2B of Form ADV: Brochure Supplement**

**For Paul Dunbar**

**Item 1. Cover Page**

Supervised Person:

Paul Dunbar

36800 Woodward Avenue, Suite 101

Bloomfield Hills, MI 48304

(248) 647-5232

Name of Firm

M1 Capital Management

36800 Woodward Avenue, Suite 101

Bloomfield Hills, MI 48304

(248) 647 – 1780

The date of this Supplement is January 6, 2021

**This brochure supplement provides information about Paul Dunbar that supplements the M1 Capital Management brochure. You should have received a copy of that brochure. Please contact Kristy Reynolds at (248) 647-3474 if you did not receive M1 Capital Management's brochure or if you have any questions about the contents about this supplement.**

**Additional information about Paul Dunbar also is available on the SEC's website at [www.adviserinform.sec.gov](http://www.adviserinform.sec.gov).**

**Item 2. Educational Background and Business Experience**

**Name:** Paul Dunbar

Date of Birth: July 16, 1964

Formal Education

After High School: Arizona State University

B.A. Finance (1987)

Business Background

for the Preceding

Five Years: **Partner**

M1 Capital Management

Bloomfield Hills, Michigan

June 2011 – Present

**Registered Representative**

Purshe Kaplan Sterling Investments

Albany, NY

July 2011 - Present

**Director of Sales-Relationship Manager**

thinkorswim Advisors, Inc.

Bloomfield Hills, Michigan

December 2002 - September 2011

**Manager - Private Banking Brokerage**

Bond Trader - Michigan National Bank

Farmington Hills, Michigan

1988 - December 2002

**Investment Advisor Representative**

Paine Webber

1987-1988



**Item 3. Disciplinary Information**

There is no legal or disciplinary event material to a client's or prospective client's evaluation of Paul Dunbar.

**Item 4. Other Business Activities**

Purshe Kaplan Sterling Investments, Registered Representative – Paul Dunbar is a registered representative of Purshe Kaplan Sterling Investments. In this capacity he may provide brokerage services to client accounts that are not under management of M1 Capital Management. In his brokerage representative capacity, Mr. Dunbar is also licensed to sell variable annuities through ING.

Kidd & Levy, Independent Contractor – Mr. Dunbar works part time as an independent contractor to real estate firm of Kidd & Levy selling and listing houses.

Up North Property Sales LLC – Mr. Dunbar has an LLC the purpose of which is to receive the compensation from his independent contractor activities with Kidd & Levy.

**Item 5. Additional Compensation**

In addition to partnership distributions from M1 Capital Management, Mr. Dunbar may also receive compensation through his activities at Purshe Kaplan Sterling Investments in the form of commissions. He may also receive compensation for by Kidd & Levy for selling and listing houses.

**Item 6. Supervision**

We supervise Mr. Dunbar's activities. An officer of our firm reviews the accounts managed by Mr. Dunbar. Mr. Dunbar is supervised by Ryan Malloch, Partner. Mr. Malloch's telephone number is (248) 647 – 3474.

**Item 7. Requirements for State-Registered Advisers**

Not applicable.

**Part 2B of Form ADV: Brochure Supplement**

**For Robert Stapleton**

**Item 1. Cover Page**

Supervised Person:

Robert Stapleton

36800 Woodward Avenue, Suite 101

Bloomfield Hills, MI 48304

(248) 647-1780

Name of Firm

M1 Capital Management

36800 Woodward Avenue, Suite 101

Bloomfield Hills, MI 48304

(248) 647-1780

The date of this Supplement is January 6, 2021

**This brochure supplement provides information about Robert Stapleton that supplements the M1 Capital Management brochure. You should have received a copy of that brochure. Please contact Kristy Reynolds at (248) 647-3474 if you did not receive M1 Capital Management's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Robert Stapleton also is available on the SEC's website at [www.adviserinform.sec.gov](http://www.adviserinform.sec.gov).**

**Item 2. Educational Background and Business Experience**

**Name:** **Robert Stapleton**

Date of Birth: October 22, 1954

Formal Education

After High School: B.A. (1977) in Business from  
Michigan State University

Business Background

For the Preceding

Five Years: **Investment Advisor**

M1 Capital Management  
Bloomfield Hills, Michigan  
January 2021 – present

**Managing Partner**

M1 Capital Management  
Bloomfield Hills, Michigan  
June 2011 – December 2020

**Chief Executive Officer**

thinkorswim Advisors, Inc.  
Bloomfield Hills, Michigan  
April 2002 – September 2011

**Director**

Birmingham Bloomfield Bancshares, Inc.  
Bank of Birmingham

33583 Woodward Ave

Birmingham, MI 48009

July 2006 – October 2007

**President and CIO**

Independence One Capital

Management Corp.

Farmington Hills, Michigan

January 1995 - March 2002

**Sr. Vice President and Bond Trader**

Independence One Capital

Management Corp and

Predecessor (Prima)

Farmington Hills, Michigan

September 1988 - December 1994

**Trading Manager**

Michigan National Bank

Farmington Hills, Michigan

March 1986 – September 1988

**Trader, First National Bank**

Chicago, Illinois

March 1985 - March 1986

**Trading Manager**

American National Bank

Chicago, Illinois

April 1982 - March 1985

**Assistant Bank Examiner**

U.S. Treasury,

Comptroller of Currency

Chicago, Illinois

January 1978 - April 1982

**Item 3. Disciplinary Information**

There is no legal or disciplinary event material to a client's or prospective client's evaluation of Robert Stapleton.

**Item 4. Other Business Activities**

Partner, Stapleton LBI Investments - an investment-related limited partnership that invests in real estate and real estate related investments. Partner since 4/14/11. There are no ongoing duties or responsibilities involved, nor any time spent during the month devoted to this partnership.

Partner, CART – this is the successor partnership to Stapleton LBI investments which is an investment-related partnership that invests in real estate and real estate related investments.

Partner, Hawk Investment LLC – which provides investment advice and investment services.

Partner, Hawk Partners LLC – an investment-related LLC that makes residential and commercial loans.

Partner, Hawk Real Estate Partners LLC – an investment-related LLC that purchases real estate for future development.

Board of Directors, Sawtooth Asset Management – a company which provides a wealth management platform to advisors as well as investment management services.

**Item 5. Additional Compensation**

Mr. Stapleton does not receive any compensation other than his income as an independent contractor of M1 Capital Management. He may receive investment income from the investment partnerships in which he is partner.

**Item 6. Supervision**

Robert Stapleton is the Managing Partner of M1 Capital Management. Supervision of Mr. Stapleton is performed by the Paul Dunbar, Partner. Mr. Dunbar's telephone number is (248) 647-5232.

**Item 7. Requirements for State-Registered Advisers**

Not applicable.

**Part 2B of Form ADV: Brochure Supplement**

**For Steve Rashis**

**Item 1. Cover Page**

Supervised Person:

Steve Rashis

5250 Old Orchard Road

Suite 345

Skokie, IL 60077

(847) 983-3547

Name of Firm

M1 Capital Management

36800 Woodward Avenue, Suite 101

Bloomfield Hills, MI 48304

(248) 647 – 1780

The date of this Supplement is January 6, 2021

**This brochure supplement provides information about Steve Rashis that supplements the M1 Capital Management brochure. You should have received a copy of that brochure. Please contact Kristy Reynolds at (248) 647-3474 if you did not receive M1 Capital Management's brochure or if you have any questions about the contents about this supplement.**

**Additional information about Steve Rashis also is available on the SEC's website at [www.adviserinform.sec.gov](http://www.adviserinform.sec.gov).**

**Item 2. Educational Background and Business Experience**

**Name:** **Steve Rashis**

Date of Birth: April 1, 1965

Formal Education

After High School: Indiana University

B.A. Finance (1987)

Business Background

for the Preceding

Five Years: **Chief Option Strategist**

M1 Capital Management

Skokie, Illinois

September 2013 – Present

**Institutional Option Strategist**

thinkorswim by TD Ameritrade

Chicago, Illinois

July 2011 – September 2013

**Trade Desk Manager**

thinkorswim by TD Ameritrade

Chicago, Illinois

June 2009 – July 2011

**Co- Account Manager, Lead Option Strategist**

thinkorswim Advisors, Inc.

Chicago, Illinois

December 2002 – June 2009



**Market Maker**

Chicago Board Options Exchange

Chicago, Illinois

1987 – 2002

**Item 3. Disciplinary Information**

There is no legal or disciplinary event material to a client's or prospective client's evaluation of Steve Rashis.

**Item 4. Other Business Activities**

There are no other business activities material to a client's or prospective client's evaluation of Steve Rashis.

**Item 5. Additional Compensation**

Mr. Rashis does not receive any compensation other than that which he receives from M1 Capital Management.

**Item 6. Supervision**

We supervise Mr. Rashis's activities. An officer of our firm reviews the accounts managed by Mr. Rashis. Mr. Rashis is supervised by Paul Dunbar, Partner. Mr. Dunbar's telephone number is (248) 647 - 5232.

**Item 7. Requirements for State-Registered Advisers**

Not applicable.