

**Item 1: Cover Page**  
**Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure**  
**March 2022**

**Capital Management Advisor Group, LLC Wrap Program**

**Sponsored by:**



**CAPITAL MANAGEMENT**  
**Advisor Group, LLC**

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**Firm Contact:**  
**Timothy Menez**  
**Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Capital Management Advisor Group, LLC. If clients have any questions about the contents of this brochure, please contact us at 925-935-8200 or [tmenez@cmadvisorgroup.com](mailto:tmenez@cmadvisorgroup.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](http://www.adviserinfo.sec.gov) by searching CRD #304617.

Please note that the use of the term "registered investment adviser" and description of our firm 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 Management Advisor Group, LLC is required to make clients aware of information that has changed since the last annual update to the Wrap Brochure ("Wrap 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, we have added a comprehensive portfolio management service offering as we begin to transition away from our wrap fee program.

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## Item 4: Services, Fees & Compensation

Our firm manages assets for a specific type of client focusing our efforts towards meeting their financial goals through behavioral investment counseling and a formal written financial plan. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

Our firm sponsors and offers a wrap fee program, which allows clients to pay a single fee for investment advisory services and associated custodial transaction costs. Transaction fees will be paid by our firm via individual transaction charges. Because our firm absorbs client transaction fees, an incentive exists to limit trading activities in client accounts. Custodial transaction costs, however, are not included in the advisory fee charged by our firm for non-wrap services and are to be paid by the client to their chosen custodian. Depending on the client's account or portfolio trading activity, clients may pay more for using our wrap fee services than they would for using our non-wrap services.

Our recommended custodian, TD Ameritrade, Inc. ("TD Ameritrade"), does not charge transaction fees for U.S. listed equities and exchange traded funds. Since we pay the transaction fees charged by the custodian to clients participating in our wrap fee program, this presents a conflict of interest because we are incentivized to recommend equities and exchange traded funds over other types of securities in order to reduce our costs. Our firm is committed to always acting in the best interest of the client.

### Our Wrap Advisory Services

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#### Wrap Comprehensive Portfolio Management:

As part of our Wrap Comprehensive Portfolio Management service clients will be provided consulting services and asset management. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Our firm conducts client meetings to understand their current goals, financial situation, existing resources, time horizon and education of risk. Based on what is learned and after a written financial plan is created, an investment approach is presented to the client, consisting of primarily actively managed mutual fund portfolios but may also include separately managed accounts (SMAs)<sup>1</sup>, individual stocks, bonds, ETFs, and other public and private securities or investments. In arriving at the appropriate portfolio it is our conviction that the only intelligent progression in the creation of a financial plan is first *the goal(s)*, next *the plan* for achieving the goal(s), and only then a *portfolio*. All three of these aspects are continuously and regularly monitored, and if necessary, adjusted or rebalanced based upon the client's individual ongoing needs, stated goals and objectives. We review the overall investment strategy with each

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<sup>1</sup>When appropriate, our firm may provide advisory services through certain programs sponsored by other investment advisory firms in the form of separately managed accounts. Separately managed account services will be provided as a part of our firm's Wrap Comprehensive Portfolio Management service. Our firm will deliver to the client the Form ADV Part 2 brochures and/or applicable Wrap Fee Program brochures of firms that sponsor the separately managed account services that the client is engaged in, which contain information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs. Upon request, our firm may also deliver the Form ADV Part 2 brochures and applicable Wrap Fee Program brochures of all sponsors of separately managed account services we offer.

client no less than annually, depending on their availability. Provided the client's goals do not change in the interim, we do not expect to alter materially either their plan or portfolio.

The maximum annual fee charged for our Wrap Comprehensive Portfolio Management service will not exceed 1.50% and is often less. Fees to be assessed will be outlined in the advisory agreement to be signed by the Client. Annualized fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. Fees are negotiable and will be deducted from client account(s). Unless otherwise agreed to in writing, our advisory fees shall be applicable to cash and cash equivalents. Adjustments will be made for deposits and withdrawals during the quarter. Our firm does not offer direct invoicing. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each investment position in the assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

Fees charged for third party manager services shall be in addition to our advisory fees. The third party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them. Third party money managers establish and maintain their own separate billing processes over which we have no control. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

#### **Other Types of Fees & Expenses:**

In addition to our advisory fees above, clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, separately managed account, 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.

#### **Termination and Refunds:**

Either party may terminate the advisory agreement signed with our firm for Wrap Comprehensive Portfolio Management services in writing at any time. Upon notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance.

#### **Wrap Fee Program Recommendations:**

Our firm does not recommend or offer the wrap program services of other providers.

## Item 5: Account Requirements & Types of Clients

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Our firm requires a minimum account balance of \$1,000,000 for our Wrap Comprehensive Portfolio Management services. This minimum account balance requirement is generally not negotiable and would be required throughout the course of the client's relationship with our firm. Exceptions will be made on a case-by-case basis.

Our firm has the following types of clients: Individuals and High Net Worth Individuals.

## Item 6: Portfolio Manager Selection & Evaluation

### Selection of Portfolio Managers:

Timothy Menez acts as the portfolio manager for this wrap fee program. Mr. Menez is subject to individual licensing requirements as imposed by state securities boards. Our firm is required to confirm or update Mr. Menez' Form U4 on an annual basis. Mr. Menez is our firm's sole Owner & Chief compliance Officer and as such, has no internal supervision placed over him. He is, however, bound by our firm's Code of Ethics. A conflict arises in that other investment advisory firms may charge the same or lower fees than our firm for similar services

### Advisory Business:

Information about our wrap fee services can be found in Item 4 of this brochure. Our firm offers individualized investment advice to our Wrap Comprehensive Portfolio Management clients.

Our firm does not usually allow Wrap Comprehensive Portfolio Management clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. Exceptions will be made on a case-by-case basis.

### Participation in Wrap Fee Programs:

Our firm does not manage wrap fee accounts in a different fashion than non-wrap fee accounts. All accounts are managed on an individualized basis according to the client's investment objectives, financial goals, understanding of risk, etc.

### Performance-Based Fees & Side-By-Side Management:

Our firm does not charge performance-based fees.

### Methods of Analysis, Investment Strategies & Risk of Loss:

The following methods of analysis & investment strategies are utilized by our firm when formulating investment advice and/or managing client assets:

Our investment strategies are always governed by the client's goals and time horizon for achieving those goals. Our methods of analysis involve continually monitor the client's underlying investment portfolio to confirm it matches the stated time horizon. If the client's goal time horizon is relatively short, i.e. two years or less, the assets needed for that short-term goal are generally be directed to less or non volatile investment classes. All long-term goals are directed into long-term holding that generally provide more volatility and as a result more potential of long-term growth in value. Our ongoing analysis focuses on investment manager experience, philosophies and disciplines of management, investment research abilities, long-term performance, management fees and internal compensation structure against industry peers

We prefer to invest our advisory client's in the following securities in managing client accounts, provided that such securities are appropriate to the goals and needs of the client and consistent with the client's written financial plan, investment objectives, understanding of risk, and time horizons, among other considerations:

**Mutual Funds:** A mutual fund is a company that pools money from many investors and invests that money in a variety of differing security types based on the objectives of the fund. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares are the fund's per share net asset value ("NAV") plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which is calculated daily after market close.

The benefits of investing through mutual funds include: (a) Mutual funds are professionally managed by an investment adviser who researches, selects, and monitors the performance of the securities purchased by the fund; (b) Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as "Don't put all your eggs in one basket." Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.; (c) Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.; and (d) At any time, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption.

Mutual funds also have features that some investors might view as disadvantages: (a) Some investors may pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distributions they receive. This includes instances where the fund performed poorly after purchasing shares.; (b) Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.; and (c) With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour

to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds, however, are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit, and cannot use losses to offset these gains.

**Please Note:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks and volatility associated with investing in the stock market or equity type investments, are appropriately diversified in your investments, and ask any questions you may have. Investment education is one of the major themes of our firm.

**Capital Risk:** Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100% of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

**Inflation Risk:** Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. If the Consumer Price Index stays at its long-term trend of approximately 3%, each dollar you own will lose approximately 20% of its current day purchasing power and 60% percent over the average 30 year, two-person retirement period. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

**Longevity Risk:** The fact remains that life expectancy continues to stretch out. The average two-person retirement period is now 30 years and presents a significant risk of running out of funds before running out of life if one is not educated to the risk and appropriately invested for the future. Additionally, longer life means for many longer declining years in their health and quality of life. This again presents the risk of not having the appropriate amount of liquid resources to manage latter or end of life challenges.

**Economic Risk:** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and may carry a higher amount of volatility. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will



generally be subject to a higher level of volatility. Currency risk is another factor to consider when investing in various areas of the globe.

**Mutual Fund Risk:** When investing in a mutual fund, you will bear additional expenses based on your pro rata share of the mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying securities the mutual fund holds. Clients may also incur brokerage costs when purchasing mutual funds.

**Interest Rate Risk:** Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

**Legal/Regulatory Risk:** Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

**Strategy Risk:** There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

#### **Voting Client Securities:**

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

### **Item 7: Client Information Provided to Portfolio Manager(s)**

All accounts are managed by Timothy Menez. Mr. Menez will be privy to the client's investment goals and objectives, knowledge of risk, restrictions placed on the management of the account(s) or portfolio(s) and relevant client notes taken by our firm. Please see our firm's Privacy Policy for more information on how our firm utilizes client information.

## **Item 8: Client Contact with Portfolio Manager(s)**

Clients are always free to directly contact Timothy Menez with any questions or concerns about their portfolios or other matters.

## **Item 9: Additional Information**

### **Disciplinary Information**

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

### **Financial Industry Activities & Affiliations**

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Timothy Menez is a licensed insurance agent. As such, he may offer insurance products and receive customary fees as a result of insurance sales. 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. To mitigate this potential conflict, Timothy Menez will act in the client's best interest.

### **Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

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As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

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 and clients are primarily invested in mutual funds. However, under some circumstances, related persons of our firm and/or clients may be invested in individual securities.

Therefore, it is possible that related persons of our firm 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 prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

## **Review of Accounts**

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Timothy Menez reviews accounts on at least an annual basis for our Wrap Comprehensive Portfolio Management clients. The nature of these reviews is to confirm that the client's account remains in line with their goals and investment objectives as detailed in their written financial plan and investment policy statement. Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major changes in the client's life event or other requests by the client, etc. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Wrap Comprehensive Portfolio Management clients are contacted.

## **Other Compensation**

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Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. As such, our firm may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give our Clients, although our firm 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 our 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 our firm 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 duty to 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 choice of TD Ameritrade for custody and brokerage services.

## **Client Referrals**

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Our firm does 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.

## **Financial Information**

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Our firm 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.