

## **Item 1 - Cover Page**

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

## **Capstone Capital Wealth Advisors**

2600 Paseo Verde Pkwy #150  
Henderson, NV 89074

Telephone: 702-433-7588

Email: [jackie@capstonecap.com](mailto:jackie@capstonecap.com)

Web Address: [www.capstonecap.com](http://www.capstonecap.com)

**September 28, 2022**

This brochure provides information about the qualifications and business practices of Capstone Capital Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at 702-433-7588 or [jackie@capstonecap.com](mailto:jackie@capstonecap.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. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Capstone Capital Wealth Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 123764.

## **Item 2 - Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

Since the Firm's last ADV annual update amendment dated February 1, 2022, the Firm had the following changes:

- Item 5 – updated language to include “legacy” client disclosure, updated fee schedule, and removed option for billing in advance for clients going forward.
- Item 13 – updated to remove reference to an IAR that is no longer with Capstone Capital Wealth Advisors.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us at 702-433-7588 or by email at [jackie@capstonecap.com](mailto:jackie@capstonecap.com).

### **Item 3 - Table of Contents**

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

## **Item 4 - Advisory Business**

Capstone Capital Wealth Advisors is an SEC registered investment adviser with its principal place of business located in Nevada. Capstone Capital began conducting business in 2002.

Capstone Capital Wealth Advisors is owned by Leavitt Holdings LLC and Dawson Holdings LLC. Ron Leavitt and Adam Dawson are each the sole managing members of their respective holding companies.

As of December 31, 2021, Capstone Capital Wealth Advisors had \$339,178,819 in discretionary assets under management.

Capstone Capital Wealth Advisors offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES**

#### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we create and manage a portfolio. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Discretionary services allow Capstone Capital Wealth Advisors to enter trades in a client's account on client's behalf without prior approval. 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.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

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 following securities:

- Exchange-listed securities
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Exchange-traded fund shares

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.

#### **Retirement Rollovers-No Obligation/Conflict of Interest:**

At times, Capstone Capital Wealth Advisors may recommend a client roll over assets held in an employer sponsored retirement plan to an IRA managed by the firm. As a result, Capstone Capital Wealth Advisors will receive increased compensation. Capstone Capital Advisors has an economic incentive to encourage an investor to roll plan assets into an IRA that Capstone Capital Wealth Advisors will manage creating a potential conflict of interest.

While Capstone Capital Wealth Advisors may receive increased compensation as a result of a rollover recommendation, the firm will only make these recommendations in the best interest of the client taking into account such various factors as the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus those of Capstone Capital Wealth Advisors, iv) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. No client is under any obligation to roll over plan assets to an IRA managed by Capstone Capital Wealth Advisors.

Occasionally, Capstone Capital Wealth Advisors will refer a client to Efficient Advisors for Efficient's managed asset allocation portfolios (Efficient Portfolios) to help manage small company retirement plans. Efficient Portfolios are passively managed models consisting primarily of shares of no-load mutual funds and exchange-traded funds. Clients who accept a referral will enter into an agreement with Efficient Advisors that sets out the discretionary authority a client will grant Efficient to invest client's assets and the fee for their services. Clients are free to accept or reject Capstone Capital Wealth Advisors' recommendation of Efficient Portfolios in the management of their investment account.

#### **FINANCIAL PLANNING**

Capstone Capital Wealth Advisors focuses on a team approach in all aspects of our clients' finances. In the financial planning services offered, Capstone will coordinate with our clients' other trusted advisors to provide a holistic view of the client's financial plan. Specific services may include, but are not limited to, one or more of the following: retirement planning, estate analysis and planning, cash flow and net worth analysis, risk management analysis, asset protection, and philanthropic planning.

#### **WRAP FEE PROGRAM**

Capstone Capital Wealth Advisors does not offer wrap fee programs.

### **Item 5 - Fees and Compensation**

#### **PORTFOLIO MANAGEMENT SERVICES FEES**

Capstone Capital Wealth Advisors' fee for portfolio management is an annual fee charged in arrears on a quarterly basis, based on the net value of the assets under

management on the last business day of the prior quarter, according to the following schedule:

- 1.00% for the first \$2,000,000
- 0.75% for the next \$3,000,000
- 0.50% for additional assets above \$5,000,000

The annual fee will begin upon the date the assets are transferred into the account. In the event we are due our fee for a partial quarter, such as if a client commences or terminates our services in the middle of the quarter, the fee will be prorated. In the event a client makes a significant deposit or withdrawal (25% of the portfolio) in the middle of a quarter, Capstone Capital reserves the right to prorate the fee for the amount deposited or withdrawn without further notice to the client.

Unless otherwise agreed upon in writing, the client gives Capstone Capital Wealth Advisors the authority to debit management fees from the client's brokerage accounts. The firm sends clients a billing statement for the amount due each quarter. Clients authorize Capstone Capital Wealth Advisors to debit their fee from available cash or cash equivalents in the brokerage account. If there are not sufficient funds, the client authorizes Capstone Capital Wealth Advisors to liquidate securities for this purpose. It is the client's responsibility to verify the fee calculations accuracy. The account custodian does not determine if a fee is properly calculated.

## **FINANCIAL PLANNING FEES**

Fees for financial planning are determined on a project or hourly basis to meet the needs of each client. Fees may vary depending on services provided, types of issues addressed, longevity of the planning process, and the complexity of end-goals. The hourly rate ranges from \$150-250. The typical range of fees is \$150-\$2,500 with a minimum fee of \$150. Accuracy of the estimate is based on all relevant information provided. Fees are due, and are to be paid, at conclusion of the engagement. The cost of each financial plan has the potential to be waived, on a case-by-case basis, with a signed agreement for asset management services by Capstone Capital Wealth Advisors.

**Limited Negotiability of Advisory Fees:** Although Capstone Capital Wealth Advisors has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These considerations include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific quarterly fee schedule will be identified in the contract between the adviser and each client. Capstone Capital Wealth Advisors may also have legacy clients with existing engagements that have different fees and services than those described here and that are no longer on offer.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** Any engagement agreement may be canceled at any time without penalty, by either party, for any reason. To effect the termination, the client must notify Capstone Capital Wealth Advisors in writing. If an agreement is canceled within five business days after the effective date of the agreement a client will receive a full refund of fees. After five days, all fees owed to us for work performed before termination and all credits owed to the client for fees paid that remain unearned at time of termination become due immediately. We reserve the right to value a client's account, prorate the fee and automatically debit the fees owed to us anytime during this termination period. Fees for work completed up to the termination date will not be refunded. We agree to provide investment services and reasonable logistical support in transferring the client's account effectively ending our management of the account. If a client terminates our services and later decides to use our services again, the client will enter into a new agreement.

***Mutual Fund Fees:*** All fees paid to Capstone Capital Wealth Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In this case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer when an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Capstone Capital Wealth Advisors may charge up to \$250.00 per hour for work not related to investment advisory services. This fee applies to clients that are not receiving our investment advisory services. This could include asset registration or re-registration or consultation on investments not held at our firm.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Capstone Capital Wealth Advisors' minimum account requirements and advisory fees in effect at the time the client entered the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients. Capstone Capital Wealth Advisors reserves the right to waive the minimum dollar value imposed.

***ERISA Accounts:*** Capstone Capital Wealth Advisors is deemed to be a fiduciary to advisory clients that are employees of 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interests and not put our interests ahead of yours. To avoid engaging in prohibited transactions, Capstone Capital Wealth Advisors may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any fees other than Capstone Capital Wealth Advisor's advisory fees.

**Solicitor Fees:** When a Capstone Capital Wealth Advisors client enters into an agreement to participate in the Efficient Portfolio Program the client will pay Efficient Advisors a fee. During the time a client participates in the Efficient Portfolio Program Efficient will pay a portion of its management fee for services of Capstone Capital Wealth Advisors. Efficient will collect its management fee directly from the client's account and then remit to Capstone Capital Wealth Advisors its portion of the fee.

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

Capstone Capital Wealth Advisors does not charge any performance-based fees and does not use side-by-side management.

## **Item 7 - Types of Clients**

Capstone Capital Wealth Advisors provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit-sharing plans (other than plan participants)
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed

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

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. We base asset allocation decisions on academic and long-term market research, not economic conditions, or short-term market predictions. We strive to choose mutual funds or ETFs with broad market exposure, low turnover, and low management fees. We also pay close attention to how the holdings of various funds relate to each other, to improve diversification and minimize overlap.

Capstone Capital Wealth Advisors' investment strategies have a long-term focus and are closely coordinated with each client's specific investment objectives, risk tolerance, investment time horizon and liquidity needs. Capstone Capital Wealth Advisors determines and builds the portfolio with the client. The firm adheres to passive asset allocation strategies. If a client already owns certain securities, the appropriateness,



constraints and all the other factors are considered in deciding whether to sell them or retain them in the overall investment plan.

We may periodically rebalance client portfolios as markets fluctuate, to bring portfolios back to their original target allocation. Otherwise, portfolio allocations may gradually fall outside the client's risk tolerance.

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. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal. The following are some of the investment risks faced by investors:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar last year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9 - Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations to disclose other than what is noted below.

Adam Moroni Dawson and Kyle Wade Price are licensed insurance producers through various insurance companies. In such capacity, they offer insurance products and receive normal and customary commissions resulting from such purchases. In some cases, the firm may receive the commission directly from the insurance company with a portion paid to Adam Dawson or Kyle Price, or the firm may receive a portion of the commissions paid directly to them.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct which we require of our employees, including compliance with applicable federal securities laws.

Capstone Capital Wealth Advisors 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.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by sending an email to [jackie@capstonecap.com](mailto:jackie@capstonecap.com), or by calling us at 702-433-7588.

Capstone Capital Wealth Advisors does not recommend to clients' securities in which the firm or a related person has a material financial interest in. Capstone Capital Wealth Advisors and its access persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or they have a material financial interest.

Capstone Capital Wealth Advisors or persons associated with the firm may buy or sell the same securities that the firm recommends to clients or securities in which clients are already invested. A conflict of interest may exist in such cases because Capstone Capital Wealth Advisors can trade ahead of the client and potentially receive more favorable prices than the client will receive. To eliminate this conflict of interest, it is Capstone Capital Wealth Advisors' policy that neither the firm's access persons nor

Capstone Capital Wealth Advisors shall have priority over a client's purchase or sale of securities. The firm maintains a list of all reportable securities holdings for our firm, and anyone associated with Capstone Capital Wealth Advisors that has access to advisory recommendations ("access person") and these holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or their designee.

## **Item 12 - Brokerage Practices**

In the event that the client requests that we recommend a broker dealer/custodian for execution and/or custodial services, the firm generally recommends that investment management accounts be maintained at Charles Schwab & Co., Inc. ("Schwab") and/or TD Ameritrade, a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab and TD Ameritrade are independently owned and operated and not affiliated with the firm. Neither custodian supervise nor otherwise monitor the firm's investment management services to its clients. Schwab and TD Ameritrade provide us with access to institutional trading and custody services, which typically are not available to Schwab or TD Ameritrade retail investors. Schwab and TD Ameritrade services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Factors that we consider in recommending Schwab or TD Ameritrade (or any other broker-dealer/custodian to clients) include financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by our clients shall comply with our duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the firm, in good faith, that the commission/transaction fee 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 broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, the firm's investment management fee. The firm's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, the firm may receive from Schwab or TD Ameritrade (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the firm may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events,

marketing support, computer hardware and/or software and/or other products used by us in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the firm in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the firm to manage and further develop its business enterprise.

Our clients do not pay more for investment transactions effected and/or assets maintained at Schwab or TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by us to Schwab, TD Ameritrade or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

The firm's Chief Compliance Officer, Jackie Benjamin, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

The firm does not receive referrals from broker-dealers; nor engage in directed brokerage arrangements.

To the extent that the firm provides investment management services to its clients, the transactions for each client account generally will be affected independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. The firm may, (but is not obligated to), combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the firm's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. We shall not receive any additional compensation or remuneration resulting from such aggregation.

Schwab and TD Ameritrade provide the clients with consolidated statements. Our employees are not registered representatives of Schwab or TD Ameritrade and do not receive any commissions or fees from recommending these services.

## **Item 13 - Review of Accounts**

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. 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 Ronald K. Leavitt / Principal, Adam M. Dawson / Principal, and/or Kyle Wade Price / Wealth Advisor. In addition to the statements and confirmations of transactions clients receive from their custodian at least quarterly, we provide quarterly statements summarizing account performance, balances, and

holdings.

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

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm.
- the fact that the Solicitor is being paid a referral fee.
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased because of any referral.

Capstone Capital has entered into an agreement with Efficient Advisors to refer some clients to their Efficient Portfolios and as a result will receive a share of the client's fee paid to Efficient Advisors. Efficient pays a portion of its management fee to Capstone Capital Wealth Advisors for further credit to the Investment Adviser Representative responsible for servicing the client.

## **Item 15 – Custody**

Capstone Capital Wealth Advisors does not accept or maintain physical custody of any client cash or securities. All clients' assets are held at an independent qualified custodian. Capstone Capital Wealth Advisors will only have custody of assets to the extent it deducts its advisory fees from client accounts and in the use of Standing Letters of Authorization (SLOA's) for third-party money movement.

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, clients give Capstone Capital Wealth Advisors the authorization to directly deduct the firm's fee from their account held at the independent custodian. As part of this billing process, the client's custodian is advised by Capstone Capital Wealth Advisors of the amount of the fee to be deducted from the client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period, including the deduction of Capstone Capital Wealth Advisors' fee.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe there may be an error in their statement.

For SLOA's: All transfers from client custodial accounts to third party accounts will be

preceded or accompanied by client written authorization. Capstone Capital Wealth Advisors will ensure that the SLOA will satisfy the requirements needed to avoid the need for the surprise annual audit for third-party money transfers and will contain the specific information needed to avoid custody when using a SLOA for a first-party money transfer.

### ***Account Statements***

Clients will receive at least quarterly account statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets detailing the assets in the account and any transactions-including fee deductions.

### ***Performance Reports***

In addition to the account statements the clients receive directly from their custodians, we also send reports directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure all account transactions, holdings and values are correct and current. If you are not receiving at least quarterly custodial account statements, please contact us at the number on the cover page of this brochure.

## **Item 16 - Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting them prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell and process the order

Clients give us discretionary authority when they sign a discretionary agreement on the new account document and in the Investment Management Agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Capstone Capital Wealth Advisors requires it be provided with written authority to determine which securities and the amounts of securities that are bought or sold in a client's account.

## **Item 17 - Voting Client Securities**

We vote proxies for all client accounts; however, clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in writing not to vote proxies for their accounts on their behalf.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting records for the requisite period, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to deciding how to

vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Jackie Benjamin by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. We will promptly provide proxy information to the client.

Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner. With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Jackie Benjamin by telephone, email, or in writing.

You can instruct us to vote proxies according to particular criteria. These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us in writing at:

Capstone Capital Wealth Advisors  
2600 Paseo Verde Pkwy #150  
Henderson, NV 89074

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party.

### **Item 18 - Financial Information**

Capstone Capital Wealth Advisors does not require or solicit pre-payment of fees more than \$1,200 per client, for services to be provided six months or more in advance. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts or is deemed to have custody, we are also required to disclose any financial condition reasonably likely to impair our ability to meet our contractual obligations. Capstone Capital Wealth Advisors has no additional financial circumstances to report.

Capstone Capital Wealth Advisors has not been the subject of a bankruptcy petition within the past ten years.