
Part 2A of Form ADV: *Firm Brochure*

Capital Asset Advisory Services, LLC

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This brochure provides information about the qualifications and business practices of Capital Asset Advisory Services, LLC. If you have any questions about the contents of this brochure, please contact us at 517-339-7662 or kene@wealth-advisor.biz. 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 Capital Asset Advisory Services, LLC also is available on the SEC's website at 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 110929. Registration with the Securities and Exchange Commission does not imply a certain level of skill or training.

Item 2. Material Changes

We have made no material changes to this Form ADV Part 2A Brochure since it was filed with the SEC in March 2018.

We will ensure that the Client receives a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year end, which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide the Client with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting our Chief Compliance Officer (“CCO”) 517-339-7662.

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Item 4. Advisory Business

Capital Asset Advisory Services, LLC (“CAAS”) is an SEC-registered investment adviser with its principal place of business located in Michigan. Capital Asset Advisory Services, LLC began conducting business in 2004.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Anthony Joseph Mazzali, Managing Member

As of December 31, 2018, Capital Asset Advisory Services has a total of 14,386 accounts with total assets under management of \$1,901,001,282. Of these, 10,651 accounts have \$1,673,593,658 in assets under management, which are managed on a discretionary basis. Discretionary authority means Clients have given us the authority to determine the following without prior consent:

- Securities to be bought or sold for the Client account
- Amount of securities to be bought or sold for the Client account

The remaining 3,735 accounts have 227,407,624 in non-discretionary assets under management.

Capital Asset Advisory Services, LLC offers the following advisory services to our Clients:

We offer a variety of investment advisory financial services to our Clients. Our services include General Consulting, Financial Planning Services, Portfolio Management, Retirement Plan, and 401(k) services, all which are discussed below in further detail. The products discussed throughout this brochure are available on a non-wrap basis.

Our Portfolio Management and Retirement Plan Services are also available on a wrap basis, which means that the account is charged a single, bundled, or “wrap” fee for investment advice, brokerage services, administrative expenses, and other fees and expenses. The difference between the two programs resides in the services provided and the costs a Client will incur.

Under our wrap program, the Client receives supervisory investment management services delivered through both our pre-developed proprietary investment program models and non-program models (“APM Models”), custody of their assets at an unaffiliated qualified custodian, and brokerage for a single advisory fee. For non-wrap portfolio management program services, the management of the Client’s portfolio is delivered through use of a bespoke APM model developed in consultation with the Client immediately prior to or at the time the Client’s account is opened and would incur the same fees plus brokerage, custody, and other related fees, some of which are negotiable. As for the reporting and administrative services provided under both wrap and non-wrap programs, the Client also pays an administrative fee. The management of all Client portfolios, whether discharged in a wrap or non-wrap format, are performed through the use of our

discretionary and non-discretionary customized proprietary program and bespoke non-program models.

For more information about our wrap fee offerings, please refer to our ADV 2A Appendix 1: Wrap Fee Brochure.

For all investment advisory and related services described below, we tailor our products in accordance with the Client specific needs in a documented financial plan or investment policy statement. This process involves taking multiple factors into consideration, including, but not limited to, investment horizon, risk tolerance, income requirements, as well as any reasonable guidelines and restrictions a Client may impose.

All Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with CAAS. Insurance products are also offered to our Client through affiliated insurance brokers, as more fully described below.

Financial Planning Services

We offer a variety of services to assist the Client with the management of the Client's financial resources, on a discretionary and non-discretionary basis, based upon an analysis of the Client's individual needs. The process typically begins with an initial complementary consultation. If during or after the initial consultation the Client decides to engage us for financial planning services, we meet with the Client to collect pertinent information about their personal and financial circumstances and objectives. Once we have analyzed all the information we have gathered, we create a written financial plan, tailored to the Client's financial goals and objectives.

We also offer advice on a single aspect of the management of the Client's financial resources. For these Clients, we offer one-time and ongoing general consulting services that address only those specific areas of interest or concern.

We consider any or all of the following types of investments in developing a financial plan:

Exchange-Listed Securities, Securities Traded Over-The-Counter, Warrants, Corporate Debt Securities, Commercial Paper, Certificates of Deposit, Municipal Securities, Variable Life Insurance, Variable Annuities, Mutual Fund Shares, US Government Securities, Options Contracts on Securities, Real Estate Investment Trusts ("REITs"), and Other Investments previously held at the start of the Client's financial planning process

We can provide advice on any other type of investment that we deem appropriate based on the Client's stated goals and objectives.

Portfolio Management

If the Client decides to engage CAAS for Portfolio Management, we offer customized APM portfolio construction in which one of our Investment Adviser Representatives ("IARs")

individually manages the Client's account to a customized bespoke model determined in accordance with the Client's tailored investment objectives. The Client's account can include individual listed exchange traded securities, as well as mutual funds, ETFs, and listed options. This investment strategy is described in Item 8 of this Brochure. These model portfolios are typically available when the volume of trading in the account is higher than standard CAAS Accounts, and is available on a discretionary or non-discretionary basis.

Retirement Plan Services

We provide investment advisory services to companies sponsoring 401(k) plans. We work with plan trustees and the third-party administrators ("TPAs") selected by the plan to recommend and periodically review investment selections to be made available in the plan.

Trustees of 401(k) plans select one or more portfolios we manage as investment options for their participants. 403(b) trustees may provide an option under which plan participants may engage us for personalized investment advice concerning the participants' sub-accounts. In both situations, the participant may select from among several investment models based on various asset classes. We will then instruct the TPA to create a portfolio using the funds available in the plan that correlate to the investment classes in the model portfolio. We will communicate changes in the model portfolios to the various TPAs, who will make the appropriate changes in the participant's holdings. The Client is charged an advisor fee; however, the Client is also responsible for ticket charges charged from the custodian or administrator.

401(k) Set Up

We provide one-time assistance to companies in setting up a plan, including initial investment selection, and conducting initial education sessions for plan participants.

Item 5. Fees and Compensation

Financial Planning Services

We provide financial planning services on either an hourly or fixed fee basis. Our hourly fee for financial planning services is up to \$275.00. Our fixed fee financial planning is negotiable but will generally range from \$400 to \$5,000 depending upon the nature and complexity of the Client's circumstances.

During the setup process, the Client signs a fee agreement with the IAR spelling out the fees, and agrees to pay either via invoice or at time of agreement, with a check paid to Capital Asset Advisory Services.

Fixed financial planning fees are based on the Client's net worth. The standard schedule of fees is the following and is subject to variations:

Net Worth:

Up to \$200,000

\$200,001 to \$500,000

\$500,001 to \$1,000,000

\$1,000,001 to \$1,500,000

\$1,500,001 to \$2,000,000

\$2,000,001 to \$3,000,000

Above \$3,000,000

Fee:

Up to \$1,000

Up to \$1,500

Up to \$2,000

Up to \$2,500

Up to \$3,000

Up to \$4,000

Negotiable

The full fee is due and payable at the time the Client agreement is executed. In such circumstances, the financial plan is presented to the Client within 90 days of the contract date.

Alternatively, the financial planning fees are payable upon completion of the contracted services. We offer alternative payment options that include an initial retainer fee equal to one-half of the estimated fee in advance of any services rendered. The balance would then be due upon completion of the contracted services.

Either party may terminate the financial planning agreement within five days of the date of acceptance without penalty. After the five-day period, either party may terminate the financial planning agreement by providing written notice to the other party. Prepaid fees will be returned pro-rated based on percent of work already performed on the plan. Earned, unpaid fees are due and payable upon termination via check written to CAAS. Payments that are received via invoice must be with a check made payable to CAAS, or with a credit card payable to CAAS.

When IARs receive commissions from implementing recommended transactions, the Client can negotiate an offsetting reduction of a portion of our fees. CAAS does not receive commissions, or any other compensation related fees from the sale of any products sold to Clients.

Consulting Services

We offer two payment options for consulting services. One option includes an hourly rate of up to \$275.00 per hour. This hourly rate is negotiable and is payable as earned. These fees are payable by invoice with a check made out to CAAS. Alternatively, the Client can be charged an annual advisory fee of up to 1.00% of advised assets. These fees are charged in advance in quarterly increments of up to 0.25% of advised assets, either paid from existing brokerage account, or by check or credit card payment made payable to CAAS.

Advisor as Portfolio Manager Accounts

We offer Advisor as Portfolio Manager Accounts (“APM”) where our Investment Advisor Representative could either be paid a separate negotiable fee of up to 1.00% of assets under management to build a Client a bespoke APM model to trade either away from or through TD Ameritrade (where Client accounts are primarily held) as described below in Item 12 Brokerage

Practices. Alternatively, the Client can be charged an Advisory Fee and an Admin Fee from CAAS of up to 2.25% of assets under management, in addition to brokerage, commission, and/or ticket charges from the custodian or unaffiliated broker, respectively, which may include trading and represents a more in depth management process.

Either party may terminate this Agreement at any time without penalty upon receipt of written notice. Such termination shall not, however, affect liabilities or obligations incurred or arising from transactions initiated under this Agreement prior to such termination, including the provisions regarding arbitration, which shall survive any expiration or termination of this Agreement. Upon termination, the Client shall have the exclusive responsibility to monitor the securities in the Account, and Adviser shall have no further obligation to act or advise with respect to those assets. If the Client terminates this Agreement within five (5) business days of its signing, the Client shall receive a full refund of all fees and expenses. If this Agreement is terminated after five (5) business days of its signing, any prepaid fees shall be prorated and the unused portion shall be returned to the Client.

Retirement Plan Services

As part of our retirement plan services, we charge an annual advisory fee of up to 1.25% of advised assets for recommendations and reviews of investment selections. In addition to this fee, we also charge an administrative fee of up to .15% annually. Optional services are available for a negotiated additional charge. Fees are charged quarterly, in advance, and debited from an existing account at TD Ameritrade, or payable via invoice with a check or credit card made payable to CAAS.

For model portfolio services, we charge annual fees up to 0.50% of advised assets. Fees are charged quarterly, in advance.

CAAS, the plan, or the participant may terminate the advisory agreement within five days of the date of acceptance without penalty to the Client. After the five-day period, either party, upon written notice to the other, may terminate the agreement. After termination, Clients receive a prorated refund of any prepaid advisory fees. All prorated refunds are based on actual services provided and termination costs incurred up to and at the time of the termination of the Firm's services.

401(k) Set Up

We charge a one-time flat fee for 401(k) set up services which ranges from \$600-\$1,000, based on the scope of the Client's request, payable in advance, and earned within six months of the initiation of the service. Fees are payable via invoice, through a check written to CAAS.

CAAS or the plan trustee (or, in the case of services to 403(b) plans, the participant) may terminate 401(k) services and 401(k) set-up services within five days of the date of acceptance without penalty to the Client. After the five-day period, either party may terminate the agreement upon written notice to the other. Clients receive a prorated refund of any prepaid advisory fees. Such prorated refunds are based upon actual services and termination costs incurred up to and at the

time of the termination of the Firm's services. Any earned, unpaid fees will be due and payable upon termination.

In addition to the above, some of our employees and investment advisor representatives receive commission for the sale of insurance products offered through affiliated and unaffiliated insurance and FINRA member brokerage firms. This practice presents a potential conflict of interest because it creates an incentive to recommend investment products based on the compensation received, rather than on a Client's needs. To address the potential conflict of interest, CAAS has developed procedures and protocols reasonably designed to ensure that CAAS, and individuals representing CAAS in the managed of our Clients' accounts, act in our Client's best interest by adhering to the investment objectives, guidelines, restrictions, and investment models selected by our Clients. This is accomplished through the pro-active monitoring of model holdings, ensuring any commissions paid are usual and customary, and by informing Clients that there is no obligation to purchase insurance products through entities affiliated with CAAS. (See Item 12 Brokerage Practices)

GENERAL INFORMATION ON FEES:

Mutual Fund/ETF Fees and Separate Managed Account Managers: All fees paid to Capital Asset Advisory Services, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, separate managed account managers, and/or ETFs to their shareholders.

These fees and expenses are described in each fund's prospectus, a copy of which is provided to the Client either at the time of purchase or shortly thereafter by the custodian. 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 a front-end load, back-end load or deferred sales charge. Any 12b-1 fee, if assessed, is not paid to or otherwise shared with CAAS. CAAS aims to select mutual funds that do not have 12b-1 fees when appropriate.

Additional Fees and Expenses: In addition to our advisory fees, Clients are typically also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Standard Billing Procedure:

Capital Asset Advisory Services bills standard advisory accounts on a quarterly basis, in advance, meaning that the client is billed at the start of the quarter for the next three months of service. The billable value is based off of the last day of the quarter reported on Envestnet, which receives a file from the custodian with the previous day market values. Envestnet calculates fees based off of the number of days in the quarter, rather than splitting the year into fourths. Additionally, Envestnet bills accounts monthly that have been set up after the quarterly billing, and bills/refunds accounts that are opened, closed, or have had signification (Over \$50,000) contributions or withdrawals during that time period.

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

Capital Asset Advisory Services, LLC does not charge performance-based fees or engage in side-by-side management.

Item 7. Types of Clients

Capital Asset Advisory Services, LLC 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), Charitable Organizations, and Corporation or other businesses not listed above.

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

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

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

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

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

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the Client's investment goals and risk tolerance.

A risk of asset allocation is that the Client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the Client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the Client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the Client's portfolio.

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

Investment Strategies

We use the following strategy(ies) in managing Client accounts, provided that such strategy(ies) are appropriate to the needs of the Client and consistent with the Client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the Client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or

- we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

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

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Option writing. We use options as an investment strategy when appropriate. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We may buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We may buy a put if we have determined that the price of the stock will fall before the option expires.

We use options to "hedge" or limit the potential upside and downside risk of a security in a Client's account.

Our policy allows us to use "covered calls", in which we sell an option on a security in the Client's account to earn the fee from the sale of the option that gives the buyer the right to call or acquire the security from the Client's account at the strike or pre-determined option contract price. This occurs in holdings that we believe have reached their expected market value and would subject to selling but instead decide to earn the premium income in lieu of selling and forgoing any additional upside in the holding.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back

from the option buyer, for a possible loss. However, in most instances the option expires and become worthless to the purchaser who sustains a loss in the form of the purchase price of the option plus brokerage commission.

Risk of Loss. Securities investments are not FDIC guaranteed and the Client may lose money on their investments.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

Certain of our Investment Adviser Representatives (“IARs”) are registered representatives of Geneos Wealth Management, Inc. (“Geneos”), which is an unaffiliated securities broker-dealer (members of FINRA, SIPC) and an investment adviser registered with the Securities and Exchange Commission.

In addition, our IARs are also licensed insurance agents. Our IARs receive compensation for their activities as registered representatives or insurance agents.

As registered representatives of Geneos, our IARs recommend securities or insurance products offered by the broker-dealer, and receive customary commissions if products are purchased through them. Thus, a conflict of interest exists between the interests of the IARs and those of our advisory Clients, as the representative would be incentivized to recommend products that carry a commission. Our financial planning, 401(k), and non-discretionary Clients, who approve all recommendations and receive conflict disclosures in advance, are informed of the costs and have no obligation to purchase products recommended by the IARs. No Client is obligated to place securities transactions or purchase insurance through Geneos.

Geneos receives a fee that is paid by the firm upon receipt of an invoice, in accordance with an arm’s length agreement, to defray the costs for the functions Geneos are required to carry out by FINRA. This fee is not passed to our Clients in the form of increase execution or brokerage charges or imputed as part of our advisory fee.

Our owners are also the owners and officers of Capital Asset Insurance Services, Inc., (“CAIS”) and Wealth Advisory Group Insurance Agency (WAGIA), licensed insurance agency in the State of Michigan. Through CAIS and WAGIA, licensed agents, some of which are CAAS IARs, offer insurance products from a variety of product sponsors. CAAS IARs, who are also licensed insurance agents, effect transactions in insurance products and earn the standard and customary commissions for these activities. This occurs primarily because we have Clients who also are Clients of CAIS. Clients may use the insurance agency and agent of their choosing and are under

no obligation to use the services of CAIS or of any of its insurance agents for insurance services. While the receipt of this type of compensation by third-party IARs associated with CAAS, supervised persons of CAAS, and entities that are under common control with CAAS technically represents a conflict of interest, this conflict is mitigated by informing Clients of all costs, allowing the Client to obtain comparable insurance products from unaffiliated insurance companies and streamlining the process by selecting the right product since CAAS in most instances is most familiar with, if not directly involved in creating, the Client's investment or retirement plan.

Our advisory fees are separate and distinct from any commissions earned by CAIS or WAGIA or its insurance agents for the sale and servicing of insurance products. Our firm and/or its related persons own, wholly or in part, several accounting firms. These firms provide accounting and tax preparation services to advisory Clients for separate and typical compensation. No advisory Client is obligated to use these accounting firms, and no accounting Client is obligated to use our advisory services. The Client should be aware that the receipt of additional compensation by our firm and our management persons or IARs creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor at all times to put the interest of our Clients first as part of our fiduciary duty as a registered investment adviser.

We take the following steps to address these conflicts:

- disclose to Clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory Clients in addition to our firm's advisory fees;
- disclose to Clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- collect, maintain, and document accurate, complete, and relevant Client background information, including the Client's financial goals, objectives, and risk tolerance;
- our firm's management conducts regular reviews of each Client account to verify that all recommendations made to a Client are suitable relative to Client risk tolerance;
- require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients.

Certain of CAAS' owners are also the owners of Wealth Advisory Group ("WAG"). WAG provides administrative and compliance services to CAAS and its affiliates that include the following:

- Providing the Chief Compliance Officer for CAAS, the investment adviser;

- Implementing and Administering Compliance program for CAAS;
- Compliance assistance to all CAAS investment adviser representatives;
- Portfolio management and Investment Policy Committee;
- Trading Wealthmark Tactical in addition to a small amount of other models;
-
- Identifying and screening individuals for employment as investment adviser representatives;
- Payroll, accounting, bill-paying, and other back-office services;
- Providing staff to assist in the above functions.

WAG does not provide investment advice.

This arrangement presents a conflict of interest since CAAS's affiliated entity WAG receives fees for the services they provide, which in turn compensates the shared owners for being the Client's investment adviser and performing the administrative and compliance functions. This gives CAAS an incentive to use WAG for these services since they share in the revenue generated.

We take the following steps to address this conflict:

- disclose to Clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory Clients in addition to revenue from WAG's services;
- disclose to Clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;

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

Our officers, employees, and IARs buy or sell – for their personal account(s) – investment products identical to those recommended to Clients. These investment products are widely held and publicly traded. It is our policy that no person employed by our firm shall give preference to his or her own interest to that of the advisory Client.

It is further noted that our investment advisory business is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, we have adopted a firm wide policy statement outlining insider-trading compliance by the Firm, its associated persons, and other employees.

We have established the following restrictions in order to ensure our fiduciary responsibilities:

1. Our employees, including associated persons, shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with our firm or Geneos, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory Clients.^{1 2}
2. We maintain a restricted list of issuers when the firm, including its officers, employees, and associated person, are in possession of material non-public information of a publicly listed security.
3. All personal and Client transactions are reviewed monthly to identify potential conflicts of interests and resolve any conflict, should one arise, in the best interest of our Clients.
4. All Clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
5. We emphasize the unrestricted right of the Clients to decline to implement any advice rendered, except in situations where a Client has granted discretionary authority.
6. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
7. Any individual not in observance of the above may be subject to termination.

In accordance with Section 204-A of the Investment Advisers Act of 1940, the Adviser also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Adviser or any person associated with the Adviser.

CAAS provides a copy of its Code of Ethics (“COE”) to any Client or prospective Client upon request to the Chief Compliance Officer at CAAS’ principal address. The firm’s COE require all access persons, including immediate family members of the same household, to initially, upon employment, and annually thereafter to provide personal trading account holdings. We also require access persons to certify quarterly to any transactions during the period and whether they

¹ This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of our Clients’ trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with our records in the manner set forth above.

² Open-end mutual funds and/or the investment sub-accounts, which may comprise a variable insurance product, are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by IARs are not likely to have an impact on the prices of the fund shares in which Clients invest, and are therefore not prohibited by our investment policies and procedures.

have opened or closed any personal trading brokerage accounts. In addition, certain types of transactions must be pre-cleared by the firm's Compliance Department.

Item 12. Brokerage Practices

TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), 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. CAAS receives some benefits from TD Ameritrade through its participation in the TD Ameritrade Institutional Program. However, Client accounts that are not wrap accounts and maintained at TD incur transaction related fees in the form of ticket charges for the execution of orders through TD Ameritrade. TD Ameritrade has provided assurance that these ticket charges, including any portion thereof, are not subject to nor are they used to generate soft dollar benefits designed to pay for any benefit CAAS may receive from TD Ameritrade. Therefore, there is no soft dollar component to the ticket charges that would require disclosure of the conflicts of interest related to soft dollars that would further necessitate the required disclosure that these services fall within the ambit of the safe harbor under section 28(e) of the Securities Exchange Act of 1934 for the receipt of such benefits.

Since CAAS recommends TD Ameritrade to Clients as custodian and where Clients' transactions can be most efficiently executed, CAAS can be deemed to be requesting that Clients instruct CAAS to execute transactions through TD Ameritrade as a directed broker. Not all investment advisers require Clients to direct brokerage. In most instances, directing brokerage will limit CAAS' ability to negotiate commission price and commission rates that directly impacts its duty to seek best execution for its Client, and may cost Clients more money. While this generally may be accurate, CAAS Clients invest primarily in mutual funds and ETFs and the limitations associated with directing brokerage is not as prevalent where a Client primarily pays a ticket charge and not a standard commission rate per share.

We reasonably believe that TD Ameritrade's blend of execution services, commission, and transaction costs as well as professionalism is consistent with our best execution and fiduciary duty to the Client. We anticipate that most trades will be executed at TD Ameritrade; however, in unusual circumstances, we reserve the right to engage the services of other custodians and brokers, for example, to execute transactions in thinly-traded ETFs. In this situation with thinly-traded ETFs, CAAS will absorb the trading costs associated with the use of another custodian.

TD Ameritrade provides certain trading and operational services to the Adviser at no cost, the substantial benefits of which are passed on to Clients. These services include, among others, brokerage, custodial, administrative support, record keeping, and related services that are intended to support intermediaries like the Adviser in conducting business and in serving the best interests of their Clients but that benefit CAAS in the form of administrative support, software, and systems. CAAS receives some benefits from TD Ameritrade through its participation in the Program.

We have negotiated a standard pricing model with TD Ameritrade that is favorable for our Clients based on the fact that we are not a high-volume or tactical trader. However, for accounts using a strategy that requires more active trading in APM accounts, TD Ameritrade may assess more transaction charges, which we do not have the ability to negotiate. As disclosed above, CAAS participates in TD Ameritrade's institutional customer program and CAAS recommends TD Ameritrade to Clients for custody and brokerage services. There is no direct link between CAAS's participation in the program and the investment advice it gives to its Clients. Benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; consulting services; access to a trading desk serving CAAS 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; and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to CAAS by third party vendors.

The benefits received by CAAS or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, CAAS endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by CAAS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence CAAS's choice of TD Ameritrade for custody and brokerage services. This potential conflict is addressed by annually reviewing this arrangement by comparing it to competitor platforms.

CAAS and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services. Specifically, the Additional Services include financial support used to assist in paying for Investnet. CAAS utilizes Investnet for several functions, including trading, proposal generation, reporting functionality, and Client advisory fee billing and collection. This arrangement is not dependent upon CAAS generating a minimum number of transactions or commissions for TD Ameritrade and is used to benefit all CAAS Clients. CAAS also receives from TD Ameritrade certain additional economic benefits (listed throughout this section), known as "Additional Services", that may or may not be offered to any other independent investment advisors participating in the program.

CAAS' receipt of Additional Services raises potential conflicts of interest where CAAS may have an incentive to recommend to its Clients that the assets under management by CAAS be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. CAAS's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including seeking best execution of trades for Client accounts by receiving the overall best qualitative and quantitative results, under the circumstances then prevailing at the time of execution, taking into consideration such factors as costs in relation to the overall value of services provided.

CAAS considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its Client accounts, including, but not limited to, execution capability,

experience and financial stability, reputation and the quality of services provided. CAAS performs an analysis of services provided in light of the overall costs that is compared to competitors in the industry.

All transactions not executed through TD, an entity through which we have a separate arrangement related to providing wrap program services to our wrap Clients that include no brokerage or transaction fees, would incur a full CAAS negotiated commission and related execution cost the same as all other Clients of the broker that we select to place our Clients' orders with would pay.

CAAS does not receive any third-party, proprietary research, or other brokerage relates services when IARs are trading away from TD. All transactions for this type of Client account would not be transacted through TD.

We may, at our sole discretion, allow Clients to direct us to use a broker-dealer of their own choosing, unless we deem it to be inconsistent with our fiduciary duty and/or our Client's best interest. When Clients direct us to use another broker-dealer, we make it clear to Clients that we will likely not be able to aggregate orders, we will not have the authority to negotiate commission rates among various brokers, and best execution may not be achieved.

Trade Aggregation

Orders are placed with the execution broker through a module that identifies purchase and sell orders for securities that are no longer within the defined parameters of the model. These orders are aggregated for all Client model driven transactions for the same security in the same direction when there are multiple Client accounts managed in this manner. All participating accounts receive the average share price for the transaction and bears a proportionate share of all transaction costs, based on each account's participation in the transaction, subject to our discretion primarily for individually traded accounts depending on factual or market conditions and the duty to achieve best execution for Client accounts. We may include proprietary or personal accounts in block trades. These proprietary or personal accounts managed by the firm are treated as Client accounts and are given neither preferential nor inferior treatment versus other Client accounts.

We do not allocate trades on the basis of account performance or the amount or structure of management fees.

However, the following factors will impact the manner in which an allocation to a Client's accounts deviates either from the model and individually traded accounts that do not participate in an eligible recommendation:

1. an account's existing positions in securities;
2. the cash availability of one or more particular accounts;
3. a partial fill of the block trade;
4. tax reasons.

We receive no additional compensation or remuneration of any kind due to the aggregation of Client trades.

In APM Accounts, trades executed on Envestnet flow directly from the site to the custodian without Envestnet's intervention. This means that there is a straight flow through of trade instructions placed in Envestnet sent directly to the custodian. Advisors also have the ability to place trades directly with TD Ameritrade using TD Ameritrade's Veo trading tool. Trade information flows back and forth from TD Ameritrade and Envestnet via a data feed.

Financial Planning, Ongoing Consulting, and Retirement Planning Services

At all times, financial planning, ongoing consulting, and Retirement Planning Services Clients are free to execute their plan recommendations through any broker-dealer without the assistance of our IARs.

Some CAAS IARs are also registered as representatives of Geneos, a broker/dealer and FINRA member firm. We may recommend that a Client in need of brokerage and custodial services utilize Geneos, however the Client is not required to choose Geneos as the broker-dealer. Geneos is required to supervise the securities trading activities of its registered representatives.

IARs who are registered representatives of Geneos are subject to FINRA Conduct Rule 3280 that may restrict such registered individuals from conducting securities transactions away from Geneos unless Geneos provides the registered representative with written authorization. Therefore, Clients are advised that IARs may be limited to conducting securities transactions through Geneos and their custodian, National Financial.

Additional Disclosures Regarding TD Ameritrade

CAAS participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. Provision of Additional Services is at TD Ameritrade's sole discretion. Provision of additional services, most likely, takes into account the amount and profitability of assets to TD Ameritrade. TD Ameritrade retains the right to terminate the Additional Services Addendum at its sole discretion. TD Ameritrade provides certain trading and operational services to the Adviser at no cost, the substantial benefits of which are passed on to Clients. "These services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like the Adviser in conducting business and in serving the best interests of their Clients but that benefit CAAS in the form of administrative support, software and systems. CAAS receives some benefits from TD Ameritrade through its participation in the Program.

We have negotiated a standard pricing model with TD Ameritrade that is favorable for our Clients based on the fact that we are not a high-volume or tactical trader. However, for accounts using a strategy that requires more active trading in APM accounts, TD Ameritrade may assess more

transaction charges which we do not have the ability to negotiate. TD Ameritrade does not supervise CAAS and has no responsibility for CAAS's management of Client portfolios or CAAS's other advice or services.

Certain members of CAAS serve on the TD Ameritrade Institutional Client Experience Panel ("Panel"). The Panel consists of approximately thirty (30) independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The Panel meets in person three times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Panel for three-year terms by TDA Institutional senior management.

At times, Panel members are provided confidential information about TDA Institutional initiatives. Panel members are required to sign confidentiality agreements. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses Registrant for the travel, lodging, and meal expenses Registrant incurs in attending Panel meetings. The benefits received by Registrant or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of TD Ameritrade for custody and brokerage services.

Item 13. Review of Accounts

Advisor as Portfolio Manager Accounts: We continuously review the securities held in APM Accounts. The Client account is reviewed at least quarterly by our compliance team and is reviewed by the Investment Adviser Representative responsible for the Client's account at least annually. More frequent reviews may be triggered by material economic, political, or market events, or by changes in the Client's financial situation.

Retirement Planning Services

Allocations in portfolios of participants are reviewed continuously by certain of the investment adviser representatives responsible for these accounts. Plan recommendations are reviewed as contracted for by the Client at the inception of the advisory relationship.

Reports To Clients

The account custodian is responsible for providing monthly or quarterly account statements which reflect the position (and current pricing), as well as transactions in each account, including fees paid from an account. CAAS also makes available to Clients via their Client portal in Envestnet a Quarterly Performance Report.

Item 14. Client Referrals and Other Compensation

Client Referrals

Our firm from time to time pays 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 as a result of any referral.

Other Compensation

As more fully described above, we receive benefits through our recommendation of TD Ameritrade for custody and brokerage services but this does not apply when providing advisory services to Clients, as described in this non-wrap brochure. For additional disclosures regarding benefits received from TD Ameritrade, please see the firm's Form ADV Part 2A, Appendix 1 "Wrap Brochure", which appears side by side with this brochure on the SEC's website at www.adviserinfo.sec.gov.

Item 15. Custody

We do not have physical custody of any accounts or assets. However, we are deemed to have custody of client assets because we debit our advisory fees directly from our clients' accounts held at a number of different qualified custodians and due to third-party standing letters of authorizations (or "SLOAs") for the wiring of money from clients' custodial accounts to third-parties, based on instructions provided by the client. CAAS is not required to obtain an independent surprise audit of clients' custodial accounts by an independent accounting firm that is registered with and frequently reviewed by the Public Company Accounting Oversight Board ("PCAOB"), as would customarily be required under SEC custody rules for advisers who maintain SLOAs, due to subsequent relief provided by the SEC in a no-action letter. We have obtained assurances from the banking institutions who physically hold our Client's assets, as qualified custodians, that they have adopted procedures in accordance with an SEC no-action letter dated

February 21, 2017. All of our Client accounts are held at custodians who are not affiliated with CAAS by way of direct or indirect ownership. Our current facilities, including all branch locations as fully disclosed in this brochure, are not located at or shared with any of our Client custodians, which is one of the seven relief requirements described in the SEC letter referred to above.

As part of this billing process, we have engaged an unaffiliated third-party to serve as our billing agent both in the calculation and collection of the advisory fee we charge our Clients.

We have confirmed with our Clients' custodian that Clients receive a quarterly account statement of their account holdings and account activity for the period. We also send our Clients a report of holdings that contains a legend advising our Clients to carefully review their custodial statements to verify the accuracy of our fee calculation, among other things, and that Clients should contact us directly or the custodian for any discrepancies either in our fee calculation or holdings.

Item 16. Investment Discretion

We have discretionary authority to manage Client accounts in accordance with the investment advisory agreement we enter into directly with our Clients on either a discretionary or non-discretionary basis that is limited in scope to the specific model selected by the Clients. Our Clients accounts are managed through a customized bespoke model that is developed in consultation with one of our investment professionals that is tailored to the Clients specific requirements, including any investment restrictions or guidelines the Client may impose. All models are designed to meet the investment objectives, guidelines, and restriction of the Client based on the Client approved investment policy statement or financial plan.

All firm developed models are maintained by our investment professionals who have the authority to recommend changes to these models that are subject to approval by way of committee. When model changes occur we have the authority to sell and buy securities that comprise the model that will bring Client accounts within the model weighting. For these customized models developed in consultation with investment professionals responsible for managing the Client's account, buy and sell security transactions generally occur the same way as described above but at times certain select securities may need to be manually placed with brokers selected to execute the Client transactions. We have discretionary authority to determine the broker or dealer to be used and negotiate the commission rates paid, unless we are placing orders with the Client's custodian.

Item 17. Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of Clients. Therefore, although our firm may provide investment advisory services relative to Client investment assets, Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative

to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other type events pertaining to the Client's investment assets. Clients are responsible for instructing each custodian to forward copies of all proxies and shareholder communications relating to the Client's investment assets.

We may provide Clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business. However, voting assistance is not a separate firm product offering. A copy of our proxy voting policy and procedures is available by contacting CAAS Compliance at accountservices@wealth-advisor.biz.

Item 18. Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per Client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that has discretionary authority, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Capital Asset Advisory Services, LLC has no additional financial circumstances to report.

Capital Asset Advisory Services, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

