

**Capstone Financial Solutions, LLC**

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# **Form ADV: Part II**

Uniform Application for Investment Advisor Registration

<b>OMB APPROVAL</b>	
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**Form ADV  
Part II - Page 1**

**Uniform Application for Investment Adviser Registration**

Name of Investment Adviser: <b>Capstone Financial Solutions, LLC</b>				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
<b>3700 W Sam Houston Parkway S Suite 250</b>	<b>Houston</b>	<b>Texas</b>	<b>77057</b>	<b>713-260-9000</b>

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instructions below.)

**Applicant:**

<input checked="" type="checkbox"/>	(1) Provides investment supervisory services . . . . .	<u>100 %</u>
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services . . . . .	<u>%</u>
<input type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above . . . . .	<u>%</u>
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription . . . . .	<u>%</u>
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above . . . . .	<u>%</u>
<input type="checkbox"/>	(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . .	<u>%</u>
<input checked="" type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .	<u>%</u>
<input type="checkbox"/>	(8) Provides a timing service . . . . .	<u>%</u>
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above . . . . .	<u>%</u>

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . Yes  No

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                          | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed Fees (not including subscription fees)       | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities                                       | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                             | <input type="checkbox"/> I. Options contracts on:                          |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                     | <input checked="" type="checkbox"/> (1) securities                         |
| <input checked="" type="checkbox"/> (3) foreign issuers  | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> B. Warrants  | <input type="checkbox"/> J. Futures contracts on:                          |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                 | <input type="checkbox"/> K. Interests in partnerships investing in:        |
| <input checked="" type="checkbox"/> F. Municipal securities                                    | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> G. Investment company securities:                                     | <input type="checkbox"/> (2) oil and gas interests                         |
| <input type="checkbox"/> (1) variable life insurance   | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input type="checkbox"/> (2) variable annuities  | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)       |
| <input checked="" type="checkbox"/> (3) mutual fund shares                                     |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)              | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales  |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... Yes  No

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

• name	• formal education after high school
• year of birth	• business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

A. Applicant is actively engaged in a business other than giving investment advice.

B. Applicant sells products or services other than investment advice to clients.

C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box, describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

A. Applicant is registered (or has an application pending) as a securities broker-dealer.

B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.

C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading advisor or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

(For each checked in box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... Yes  No

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:  
**Capstone Financial Solutions, LLC**

SEC File Number:  
**801-62065**

Date:  
**10-3-2011**

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

(Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.)

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? .....

Yes  No

(If yes, describe on Schedule F)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers** include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

The investment strategies and portfolio decisions are ratified by the Investment Policy Committee with the support of the investment team members. The Investment Policy Committee is comprised of the Senior Investment Staff who are also the Product Managers.

Members of the Investment Policy Committee meet weekly and the Committee as a whole meets monthly or more often if needed to discuss investment strategies, outlook for the securities markets and the merits of individual issues in which the accounts are invested or which are contemplated for investment. The Investment Policy Committee and the Investment Team Members also meet to review models and portfolios to assure compliance with the policies and strategies.

The Product Managers or the assigned staff members review on at least a monthly basis all portfolios assigned to that strategy to assure compliance with the products policies and characteristics and any restrictions imposed by the client.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Reports**

The nature and frequency of reports to clients are determined primarily by the particular needs of each client. Generally, clients are issued quarterly portfolio analysis, valuation and performance reports by Capstone Financial Solutions. The client also receives monthly account statements from the custodian detailing all activity in the client's account

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                                     |                          |
|--|-------------------------------------|--------------------------|
|  | Yes                                 | No                       |
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                         | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... Yes  No

For each yes answer to A, describe on Schedule F any limitations on the authority. For each yes to A (3), A (4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |   |  |
|---|---|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? ..... Yes  No

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Capstone Financial Solutions, LLC**

SEC File Number:  
**801-62065**

Date:  
**10-3-2011**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Capstone Financial Solutions, LLC</b>		IRS Empl. Ident. No.: <b>41-2090824</b>
<b>Item 1D</b>	<p><b><i>Advisory Services and Fees</i></b> Capstone Financial Solutions, LLC ("Capstone Financial Solutions") provides investment advice and supervisory services to its clients by advising on equities, options, debt instruments, municipal securities, governmental securities, and/or mutual fund shares in or for its clients accounts which will provide proper diversification and help meet the client's stated investment objectives. Capstone Financial Solutions provides discretionary and non-discretionary investment supervisory services to its clients. The specific investment style chosen per client is based upon the goals, objectives, and individual needs of the client. Capstone Financial Solutions provides this service to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations. Certain asset allocations clients of Capstone Financial Solutions invest in mutual funds advised by an affiliate.</p> <p><b><i>Fees</i></b> The client pays Capstone Financial Solutions for its investment management services based upon the client's assets under management. The advisory fees payable to Capstone Financial Solutions is an annual fee range of 0.10% to 1.00% of assets under management. Such fee shall be assessed quarterly. Fees are calculated by multiplying the assets under management by the relevant percent and dividing such product by four (4). Accounts opened in mid-quarter will be assessed at a pro-rated management fee. All advisory fees and account minimums are negotiable. Effective January 1, 2009, Capstone Financial Solutions' minimum account size is \$50,000 with a minimum annual fee of \$250.00 for all new accounts going forward with respect to advisory services.</p> <p>Fees are payable quarterly in advance based on the account asset value on the last business day of the previous calendar quarter. Such fees may be deducted by the custodian from the client's account(s) quarterly within thirty (30) days. All fees for new accounts are calculated on a pro-rata basis, and collected but unearned management fees are refunded on a pro-rata basis for terminated accounts.</p> <p>With regard to employee related accounts, the quarterly fees may be less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee.</p> <p>Fees are calculated on an incremental basis and are subject to change with thirty (30) days written notice. Notwithstanding the above, certain clients of Capstone Financial Solutions with pre-existing relationships may initially be charged fees that are less than those set out above.</p> <p>Capstone Financial Solutions maintains an Investment Advisory Agreement for all discretionary accounts for the purposes of directing and/or otherwise effecting investments on behalf of the managed account. Further, the Investment Advisory Agreement extends on all discretionary and non-discretionary accounts for the direct payment of Capstone Financial Solutions fees and/or the payment of any commissions, custodial fees and or other charges incurred by the account(s).</p> <p>To the extent mutual funds are selected by Capstone Financial Solutions to fill components of the overall investment strategy, the annual advisory fee does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. Clients are advised that, in addition to the annual advisory fee, some mutual funds in which assets are invested may incur separate other related expenses.</p> <p><b><i>Tactical Asset Allocation Program</i></b> The Tactical Asset Allocation Program seeks to enhance performance by opportunistically shifting the asset mix of a portfolio in response to the changing patterns of reward available in the capital markets. Capstone Financial Solutions' Tactical Asset Allocation Program incorporates both active and passive investment styles in constructing risk adjusted growth portfolios.</p> <p><b><i>Fee Schedule</i></b> The annual fee for the Tactical Asset Allocation Program ranges from 0.15% to 0.40% of all assets in the account in addition to the advisory fee. The annual management fee is paid quarterly to Capstone Financial Solutions in accordance with the fee schedule.</p> <p><b><i>Other Advisers</i></b> Capstone Financial Solutions may enter into advisory agreements with other registered investment advisers, (the "sub-managers") to offer the money management and advisory services of the other adviser to its clients. Under these agreements, a portion of the fees paid to Capstone Financial Solutions will be shared with the sub-advisor.</p> <p>Capstone Financial Solutions has entered into an arrangement with Fidelity Managed Portfolio Program, an investment adviser registered with the Securities and Exchange Commission. The program includes client access to investment managers for the discretionary management of client accounts.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Capstone Financial Solutions, LLC**

SEC File Number:  
**801-62065**

Date:  
**10-3-2011**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Capstone Financial Solutions, LLC</b>	IRS Empl. Ident. No.: <b>41-2090824</b>
<b>ID continued</b>	<p>Greenrock Research is part of the separate account managers listing that assist Capstone Financial Solutions select money managers to implement and manage their portfolios.</p> <p><b>Financial Planning / Consulting Services</b> Capstone Financial Solutions also provides financial planning and consulting services. Capstone Financial Solutions utilizes in-depth experience in diverse planning vehicles and meetings with clients to determine their investment goals and objectives. These services are rendered in accordance with personal circumstances as determined in these meetings, and may include the client's current financial situation, age, family position, level of investment experience, risk tolerance, earning capacity, tax situation and goals and objectives. Generally, these services include areas such as:</p> <ul style="list-style-type: none"> <li>Retirement Planning</li> <li>Educational Fund Planning</li> <li>Estate and Gift Planning</li> <li>Charitable Planning</li> <li>Corporate Retirement Planning</li> </ul> <p><b>Consulting</b> Fees for specific administrative and consulting services will be billed at a minimum hourly rate of \$175.00/hour for Full Service Financial Planning and Consulting clients, depending upon the nature and complexity of each client's individual circumstances. The exact rate will be mutually agreed upon with the client at the inception of the advisory relationship. Half of the estimated fee may be due upon signing the advisory agreement, with the balance (based on actual hours) due upon presentation of the plan to the client.</p> <p><b>Proxy Voting</b> Capstone Financial Solutions shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the accounts. Client accounts assigned to other advisers and / or each Money Manager has the responsibility to vote proxies for those securities held in all client accounts.</p> <p><b>Termination</b> The relationship between the parties may be terminated by either party upon thirty (30) days notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract, without a penalty, within five (5) business days after entering into the contract. With regard to a termination made after the first five (5) business days, the prepaid advisory fee will be refunded, on a prorated basis, within two weeks of termination.</p> <p><b>Greenrock Research Managed Portfolios Program</b> Capstone Financial Solutions acts as an investment advisor with respect to the Greenrock Research Managed Portfolios Program (the "Program"), a wrap fee and investment advisory program sponsored by Greenrock Research ("Greenrock"), an unaffiliated investment advisor. Under the Program, Capstone Financial Solutions will review a client's financial circumstances, investment goals, objectives and restrictions, risk tolerance and such other information believed by Capstone Financial Solutions to be necessary to make determinations or recommendations for the investment of the client's assets in the Program. Greenrock will recommend to Capstone Financial Solutions combinations of independent portfolio managers to manage the assets in the client's account in accordance with the client's goals as determined by Capstone Financial Solutions.</p> <p>At Capstone Financial Solutions direction, Greenrock will arrange with each portfolio manager selected by Capstone Financial Solutions for the discretionary management of a portion of the client's account and each such portfolio manager will handle the day-to-day investment management with respect to that portion of the client's account. Capstone Financial Solutions may additionally recommend to the client certain mutual funds in which to invest under the Program.</p> <p><b>Fees</b> In addition to the Program fees as set forth in the Program Disclosure Document, each of Capstone Financial Solutions clients participating in the Program pays an advisory fee to Capstone Financial Solutions. The client pays Greenrock for its investment management services based upon the client's assets under management. The investment management fees payable to Greenrock is an annual fee range of 0.10% to 3% of assets under management. Such fee shall be assessed quarterly. Fees are calculated by multiplying the assets under management by the relevant percent and dividing such product by four (4). Fees are payable quarterly in advance based on the account asset value on the last business day of the previous calendar quarter. Such fees may be deducted by the custodian from the client's account(s) quarterly within thirty (30) days. All fees for new accounts are calculated on a pro-rata basis, and collected but unearned management fees are refunded on a pro-rata basis for terminated accounts.</p>

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Capstone Financial Solutions, LLC**

SEC File Number:  
**801-62065**

Date:  
**10-3-2011**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Capstone Financial Solutions, LLC</b>		IRS Empl. Ident. No.: <b>41-2090824</b>
<b>ID continued</b>	<b>Termination</b> The relationship between the parties may be terminated by either party upon thirty (30) days written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract, without a penalty, within five (5) business days after entering into the contract. With regard to a termination made after the first five (5) business days, the prepaid advisory fee will be refunded, on a prorated basis, within two weeks of termination.	
<b>Item 3(L)</b>	The Firm periodically has the opportunity to participate in investments in privately held corporations. When suitable for highly qualified clients, the firm will make private investments for those clients.	
<b>Item 4 (A) 5</b>	In addition to analysis methods noted in Item 4.A (5), CFS utilizes quantitative methods for analysis.	
<b>Item 4(B) 8</b>	In addition to information sources noted in Item 4.B (8), CFS uses commercially available financial data and commercially available valuation models to individually analyze company specific information using computer sorts developed in-house.	
<b>Item 4 (C) 5</b>	The mutual funds advised by CFS are permitted to invest in futures, subject to certain limitations	
<b>Item 5</b>	For its principal executive officer and senior investment staff, Capstone Financial Solutions requires a college degree or equivalent experience; and a minimum of five years business experience in the investment area	
<b>Item 6</b>	<p><b>Education and Business Background</b></p> <p><b>Edward L. Jaroski</b> – Forty two years experience in the industry Born in 1946. BBA in Accounting – Temple University. Business background for preceding five years: Capstone Financial Solutions, LLC, Chairman, President, Chief Executive Officer 2008 to Present. CFS Consulting Services, LLC, Chairman, President, Chief Executive Officer 008 to Present. Capstone Financial Services, Inc., Director, President, Chief Executive Officer 1987 to Present. Capstone Asset Management Company, Chairman, President, Chief Executive Officer 1987 to Present. Capstone Asset Planning Company, Chairman, President, Chief Executive Officer 1987 to Present.</p> <p><b>Scott Wynant</b> Twenty eight years experience in the industry Born in 1954. Received a Bachelor of Science in Business from the University of Oregon in 1977. Business background for preceding five years: Capstone Financial Solutions, LLC, Executive Vice President from 2008 to Present. AG Financial Wealth Management Solutions, LLC, Advisory Representative from 2005 to 2008. CFS Consulting Services, LLC, Executive Vice President from 2008 to Present. Capstone Asset Planning Company, Registered Representative from 2004 to present. Steward Capital Advisors, LLC, President from 2003 to 2005. Assemblies of God Financial Services Group, Executive Vice President/Chief Investment Officer from 1997 to 2008.</p> <p><b>Richard A. Nunn</b> Forty three years experience in the industry Born in 1946. BA in Economics and Business Administration – Rice University; BS in Accounting – Rice University; Masters in Accounting – Rice University; Certified Public Accountant. Business background for preceding five years: Capstone Financial Solutions, LLC, Senior Vice President, Chief Compliance Officer, Secretary, 2008 to Present. CFS Consulting Services, LLC, Secretary 2008 to Present. Capstone Financial Services, Inc., Senior Vice President, Secretary, 2004 to Present. Capstone Asset Management Company, Senior Vice President, Chief Compliance Officer, Secretary 2004 to Present. Capstone Asset Planning Company, Secretary, 2004 to Present. MGL Consulting Corporation 2001 to Present. GBM International, Inc. 1991 to Present.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Capstone Financial Solutions, LLC**

SEC File Number:  
**801-62065**

Date:  
**10-3-2011**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Capstone Financial Solutions, LLC</b>	IRS Empl. Ident. No.: <b>41-2090824</b>
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<p><b>Item 6 Continued</b></p>	<p><b><i>Patrick N. Garboden</i></b>  Twenty eight years experience in the industry  Born in 1957.  1976, Attended The Oregon Institute of Technology, Business Administration;  1977-1979 Attended the University of Oregon, Business Administration.  Business background for preceding five years:  Capstone Financial Solutions, LLC, Vice President, Chief Operations Officer, Registered Investment Adviser from 2008 to Present.  Steward Fund Consulting, Inc., President from 2006 to 2008.  AG Financial Wealth Management Solutions, LLC, Principal, Senior Vice President, Chief Operations Officer, Chief Compliance Officer from 2005 to 2008;  AG Financial Wealth Management Solutions, LLC, Principal, Senior Vice President, from 2005 to 2006.</p> <p><b><i>Douglas Willingham</i></b>  Eleven years experience in the industry  Born in 1954.  Received a Bachelor of Science in Accounting from Missouri State University in 1976.  Business background for preceding five years:  Capstone Financial Solutions, LLC, Vice President from 2008 to Present.  AG Financial Wealth Management Solutions, LLC, Vice President from 2006 to 2008.</p> <p><b><i>Claude C Cody, IV CFA</i></b>  Thirty five years experience in the industry  Born: 1951  BA – Vanderbilt University, Nashville, TN  MBA – University of Texas, Austin, TX  Senior Vice President, Capstone Financial Solutions, LLC 2009 to present  Senior Vice President, Capstone Asset Management Company 2009 to present  Director &amp; Senior Vice President, R H Jenswold &amp; Co., Inc. 2009 to present  Co-Chairman/CCO/COO/Portfolio Manager/Analyst, R H Jenswold &amp; Co, Inc. 2007 – 2009.  Vice Chairman/Portfolio Manager/Analyst – R H Jenswold &amp; Co., Inc. 2005 – 2007.</p> <p><b><i>Melville L. Cody</i></b>  Thirty years experience in the industry  Born: 1954  BBA and MBA– University of Texas, Austin TX  Senior Vice President, Capstone Financial Solutions, LLC 2009 to present  Senior Vice President, Capstone Asset Management Company 2009 to present  Director &amp; Senior Vice President, Roger H Jenswold &amp; Co., Inc 2009 to present  Co-Chairman/Portfolio Manager/Analyst, R H Jenswold &amp; Co., Inc. 2007 -2009  Vice Chairman/Portfolio Manager/Analyst – R H Jenswold &amp; Co., Inc. 2005 -2007</p> <p><b><i>Joel Kennedy, CPA – Chief Financial Officer</i></b>  Twenty two years experience in the industry  Born: 1965  BBA in Accounting from Lamar University  Member of Texas Society of CPAs and American Institute of CPAs  Capstone Financial Services, Inc. 2010 – present  Capstone Asset Management Company 2010 – present  Roger H Jenswold &amp; Company 2010 – present</p>
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**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Capstone Financial Solutions, LLC**

SEC File Number:  
**801-62065**

Date:  
**10-3-2011**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Capstone Financial Solutions, LLC</b>		IRS Empl. Ident. No.: <b>41-2090824</b>
<b>Item 6 Continued</b>		
<b>Item 8C(3)</b>	<i>Other Financial Activities or Affiliations</i> Capstone Financial Services, LLC (CFS) and Capstone Asset Management Company (CAMCO), registered investment advisors, are wholly owned subsidiaries of Capstone Financial Services, Inc. Certain products offered by CAMCO are utilized by advisory clients of CFS, pursuant to a written sub-advisory agreement.	
<b>Item 9D</b>	<p><i>Participation or Interest in Client Transactions – Recommends Related Investment Products.</i> A number of Capstone Financial Solutions advisory clients may acquire interests in Assemblies of God Loan Fund (or similar investments) and the firm may recommend to advisory clients with respect to the purchase of interests in Assemblies of God Loan Fund. The firm, or its related entities, may have a proprietary interest in certain of these investments or funds, which may include carried interests or prior investment by Capstone Financial Solutions and/or affiliates.</p> <p>To the extent clients of Capstone Financial Solutions hold or acquire securities issued by Assemblies of God Loan Fund, the relationship will be fully disclosed to client.</p> <p>Capstone Financial Solutions may recommend the purchase and sale of shares of Steward Large Cap Enhanced Index Fund, Steward Select Bond Fund, Steward Small-Mid Cap Enhanced Index Fund, Steward International Enhanced Index Fund, and Steward Global Equity Income Fund to clients and prospective clients. See disclosures related to same in Item 1D of the Form ADV Part 2.</p>	
<b>Item 9E</b>	<p><i>Participation or Interest in Client Transactions - Buys or Sells for Itself Securities that it Also Recommends to Clients</i> No security may be bought or sold by a principal or employee of Capstone Financial Solutions before its clients' accounts have had the opportunity to make such transactions as appropriate. All Capstone Financial Solutions principal and employee trades will be reviewed by the compliance officer. Principals and employees will not receive a more favorable execution price on a particular day than those received by Capstone Financial Solutions investment advisory clients.</p> <p>To prevent conflicts of interest, all employees of Capstone Financial Solutions must comply with the firm's Written Supervisory Procedures, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.</p> <p>The Written Supervisory Procedures require that all securities trades made by employees or related persons of Capstone Financial Solutions, who make recommendations or participate in the determination of which recommendation shall be made, will require approval (except transactions in investment company securities and/or other exempt transactions) and will be reviewed by the designated person responsible. Capstone Financial Solutions will also maintain quarterly reports on all personal securities transactions, except transactions in investment company securities and/or other exempt transactions. Further, such Written Supervisory Procedures impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or associated person of Capstone Financial Solutions.</p> <p><b>Code of Ethics.</b> Capstone Financial Solutions has adopted a Code of Ethics to ensure that securities transactions by Capstone Financial Solutions employees are consistent with Capstone Financial Solutions fiduciary duty to its clients and to ensure compliance with legal requirements and Capstone Financial Solutions standards of business conduct. The Code of Ethics requires that employees obtain prior approval for personal securities transactions and requires transaction confirmation and quarterly reporting of such transactions. A written copy of Capstone Financial Solutions' Code of Ethics is available upon request.</p> <p><b>Business Continuity Plan</b></p> <p>Capstone Financial Solutions, LLC (CFS) has developed a Business Continuity and Contingency Program (BCCP) that 1) safeguards the health of CFS's employees; 2) protects and preserves CFS's tangible and intangible property, books and records; and, 3) assures CFS's clients that, in the event of a significant business disruption, CFS has procedures and systems in place to restore operations in a timely manner. Because the timing and impact of events causing business disruptions are unpredictable, CFS's senior management will need to be flexible in responding to actual events as they occur.</p> <p>If the primary CFS contact phone number (713-260-9000) is inoperable due to a significant business interruption, CAMCO may be alternately contacted by calling 314-726-9971. The BCCP provides a framework for notifying employees in the event of a significant business disruption and instructing them as to when and where to report for business. Pursuant to the BCCP, CFS has established a business resumption team to assess the complications of the business disruption and address the logistical and operational problems</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Capstone Financial Solutions, LLC</b>	IRS Empl. Ident. No.: <b>41-2090824</b>
<b>Item 9E</b> <b>Continued</b>	<p>and contingencies. Each resumption team member has the authority to initiate the BCCP.</p> <p>The BCCP is designed to permit CFS to resume operations as quickly as possible given the scope and severity of the business disruption. The BCCP addresses data backup and recovery; mission-critical systems; financial and operational assessments; alternative communications with customers, employees and regulators; alternative physical location for employees; the impact of a significant business disruption to CFS's critical suppliers, contractors, banks or other service providers; regulatory reporting and assuring continuity of service to CFS's customers.</p> <p>Significant business disruptions can vary in their scope, such as affecting only CFS, CFS's office facilities, the business district in which CFS is located, the city or the entire region. Within each of those areas, the extent of the disruption event can also vary from minimal to severe. For a business disruption, that affects only CFS or CFS's office facilities, operations will be transferred to a local site as needed and operations are expected to be resumed within two business days. For business disruptions affecting CFS's business district, city or region, CFS will transfer operations to a site outside of the affected area and expects to resume operations within five business days. CFS's management expects to continue operations in any event and the BCCP includes procedures to notify CFS's customers and provide information through our emergency contacts.</p> <p>The BCCP is subject to modification and a written copy of any updated summaries may be requested by contacting CFS (toll-free) at 1-800-262-6631.</p>
<b>Item 10</b>	<p><b><i>Conditions for Managing an Account</i></b> Capstone Financial Solutions may require a minimum account of \$50,000 for Investment Supervisory Services clients although some accounts of lesser size may be accepted.</p> <p>Capstone Financial Solutions may require a minimum hourly fee of \$175.00 for Full Service Financial Planning and Consulting clients.</p>
<b>Item 12</b>	<p><b><i>Investment or Brokerage Discretion.</i></b> Capstone Financial Solutions will supervise and direct the investments of the client accounts subject to such limitations as the client may impose in writing. Capstone Financial Solutions, as agent and attorney-in-fact with respect to the client's account, without prior consultation with the client, may, (a) direct the purchase, sell, exchange, conversion, and otherwise trade in stocks, bonds and other securities including money market instruments, (b) direct the amount of securities purchased, sold, exchanged, and otherwise traded; (c) place orders for the execution of such securities transactions with Capstone Financial Solutions or other third party broker/dealers; and (d) determine the commission rates paid. Capstone Financial Solutions will allocate brokerage transactions in a manner it believes to be fair and responsible to its clients, and consistent with client objectives. Adhering to a strict formula will not be practicable given the variation in client objectives and guidelines.</p> <p>Unless a client instructs Capstone Financial Solutions otherwise, Capstone Financial Solutions may place orders for the execution of transactions with or through a broker/dealer as Capstone Financial Solutions may select, and complying with Section 28(e) of the Securities Exchange Act of 1934, may pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged. Capstone Financial Solutions will select such brokers that can effect transactions at the best price and execution under the prevailing circumstances. In managing investment portfolios, Capstone Financial Solutions acts in a manner in keeping with what it understands and believes to be the best interests of the client.</p> <p>Purchase and sale of specific securities by employees of Capstone Financial Solutions are prohibited when there are client programs active in those securities. Executions for clients will always receive priority. The officers and employees of Capstone Financial Solutions report transactions monthly.</p> <p>Individual securities are selected to provide diversification among economic sectors and industries which are chosen to achieve the desired balance between expected risk and expected return. Transactions of an unusual nature are discussed with clients before execution.</p> <p>Capstone Financial Solutions has entered into a relationship with NFS and FBS ("Fidelity") through which Fidelity provides Capstone Financial Solutions with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services. As a result of receiving such services, Capstone Financial Solutions may have an incentive to continue to utilize Fidelity's services. Capstone Financial Solutions examined this conflict of interest when it chose to enter into this relationship and determined that the relationship is in the best interests of Capstone Financial Solutions clients.</p>

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<b>Item 12 Continued</b>	<p>FRIAG (“Fidelity Registered Investment Advisor Group”) may reimburse a portion of the expenses paid by Advisers who obtain certain portfolio management software products. The reimbursement is generally a one-time reimbursement to facilitate conversion to Fidelity and may be applied to software licenses, interfaces between the Adviser’s portfolio management system and Fidelity’s brokerage systems, annual maintenance fees and software upgrades.</p> <p><b>Privacy Notice</b> Capstone Financial Solutions appreciates the privacy concerns and expectations of our customers. We are committed to maintaining a high level of privacy and confidentiality when it comes to your personal information and we use that information only where permitted by law. This privacy policy contains information about how we fulfill this commitment to you. In compliance with government regulations, we provide this notice annually.</p> <p>We value the trust of our customers and will continue to recognize the importance of holding your personal financial information as confidential.</p> <p>We will use information responsibly in order to protect you from fraud, offer you improved products and services, and comply with legal obligations.</p> <p>We will maintain accurate customer information and respond promptly to customer requests to correct information.</p> <p>We will require companies with which we do business to use our customer information appropriately and to safeguard the confidentiality of such information.</p> <p><b>COLLECTION OF INFORMATION</b></p> <p>We collect nonpublic personal information about you from the following sources:</p> <ul style="list-style-type: none"> <li>• Information that we receive from you personally on applications, forms, or other correspondence, such as your name, address, phone number, social security number, and e-mail address.</li> <li>• Information about your transactions with us, such as your account holdings and transaction history.</li> </ul> <p><b>DISCLOSURE OF INFORMATION</b></p> <p>We do not disclose any Information about our customers or former customers to third parties except to the extent necessary to service your account, as permitted by law. If you decide to close your account(s), we will continue to adhere to the terms of our privacy policy.</p> <p>We have safeguards in place to protect the confidentiality, security and integrity of your non-public personal information. We restrict access to non-public personal information to those who need to know that information in order to service your account. We maintain physical, electronic and procedural safeguards that comply with government requirements to guard non-public personal information.</p> <p>We appreciate the opportunity to serve your investment needs. We pledge to follow the policies, safeguards and guidelines as described in this notice, and to protect the confidentiality of your information. Your relationship is very important to us, and we will take great care to honor these commitments to you. For more information about Capstone Financial Solutions’ privacy policies, please call (800) 262-6631.</p>	
<b>Item 13B</b>	<p><b>Additional Compensation.</b> Capstone Financial Solutions has entered into contractual arrangements with individuals who may solicit clients for the firm. The arrangements are made in writing pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, Rule 206(4)-3 requires, among other things, that such solicitors comply with requirements of the Rule and other applicable law, as well as their contract with Capstone Financial Solutions. The solicitor must, at the time of his solicitation, provide the client with a copy of Part II of Capstone Financial Solutions’ Form ADV. He must also provide the client with a separate document describing the solicitation arrangement, disclosing any affiliation between Capstone Financial Solutions and the solicitor, his compensation for solicitation, and whether advisory fees for solicited clients are higher than those for other clients due to compensation paid to the solicitor.</p>	

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