

## **ITEM 1: COVER PAGE**

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**CAPITAL WEALTH, LLC**  
**1850 W. Ashton Blvd Suite 175**  
**Lehi, UT 84043**

### **ADV Part 2A – Disclosure Brochure**

**Effective: March 26, 2025**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Capital Wealth, LLC (referred to as “we,” “our,” “us,” “Firm,” “Advisor,” or “CW”). If you have any questions about the contents of this Disclosure Brochure, please contact us by telephone at (801)210-2800 or by email at [info@capitalwealth.com](mailto:info@capitalwealth.com).

The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration with the SEC or state regulatory authority does not imply any specific level of skill or training. This Disclosure Brochure provides information about CW to assist you in determining whether to retain the Advisor.

Additional information about CW and its investment advisor representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD No. 289574.

## **ITEM 2: MATERIAL CHANGES**

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CW believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. CW encourages all current and prospective clients to read this Firm Brochure document and discuss any questions you may have with the Advisor.

This version of Part 2A of Form ADV (“Firm Brochure”) dated March 6, 2025 reflects changes since our last Firm Brochure, dated March 28, 2024. It contains information about our business practices as well as a description of potential conflicts of interest relating to our advisory business that could affect a client’s account with us. We are providing this material in accordance with Rule 204-3 of the Investment Advisors Act of 1940, which requires a registered investment advisor to provide a written disclosure statement upon entering into an advisory relationship.

### **Material Changes Since March 28, 2024:**

Item 4 and Item 5 have been amended to add language to describe the Consulting services offered by our Firm and its related fees. Our Firm provides hourly planning services for clients who need advice on a limited scope of work or outside the scope of the services outlined above. CW will negotiate consulting fees with you. Fees may vary based on the time spent, extent and complexity of the consulting project. The hourly rate for limited scope engagements is \$250. Some minimum fees may be higher based on your Advisers’ credentials and years of experience. You will be billed monthly as services are rendered.

### Future Changes

From time to time, the Advisor may amend this Firm Brochure to reflect changes in our business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Firm Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of CW.

At any time, you may view the current Firm Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 289574. You may also request a copy of this Firm Brochure at any time by contacting the Advisor at by telephone at (801) 210-2800 or by email at [info@capitalwealth.com](mailto:info@capitalwealth.com).

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## **ITEM 4: ADVISORY BUSINESS**

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### **A. FIRM DESCRIPTION**

Capital Wealth, LLC (hereinafter "CW") is a Limited Liability Company organized in the State of Utah. The firm was formed in July 2017, and the principal owner is Michael J. Stevens.

### **B. ADVISORY SERVICES**

#### ***Overview of services***

Our investment advisory services consist primarily of: (1) assessing client needs and goals; (2) financial planning designed to meet those goals; (2) implementing the asset allocation by recommending or otherwise assisting in the client's selection of specific investment managers or passive investment vehicles that employ those strategies; and (3) reviewing and reassessing the client's needs and goals, their investment portfolios, and repeating the process on a regular, ongoing basis.

CW dedicates itself to understanding the intricacies of each client. For all investment advisory and related services described below, we tailor our products in accordance with the client-specific needs obtained from documented discussions, a financial plan and/ or risk assessment. Before providing investment advisory services, CW takes multiple factors into consideration, including, but not limited to, investment objectives, investment horizon, risk tolerance, as well as any reasonable guidelines and restrictions a client may need or impose.

#### ***Portfolio Management via Selection of Other Advisors***

We may recommend that you use the services of a third-party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage in a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives. Before selecting other advisors for clients, CW will verify that all recommended advisors are properly licensed, notice filed, or exempt in the states where CW is recommending the advisor to clients.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

The client may request CW to have all or a portion of the portfolio to be assigned to one or more sub-advisors or co-advisors; however, CW ultimately has discretionary authority from the client to engage the sub/co-advisor to manage the accounts on a discretionary basis. CW also has discretionary authority from the client to terminate the third-party advisor.

#### **AE Wealth Management**

CW has entered into a sub-advisory relationship with AE Wealth Management, LLC ("AEWM") to provide investment advisory services to its clients. This arrangement allows CW to access model portfolios, model managers, strategists, third party money managers, and trading services through AEWM's managed

account program. As part of the AEW program, clients give CW and AEW discretion to select third party, non-affiliated investment managers (“Model Managers”) to design and manage model portfolios for client assets. The fees will be as follows:

TOTAL ASSETS UNDER MANAGEMENT	CW’s fee
\$500K AND UP	1.5%

CW will be responsible for providing clients with AEW’s Firm Disclosure Brochure. Clients should thoroughly review the document regarding all disclosures, which may be material to a client regarding CW’s relationship to the third-party advisor and how it may affect clients.

The Pacific Financial Group

CW will be compensated via a fee share from the advisers to which it directs those clients. In the event that the client participates in account management via Other Advisers, The Pacific Financial Group (TPFG) the fees will be as follows:

TOTAL ASSETS UNDER MANAGEMENT	CW’s fee
\$0 AND UP	.75%

Adviser Fee: TPFG will pay to the client’s Financial Adviser as compensation for the Adviser Services, 75 basis points (0.75%) of the annual fees paid by the Funds. The Adviser Fee is paid from TPFG’s own resources and are not paid directly by the Funds. Program Fees and Costs: Model Portfolios for this Program are constructed using the Pacific Financial Mutual Funds (“Funds”), a family of mutual funds managed by Pacific Financial Group, LLC (“PFG”), an affiliate of TPFG. For advising and providing other services to the Funds, the Funds will pay PFG an advisory fee of 1.25% and an administrative service fee of 0.70%. In addition to these fees, the Funds pay 0.10% to various custodial and brokerage platforms for Fund distribution and marketing (“Rule 12b-1 fees”). Neither TPFG, PFG nor the Adviser receives any portion of the 12b-1 fees. All fees are charged monthly against each of the Fund’s average monthly net asset value (“NAV”) and are indirectly paid by the Client who is also a shareholder of the Funds. Because these fees are assessed and paid by the Funds, the total fees and expenses paid by the Funds do not vary based on the amount or types of services rendered. Clients as shareholders of the Funds will pay these fees regardless. Accordingly, Client does not pay more for participating in the Program nor for compensating the Adviser. Client should review the Funds’ prospectuses for additional information relevant to the fees paid by the Funds. Please also review TPFG’s Disclosure Brochure (Form ADV2). The prospectus and Disclosure Brochures are available at [www.tpfg.com](http://www.tpfg.com).

***Financial Planning***

CW will provide a variety of financial planning and consulting services to clients as part of an overall wealth management engagement. Planning is an evaluation of the investment and financial options available based upon your defined economic criteria and financial goals. Planning includes: (i) attempting to make optimal decisions; (ii) projecting the consequences of decisions in the form of a financial plan; (iii) implementing the protocol to achieve the objectives of the plan; and (iv) comparing future performance against the plan.

A plan can be broad – a mutually defined review of your personal financial needs; or segmented review, analysis and evaluation of a core area of financial need. Financial plans and financial planning may include but are not limited to investment planning; life insurance; tax planning; and retirement income planning. Investment planning involves working with clients to make sure their investments match their respective risk tolerance and goals. CW does not provide tax or legal advice; however, at the client’s request, CW will work with client’s tax or legal advisor to determine and compare effective tax rates for income, capital gains and

other earnings or investments, in order to allocate the client's resources accordingly. Life insurance planning entails reviewing the life insurance needs of the client, together with any applicable dependents, spouse, or other relatives, and assessing appropriate coverage for these individuals. Financial planning to address retirement entails making sure clients are financially equipped for retirement in light of the client's anticipated income and expenses, investments, and other assets.

In offering financial planning, a conflict may exist between the interests of the investment advisor and the interests of the client. The client is under no obligation to act upon the investment advisor's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment advisor. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

### ***Educational Seminars/Workshops***

CW hosts complimentary educational workshops which address various issues of a financial nature. These workshops are open to the public and do not provide individualized investment advice.

### ***Consulting***

We also provide clients investment advice on a more-limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses. In these cases, clients will be required to select their own investment managers, custodian, and/or insurance companies for the implementation of consulting recommendations. If client needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies, or other financial professionals ("Firms"). Consulting clients must independently evaluate these Firms before opening an account or transacting business and have the right to effect business through any firm they choose. Clients have the right to choose whether or not to follow the consulting advice provided.

### ***Services Limited to Specific Types of Investments***

CW generally limits its investment advice to fixed income securities, equities, mutual funds, and ETFs. CW may use other securities as well to help diversify a portfolio when applicable.

## **C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS**

CW may offer the same suite of services to all its clients. However, specific client investment strategies and implementation are dependent upon what is determined to be suitable for each client. CW will review each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

However, if the restrictions prevent CW from properly servicing the client account, or if the restrictions would require CW to deviate from its standard suite of services, CW reserves the right to end the relationship.

## **D. WRAP FEE PROGRAMS**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. When using the platform and advisory services provided by AEWM, clients will be participating in a wrap fee program.



## **E. ASSETS UNDER MANAGEMENT**

When calculating regulatory assets under management, an investment advisor must include the value of any advisory account over which it exercises continuous and regular advisory or management services. As of December 31, 2024, CW reports \$57,455,527 in client assets on a discretionary basis and \$0 on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

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### **A. FEE SCHEDULE**

#### ***Fees for Portfolio Management via Selection of Other Advisors***

In consideration for providing investment management services and pursuant to the Investment Management Agreement with the client, our Firm charges a flat 1.5% annualized asset-based fee, based on the client's assets under management ("AUM") as valued by the qualified custodian. Lower fees for comparable services may be available from other sources.

#### **AEWM**

Services provided through AEWM's managed account program are offered through a wrap fee program. You will only pay fees based on assets under management and you will not pay a separate commission, ticket charge, or custodian fee, for the execution of transactions in your account. CW's fees include those fees associated with allocating client assets to AEWM and client will not incur any additional fees for CW's use of AEWM.

For those assets on the AEWM Sub-Advisory platform, fees will be billed monthly in arrears.

Clients may terminate the Discretionary Asset Management Agreement with CW without penalty, for full refund of CW's fees, within five business days of signing the agreement. Thereafter, clients may terminate the agreement generally upon written notice.

#### ***Financial Planning Fees***

##### **Fixed Fees**

The fixed rate for creating comprehensive client financial plans runs generally between \$5,000 to \$50,000. The fixed fee is based upon the complexity of the plan and the estimated amount of time to be used for creating a financial plan. The length of time it will take to provide a financial plan will depend on each client's personal situation as well as the promptness with which the client provides all the information necessary to prepare the plan.

It is anticipated that each financial planning service will take approximately 6-12 hours of financial planning and therefore the time to complete a financial plan will depend on the services required by the client. For example, the financial plan for a client requiring only investment planning, retirement, and life insurance planning will usually require 2-4 hours.

Clients may terminate the agreement without penalty, for a full refund of CW's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice. CW reserves the right to waive planning fees to the client.

##### ***Consulting Fees***

Our Firm provides hourly planning services for clients who need advice on a limited scope of work or outside

the scope of the services outlined above. CW will negotiate consulting fees with you. Fees may vary based on the time spent, extent and complexity of the consulting project. The hourly rate for limited scope engagements is \$250. Some minimum fees may be higher based on your Advisers' credentials and years of experience. You will be billed monthly as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described above. You should be aware that lower fees for comparable services may be available from other sources.

## **B. PAYMENT OF FEES**

### ***Payment of Portfolio Management Fees***

As noted above, pursuant to CW's sub-advisory agreement with AEW, fees are billed monthly in arrears. AEW calculates the fees and uploads the information to the clients' custodian (currently Charles Schwab & Co., Inc. ("Schwab") or Fidelity Brokerage Services LLC ("Fidelity")). After AEW deducts their fee(s) from the clients' accounts held at the custodian, they send the remainder of the fee to CW.

### ***Payment of Financial Planning Fees***

Financial Planning fees may be paid upon completion, or as otherwise negotiated (for example, monthly or quarterly) between the client and CW. All financial planning fees are paid via check.

## **C. CLIENT RESPONSIBILITY FOR THIRD PARTY FEES**

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CW. Please see Item 12 of this brochure regarding the firm's processes for choosing a custodian.

## **D. PREPAYMENT OF FEES**

Clients pay fees for portfolio management services monthly in arrears. There are no portfolio management fees that are prepaid by clients.

Financial planning fees, if negotiated to be paid in advance, will be refunded based on the prorated amount of work completed at the point of termination should the client wish to terminate. However, CW neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance.

## **E. OUTSIDE COMPENSATION FOR THE SALE OF SECURITIES TO CLIENTS**

Neither CW nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

CW does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

## **ITEM 7: TYPES OF CLIENTS**

CW provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals

There is a \$500,000 minimum account balance required to open an account with CW. However, CW reserves the right to accept accounts under the minimum if the advisor feels that the client is a proper fit for the services provided.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, & RISK OF LOSS**

### **A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

#### ***Methods of Analysis***

CW may use other advisors for client accounts. In this capacity, the other advisor determines the methods of analysis and determines the investment strategies of the portfolios used by clients. All clients directed to other advisors will receive the advisor's Form ADV Part 2A, which describes its methods of analysis and investment strategies.

CW will look at specific account goals when making an investment recommendation to a client, we also look at the household's comprehensive financial picture and will make recommendations based on overall goals, risk tolerances, and objectives from a household view.

### **B. MATERIAL RISKS INVOLVED**

Every method of analysis has its own inherent risks. To perform an accurate market analysis CW must have access to current/new market information. CW has no control over the dissemination rate of market information; therefore, unbeknownst to CW certain analyses may be compiled with outdated market information, severely limiting the value of CW's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by CW) will be profitable or equal any specific performance level(s). CW does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Notwithstanding CW's method of analysis or investment strategy, the assets within the client's portfolio are subject to risk of devaluation or loss. The client should be aware that there are many different events that can affect the value of the client's assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Prepayment Risk:** The returns on the collateral for the deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** This risk is associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Risk Factors relevant to specific securities utilized include:

- **Equity Securities:** The value of the equity securities is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- **Exchange Traded Funds ("ETF"):** ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

- **Fixed Income Securities Risk:** Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts because of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value because of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.
- **Municipal Bond Risk:** Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure and utility projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the client's assets or profits.
- **Mutual Fund Shares:** Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Although CW's methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients should understand that there are inherent risks associated with investing and depending on the risk occurrence; clients may suffer a **LOSS OF ALL OR PART OF THE CLIENT'S PRINCIPAL INVESTMENT**.

As noted above, all clients directed to other advisors are provided with the other advisors Form ADV Part 2A, which describes its methods of analysis and investment strategies, as well as the material risks involved in these strategies.

## **ITEM 9: DISCIPLINARY INFORMATION**

### **A. CRIMINAL OR CIVIL ACTIONS**

There are no criminal or civil actions to report.

### **B. ADMINISTRATIVE PROCEEDINGS**

There are no administrative proceedings to report.

### **C. SELF-REGULATORY ORGANIZATION (SRO) PROCEEDINGS**

There are no self-regulatory organization proceedings to report.

### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### **A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE**

Neither CW nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

#### **B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR A COMMODITY TRADING ADVISOR**

Neither CW nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

#### **C. REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND POSSIBLE CONFLICTS OF INTERESTS**

Michael J. Stevens is the Owner of CW Insurance Services, LLC, and acts as an independent insurance agent. In this capacity, Mr. Stevens or other insurance representatives affiliated with CW Insurance Services, LLC may effect transactions in insurance products for clients and CW Insurance Services, LLC or its representatives may earn commissions for these activities. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services incur a fee or commission and involve a possible conflict of interest, as fee-based and commissionable products can conflict with the fiduciary duties of a registered investment advisor. Mr. Stevens, in the capacity as the owner of CW Insurance Services, LLC or his representatives, may receive economic benefits from third party insurance companies. Economic benefits may include incentives, marketing allowances, and other practice support or benefits from the sale of insurance products and their sponsors, which may present a conflict of interest. CW always acts in the best interest of the client; including in recommending the sale of commissionable or fee-based products to advisory clients. Clients are in no way required to implement the plan through any representative of CW Insurance Services, LLC and are encouraged to consider other insurance companies as well.

As noted above, CW provides educational workshops that cover various financial topics. Clients should be aware that these services may involve a conflict of interest. CW always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services offered.

Michael J. Stevens also serves as a Board Member of the Junior Achievement of Utah.

*All material conflicts of interest under California Code of Regulations Section 260.238(k) are disclosed regarding the investment advisor, its representatives or any of its employees, which could be reasonable expected to impair the rendering of unbiased and objective advice.*

#### **THIRD PARTY MARKETING ORGANIZATION (IMO) – ADVISORS EXCEL**

The Firm will utilize the services of Advisors Excel, a third-party insurance marketing organization ("IMO") to select appropriate products. Advisors Excel is an affiliate of AE Wealth Management and our decision to work

with AE Wealth Management is significantly based on our IMO relationship with Advisors Excel. IMO's offers special incentive compensation to meet certain overall sales goals by placing annuities and/or other insurance products through the IMO. The receipt of commissions and additional incentive compensation itself creates a conflict of interest. Clients are not required to purchase any insurance products through us in our separate capacity as insurance agents. The purpose of the IMO is to assist us to find the insurance company that best fits the client's situation.

Advisors Excel and Advisors Excel Wealth Management provides marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and our firm's efficiency, back office and operations support to assist in the processing of our insurance (through Advisors Excel) and investment services (Advisors Excel Wealth Management) for clients, business succession planning, business conferences and incentive trips for our firm. Although some of these services can benefit a client, other services obtained by us from Advisors Excel such as marketing assistance, business development and incentive trips will not benefit an existing client. The Firm can also receive bonus payments from an insurance company for selling a targeted number of annuities during a specified period of time which creates a conflict of interest. Our Firm has taken steps to manage these conflicts of interest by requiring that each investment adviser representative:

- only recommend insurance and annuities when in the best interest of the client and without regard to the financial interest of our Firm and its investment adviser representative.
- not recommend insurance and/or annuities which result in its investment adviser representative and/or our Firm receiving unreasonable compensation related to the recommendation; and,
- disclose material conflicts of interest related to insurance or annuity recommendations.

#### **D. SELECTION OF OTHER ADVISORS OR MANAGERS AND HOW THIS ADVISOR IS COMPENSATED FOR THOSE SELECTIONS**

CW directs clients to third-party investment advisors and receives compensation via a fee sharing arrangement from the advisors to which it directs those clients. The fees shared will not exceed the maximum fee schedule listed in Item 5, or any limit imposed by any regulatory agency. CW will always act in the best interests of the client, including determining which third-party investment advisor to recommend to clients. CW will verify that all recommended advisors are properly licensed, notice filed, or exempt in the states where CW is recommending the advisor to clients.

#### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

##### **A. CODE OF ETHICS**

CW has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. CW's Code of Ethics is available free upon request to any client or prospective client.

##### **B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

CW does not recommend that clients buy or sell any security in which a related person to CW or CW has a

material financial interest.

### **C. PERSONAL TRADING**

CW does not take part in cross trading with clients. However, from time to time, associated persons of CW may buy or sell securities for themselves that they also recommend to clients. Our firm and/or individuals associated with our firm are permitted to buy or sell securities for their personal account's securities identical to or different from those recommended to our clients. Associated persons may engage in transactions that are the same as or different than transactions recommended to or made for your account. Often, related person(s) also has an interest or position in a certain security(ies) which are also recommended to a client.

## **ITEM 12: BROKERAGE PRACTICES**

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### **A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER/DEALERS**

Custodians/broker-dealers will be recommended based on CW's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent.

CW will recommend clients to use Charles Schwab & Co. Inc. ("Schwab"), Member FINRA/SIPC or Fidelity Brokerage Services, LLC. ("Fidelity") Member FINRA/SIPC.

#### *Charles Schwab & Co., Inc.*

CW clients may maintain accounts at Charles Schwab & Co. Inc. There is no employee or agency relationship between CW and Schwab. Schwab offers independently registered investment advisor services which include custody of securities, trade execution, and clearance and settlement of transactions. There is no direct link between CW's use of Charles Schwab & Co. Inc. and the investment advice it gives to its clients.

#### *Fidelity*

CW clients may also maintain certain accounts at Fidelity Brokerage Services, LLC ("Fidelity"), an unaffiliated SEC registered and FINRA member broker dealer. Fidelity offers independently registered investment advisor services which include custody of securities, trade execution, and clearance and settlement of transactions. There is no employee or agency relationship between CW and Fidelity. There is no direct link between CW's use of Fidelity and the investment advice it gives to its clients.

#### **1. *Research and Other Soft-Dollar Benefits***

As part of our fiduciary duties to you, we always endeavor to put your interests first. You should be aware that the receipt of economic benefits from custodians to our Firm is considered to create a conflict of interest. As such, CW does not accept soft dollar benefits from either Charles Schwab & Co. Inc. or Fidelity.

As noted in Item 14 Client Referrals and Other Compensation, product sponsors or third-party asset manager programs may sponsor various forms of entertainment or attendance at events and educational conferences for Investment Advisor Representatives of CW. They may also qualify for certain sales incentives or other types of awards based on the value of assets under management or investment products and services sold. For example, IARs may become eligible to receive additional compensation amounts or reimbursement for approved business expenses.



## **2. *Brokerage for Client Referrals***

CW receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

The firm does not accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker/dealer). By directing brokerage, the firm may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money.

## **B. AGGREGATING (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS**

CW does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

## **ITEM 13: REVIEW OF ACCOUNTS**

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### **A. FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO MAKES THOSE REVIEWS**

Clients are requested to meet semi-annually to review their accounts, risk tolerance, objectives and guidelines. Updates and recommendations will be made at this time and as needed between appointments.

### **B. FACTORS THAT WILL TRIGGER A NON-PERIODIC REVIEW OF CLIENT ACCOUNTS**

More frequent reviews are triggered by request, material changes in variables such as the client's individual circumstances, or the market or political or economic environment. As a practice, CW aims to update all client profiles and risk data every 12 months. Clients are asked to promptly notify us of any material change to risk tolerance, financial circumstances, investment options offered within the employer-sponsored plan or other information so that we may ensure that our recommendations continue to be in the best interest of the client's needs. Reviews may be triggered by material market, economic or political events, or by changes in a client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. CONTENT AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS**

Each client of CW's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Clients receive ongoing financial planning services throughout their relationship with CW. Updated plans will be delivered as changes are made to the plan.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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### **A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)**

CW's investment advisor representatives in their capacity as insurance agents may receive economic benefits

from third parties, such as insurance companies. Economic benefits may include incentives, marketing allowances, and other benefits from the sale of insurance products and their sponsors, which present a conflict of interest for management of the firm.

CW, its affiliates, or its investment advisor representatives may receive economic benefit from any person, company, or organization, in exchange for providing clients advisory services through CW. In addition to advisory fees, IARs may qualify for certain sales incentives or other types of awards based on the value of assets under management or investment products and services sold. For example, IARs may become eligible to receive additional compensation amounts, reimbursement for approved business expenses, and attendance at various forms of entertainment or attendance at events and educational conferences hosted or subsidized by the sponsors of certain investment products or third-party asset manager programs.

#### **B. COMPENSATION TO NON – ADVISORY PERSONNEL FOR CLIENT REFERRALS**

CW does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

#### **ITEM 15: CUSTODY**

CW does not take custody of client assets at any time. Custody of a client's account is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements. Fees for selection of AEWM as third-party advisors are withdrawn from client accounts by the custodian and paid directly to the respective third-party advisor, which in turn then remits CW's portion of the advisory fee to CW. CW does not directly deduct the advisory fees. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

#### **ITEM 16: INVESTMENT DISCRETION**

CW has discretion over client accounts. Additionally, CW has discretionary authority to select other investment advisors. It is a customary procedure for TPMMs to have full discretionary authority to supervise and direct the investments of the client's account(s). Clients grant this authority upon execution of the TPMM's IMA. This authority is for the purpose of making and implementing investment decisions, without the client's prior consultation. All investment decisions are made in accordance with the client's stated investment objectives. Other than management fees due to CW and the TPMM, which will be sent directly from the custodian, the TPMM's discretionary authority does not give authority to take or have possession of any assets in the client's account or to direct delivery of any securities or payment of any funds held in the account to CW. Furthermore, the TPMM's discretionary authority by agreement does not allow it to direct the disposition of such securities or funds to anyone except the account owner.

#### **ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)**

CW will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **ITEM 18: FINANCIAL INFORMATION**

### **A. BALANCE SHEET**

CW neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Neither CW nor its management has any financial condition that is likely to reasonably impair CW's ability to meet contractual commitments to clients.

### **C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS**

CW has not been the subject of a bankruptcy petition in the last ten years.

## **ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISORS**

### **A. PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSONS; THEIR FORMAL EDUCATION AND BUSINESS BACKGROUND**

CW currently has only one management person: Michael J. Stevens. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. OTHER BUSINESSES IN WHICH THIS ADVISORY FIRM OR ITS PERSONNEL ARE ENGAGED AND TIME SPENT ON THOSE (IF ANY)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. CALCULATION OF PERFORMANCE-BASED FEES AND DEGREE OF RISK TO CLIENTS**

CW does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

### **D. MATERIAL DISCIPLINARY DISCLOSURES FOR MANAGEMENT PERSONS OF THIS FIRM**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

### **E. MATERIAL RELATIONSHIPS THAT MANAGEMENT PERSONS HAVE WITH ISSUERS OF SECURITIES (IF ANY)**

See Item 10.C and 11.B.  
PRIVACY POLICY

An important part of the relationship we have with our clients is the information they share with us. We want each client to know how we treat their private information. We keep personal information such as Social

Security Numbers and account balances confidential. We take steps to safeguard this data from anyone who should not have access to it. We do not sell this information to anyone.

In dealing with Capital Wealth, LLC (“CW”) clients can expect that we will take the steps outlined below to keep all their information confidential and secure.

### **OUR PRIVACY POLICY**

In providing financial services and products (“Service”) to our clients, we collect certain non-public information about them. Our policy is to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to our clients, or as permitted by law. Protecting your privacy is important to us.

### **INFORMATION WE COLLECT**

The non-public personal information we have about clients includes the information they give us when opening an account or communicating with us. This could include:

- Name and address
- Social Security Number
- Investment objectives and experience
- Financial circumstances
- Employment history
- Account balances and transactions

### **HOW WE SHARE YOUR PERSONAL INFORMATION**

We do not sell personal client information to anyone.

### **AFFILIATES**

We may share personal information about you with our affiliated companies for everyday business purposes, however, our affiliated companies are not permitted to use this information to market their products or services to you.

We do not disclose personal information about our clients to non-affiliated third parties, without expressed written consent. We may disclose anonymous information that cannot be linked to an individual client on occasion, but only to companies that we hire to help us provide products and services to our clients, or as required by law, or as authorized by the client personally, or as otherwise described in this Privacy Policy.

### **SERVICE PROVIDERS**

Companies and individuals that provide services on our behalf or help us operate our services and business (such as IT, hosting, investment trading, customer relationship management and support, print and mail fulfillment, data management, email delivery, etc.).

### **SERVICE-RELATED THIRD PARTIES**

Brokers, custodians, administrators, transfer agents, investment funds and their respective managed and other non-affiliated third parties as necessary to provide our services to you.

### **HOW INFORMATION IS USED**

We use your personal information for the following purposes:

**SERVICE DELIVERY**

We use your personal information to provide, operate, and improve the Service; execute your transactions; provide support for the service; and respond to your inquiries, questions and feedback.

**COMPLIANCE AND OPERATIONS**

We may use your personal information to: comply with applicable laws, lawful requests, and legal process, such as to respond to subpoenas or requests from government authorities; protect our, your or others' rights, privacy, safety or property (including by making and defending legal claims); audit our internal processes for compliance with legal and contractual requirements and internal policies; and prevent, identify, investigate and deter fraudulent, harmful, unauthorized, unethical or illegal activity, including cyberattacks and identity theft.

**HOW INFORMATION IS SAFEGUARDED**

We have procedures in place that we believe are reasonably designed to protect the security and confidentiality of client information. These include confidentiality agreements with companies we hire to help us provide services to clients, password-protected user access to our computer files, internet firewalls, video surveillance recording and strict confidentiality policies that apply to all CW personnel, vendors and contractors.

**YOUR DATA CHOICES**

You have the following choices with respect to your personal information:

**DECLINE TO PROVIDE INFORMATION**

We need to collect personal information to provide certain services. If you do not provide the information requested, we may not be able to provide those services.

**HOW TO CONTACT US**

You can reach us in the following ways:

- Mail: 1850 Ashton Blvd, Suite 175, Lehi, UT 84043
- Email: [info@capitalwealth.com](mailto:info@capitalwealth.com)
- Phone: (801) 210-2800