

A Summary of Your Relationship with Capitol Financial Consultants, Inc.

June 30, 2020

Item 1: Introduction

Capitol Financial Consultants, Inc. (CFC) is an investment advisory firm registered with the Securities and Exchange Commission (SEC). Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker dealers, investment advisors, and investing.

Item 2: What investment services and advice can you provide me?

Our main service is providing comprehensive financial planning which includes investment management. We also offer stand-alone asset management services, and a wrap fee program. In isolated cases, we offer financial advice on a flat fee or hourly basis. For comprehensive financial planning and asset management services, we monitor your investments on a continuous basis.

We typically accept discretionary authority over some or all of your investments where we have the authority to make the purchase or sale of investments without your consent, although we strive to explain and get agreement prior to investment transactions when possible. Discretionary authority provided to us is limited to the account(s) you authorize and lasts until our relationship ends. In a nondiscretionary authority relationship, you make the ultimate decision for the purchase or sale before the transaction is made.

We have no proprietary products and we do not offer advice from only a limited menu of products or types of investments. We do not limit our services or the opening of an account dependent on the amount of assets you have.

We provide portfolio management services to individuals, high net worth individuals, trusts, estates, charitable organizations or trusts, and small businesses.

Comprehensive financial planning is tailored to your needs and may involve several ongoing consultations that focus on a detailed analysis of your overall financial position, including cash flow, tax planning, risk management, education planning, estate planning, retirement planning, and investment analysis. Stand-alone asset management services involve an investment analysis based on your overall financial situation and needs. We allow you to impose certain restrictions on investing in certain securities or types of securities if you so state these preferences during our investor profile session, indicate such on your account instructions, or you provide in writing instructions at a subsequent time.

For the investment analysis in a comprehensive financial planning relationship or the stand-alone asset management service, we make recommendations of a general nature and may include recommendations concerning insurance or investing or not investing in various types of securities such as money market funds, government securities, stocks, bonds, mutual funds, and various limited partnership programs. We also offer you advice on domestic and foreign equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, U.S. government securities, options contracts on securities and commodities, and futures contracts on tangibles and intangibles.

Question to Ask an Advisor: Given my financial situation, should I choose an investment advisory service? Why or why not?

Question to Ask an Advisor: How will you choose investments to recommend to me?

Question to Ask an Advisor: What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

Item 3: What fees will I pay?

<u>Service Type</u>	<u>Fees Are Based On</u>	<u>When Assessed</u>
Comprehensive Financial Planning	A percentage of all your capital at work plus income	Annually
Stand-Alone Asset Management	A percentage of the assets we manage	Quarterly
Flat Fee	Determined and agreed to prior to commencement	After completion
Hourly	According to our current hourly rates	After completion
Wrap Fee Program	None. Included in contract except flat fee or hourly contract	Not Applicable

More detailed information about our fees can be found in our CFC disclosure brochure available upon request.

In addition to these advisory fees you are responsible for all third-party fees, such as those that may be imposed by the account custodian or the manager of a mutual fund, ETF, or variable annuity. This can include commissions or other transaction-based fees and the costs of the mutual fund, ETF, or variable annuity. We do not receive any of these other fees. If you are under our wrap fee program, we are responsible for securities transaction costs and therefore participation in this program may make our fees higher than other asset based advisory fee services where you pay the securities transaction costs yourselves.

Because our comprehensive financial planning fees are based on the value of all your capital at work plus income, we may have an incentive to recommend strategies that maintain or increase your capital at work and/or current income. Because our stand-alone asset management service is based on the assets we manage, there may be, under that arrangement, an incentive for us to recommend that you increase the assets in your account.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Question to Ask an Advisor: Help me understand how these fees and costs affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts do you have? *When we act as your investment advisor*, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we give you. Here are some examples to help you understand what this means:

1. Because our comprehensive financial planning fee is based on the value of your capital at work plus income, we may have an incentive to recommend strategies to maintain or increase your capital at work and/or your current income. This can include loans on nonworking assets, deferring gifts, or maintaining or increasing unnecessary current investment income.
2. Because our stand-alone asset management fee is based on the value of the accounts we manage, we may have an incentive to recommend you put more money in those accounts. This can include recommending that you roll over your IRA, 401(k), or similar retirement plans and/or transfer your other savings accounts to our management.
3. We may receive services or other incentives from the custodian we use and therefore there may be an incentive to recommend using that custodian to hold your assets.

Question to Ask an Advisor: How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money? Our advisors are paid a portion of the comprehensive financial planning or stand-alone asset management fees we receive from you so they may have the same potential conflicts as our firm.

Item 4: What disciplinary history should I know?

Do you or your financial advisors have legal or disciplinary history? No. You can visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Question to Ask an Advisor: As a financial professional do you have any disciplinary history? For what type of conflict?

To obtain up-to-date information about our investment advisory services and/or to request a copy of this Relationship Summary please go to www.capfin.net or call (703) 821-2000 (ext. 204).

Question to Ask an Advisor: Who is my primary contact person? Is he or she a representative of an investment advisor or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?

Item 5: What additional information should I know?

Your primary contact person is the individual advisor who introduced you to CFC. He or she is a representative of CFC, an investment advisor registered with the SEC. Should you have any questions or concerns regarding this individual you may contact Joel Stillman at (703) 821-2000 (ext. 204) or by email at jstillman@capfin.net.