

**Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

|  |                  |           |              |                              |
|--|------------------|-----------|--------------|------------------------------|
| Name of Investment Adviser: <b>Capital Securities of America</b> |                  |           |              |                              |
| Address: (Number and Street)                                     | (City)           | (State)   | (Zip Code)   | Area Code: Telephone number: |
| <b>150 Grand Trunk Ave.</b>                                      | <b>Hartville</b> | <b>OH</b> | <b>44632</b> | <b>330-877-7710</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.**

**Table of Contents**

| <u>Item Number</u> | <u>Item</u>   | <u>Page</u> |
|--------------------|---|-------------|
| 1                  | Advisory Services and Fees . . . . .  | 2           |
| 2                  | Types of Clients . . . . .  | 2           |
| 3                  | Types of Investments . . . . .  | 3           |
| 4                  | Methods of Analysis, Sources of Information and Investment Strategies . . . . . | 3           |
| 5                  | Education and Business Standards . . . . .                                      | 4           |
| 6                  | Education and Business Background . . . . .                                     | 4           |
| 7                  | Other Business Activities . . . . .   | 4           |
| 8                  | Other Financial Industry Activities or Affiliations . . . . .                   | 4           |
| 9                  | Participation or Interest in Client Transactions . . . . .                      | 5           |
| 10                 | Conditions for Managing Accounts . . . . .                                      | 5           |
| 11                 | Review of Accounts . . . . .  | 5           |
| 12                 | Investment or Brokerage Discretion . . . . .                                    | 6           |
| 13                 | Additional Compensation . . . . .   | 6           |
| 14                 | Balance Sheet . . . . .   | 6           |
|                    | Continuation Sheet . . . . .  | Schedule F  |
|                    | Balance Sheet, if required . . . . .  | Schedule G  |

(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.)

**Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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 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 checked="" 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 |  |

**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                             | I. Options contracts on:   |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                     | <input checked="" type="checkbox"/> (1) securities                         |
| <input type="checkbox"/> (3) foreign issuers   | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> B. Warrants  | J. Futures contracts on:   |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
| <input type="checkbox"/> D. Commercial paper   | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                 | K. Interests in partnerships investing in:                                 |
| <input checked="" type="checkbox"/> F. Municipal securities                                    | <input type="checkbox"/> (1) real estate                                   |
| 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 checked="" type="checkbox"/> (2) variable annuities                                     | <input 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 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 checked="" 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 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 checked="" type="checkbox"/> Short sales   |  |

**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
- year of birth
- formal education after high school
- 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:
  - (1) broker-dealer
  - (2) investment company
  - (3) other investment adviser
  - (4) financial planning firm
  - (5) commodity pool operator, commodity trading advisor or futures commission merchant
  - (6) banking or thrift institution
  - (7) accounting firm
  - (8) law firm
  - (9) insurance company or agency
  - (10) pension consultant
  - (11) real estate broker or dealer
  - (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.)

**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.

**All advisory accounts for retail customers are reviewed at least quarterly by the investment advisor representative(s) assigned to the account. The reviews include a listing of the managed investments in the account and the investment performance of the account during the previous quarter.**

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

**Clients are provided with monthly or quarterly custodial reports from an independent third-party custodian and quarterly performance reports. The monthly or quarterly custodial reports include a listing of all investments in the clients account, their current valuation, and a listing of all transactions occurring during the month or quarter. The quarterly performance reports include information regarding the allocation of the assets in the client account among various asset classes, and the investment performance of the client account during the quarter.**

**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"/>            |
|  | Yes                                 | No                                  |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Yes                                 | No                                  |
| (3) broker or dealer to be used? .....                   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|  | Yes                                 | No                                  |
| (4) commission rates paid? .....                         | <input type="checkbox"/>            | <input checked="" 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 checked="" type="checkbox"/> | No <input 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:<br><b>Capital Securities of America</b> | SEC File Number:<br><b>801-64177</b> | Date:<br><b>04/28/2008</b> |
|--|--------------------------------------|----------------------------|

(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:<br><b>Capital Securities of America</b> | IRS Empl. Ident. No.: |
|---|-----------------------|

| Item of Form<br>(identify) | Answer   |
|----------------------------|--|
| Item 1                     | <p><b>ADVISORY SERVICES AND FEES</b></p> <p>Capital Securities of America (“CSA” or “We”) provides investment supervisory services on a discretionary or non-discretionary basis as agreed to with the client. Our services are primarily provided to individuals, trusts, retirement accounts (IRAs, pensions and profit sharing plans), corporations and other institutions and either managed by us or unaffiliated third party investment managers we choose.</p> <p>CSA Advisor Program (“CAP”)</p> <p>CSA offers the CAP program whereby its registered investment advisor representatives provide investment supervisory services on an ongoing basis. CSA’s investment advisor representatives will assist the client with determining their investment objectives by assessing the client’s risk tolerance based upon their age, income, education, need for cash flows, investment goals, and emotional tolerance for volatility. The information provided by the client will be collected during client meetings, interviews, and/or questionnaires. Strategies are developed and implemented through an optimal combination of investments managed by us or by unaffiliated third party money managers. Capital market conditions and client circumstances are monitored and portfolio adjustments are made as appropriate to reflect significant changes in any or all of the above variables.</p> <p>In the event third party money managers are utilized, CSA will select one or more registered investment advisors with varying styles and in turn recommend to clients to a particular investment advisor based on the client’s individual needs and objectives. In addition, CSA reserves the authority to hire or terminate money managers. CSA will monitor the performance of the third party money manager.</p> <p>If the Client grants CSA investment discretion, CSA is authorized, to invest, sell, and reinvest proceeds in the Client’s account without obtaining the client’s prior confirmation of any proposed action. If CSA is granted non-discretionary authority, then CSA is authorized, to invest, sell, and reinvest proceeds in the Client’s account, only upon obtaining from the Client prior confirmation of any proposed action. CSA’s investment advisor representatives will manage the account in accordance with the investment mandates of the Client and subject to the guidelines and/or restrictions (if any) that have been provided by the Client.</p> <p>Third party investment managers recommended to clients will have full investment discretion, and trading authority, and shall have sole responsibility for the implementation of the investment program with respect to the client’s account for which investment discretion has been delegated by the client and accepted by the money managers. We will not place orders for transactions in the client’s account or otherwise exercise trading authority over the account at any time when the account is being managed by an investment manager.</p> <p>Compensation for investment supervisory services provided under CAP is derived as fee income based on a percentage of the assets under management. The compensation method is explained and agreed with the clients in advance before</p> |

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

|  |                                      |                            |
|--|--------------------------------------|----------------------------|
| Applicant:<br><b>Capital Securities of America</b> | SEC File Number:<br><b>801-64177</b> | Date:<br><b>04/28/2008</b> |
|--|--------------------------------------|----------------------------|

(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:<br><b>Capital Securities of America</b> | IRS Empl. Ident. No.: |
|---|-----------------------|

| Item of Form<br>(identify) | Answer |
|----------------------------|--------|
|----------------------------|--------|

any services are rendered. The compensation for our services, which include developing and implementing an investment policy and objectives, formulating a quantitatively driven asset allocation analysis and recommendation, monitoring a client's investment results are as follows:

| Assets Under Management     | Fee   |
|-----------------------------|-------|
| \$100,000 to \$250,000      | 2.50% |
| \$250,001 to \$500,000      | 2.25% |
| \$500,001 to \$1 Million    | 2.00% |
| \$ 1 Million to \$5 Million | 1.25% |
| Over \$5 Million            | 1.00% |

The amount of the fee is negotiated on a case by case basis with the client, and is determined based upon a number of factors including the amount of work involved, the assets placed under management and the attention needed to manage the account. Fees will be billed in advance at the beginning of each calendar quarter. The amount of the fee is calculated on the value of the client' account on the last day of the preceding calendar quarter. All costs are inclusive within the annual fee except a transaction charge per trade to defray the costs of each transaction to CSA. Currently the standard charge per transaction is \$29, but the transaction charge can be negotiated lower based on the investment advisor representative's contract with CSA. Any contributions and/or withdrawals made during a calendar quarter may cause an adjustment to the advisory fee. Fees will generally be deducted directly from the client's brokerage account pursuant to a written agreement. Investment advisory services begin with the effective date of the Agreement, which is the date the client signs the Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective.

Either CSA or the client may terminate the Agreement at any time. Notice of termination must be given to the other party in writing. Upon termination, the fees charged for advisory services will be pro-rated and a refund for any unearned fees will be issued. The client is responsible to pay for services rendered until the termination of the agreement. The client can cancel the Agreement without penalty within the first five days after the signing of the Agreement.

**PROXY VOTING**

Notwithstanding CSA's discretionary authority to make investment decisions on behalf of clients, CSA will not exercise proxy voting authority over securities held in client accounts. The obligation to vote client proxies shall at all time rest with the client. CSA shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Should CSA inadvertently receive proxy information for a security held in a client's account, then CSA will make a good faith effort to forward such information on to Client in a timely manner, but will not take any further action

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

|  |                                      |                            |
|--|--------------------------------------|----------------------------|
| Applicant:<br><b>Capital Securities of America</b> | SEC File Number:<br><b>801-64177</b> | Date:<br><b>04/28/2008</b> |
|--|--------------------------------------|----------------------------|

(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:<br><b>Capital Securities of America</b> | IRS Empl. Ident. No.:  |
| Item of Form<br>(identify)  | Answer   |
|   | with respect to the voting of such proxy. Upon termination of its Investment Advisory Agreement with a client, CSA shall make a good faith and reasonable attempt to forward proxy information inadvertently received by CSA on behalf of the client to the forwarding address provided by the client to CSA.  |
| Item 5  | <p><b>EDUCATION AND BUSINESS STANDARDS</b></p> <p>Generally, individuals employed to provide advisory services are required to have significant experience in the investment industry. At minimum they must have five years of investment experience or an appropriate undergraduate degree and satisfy the requirements for registration as an investment advisor representative in the state jurisdiction where they reside .</p>  |
| Item 6  | <p><b>EDUCATION AND BUSINESS EXPERIENCE</b></p> <p><b>Gary Wunderlich, Chief Executive Officer</b></p> <p>Year of Birth: 1970</p> <p>Mr. Wunderlich founded Wunderlich Securities, Inc in 1996, after he acquired a small brokerage firm. Since that time, he has repositioned and grown the company into a full-service investment firm. In addition to managing the firm, Mr. Wunderlich is actively involved in all of the firm’s Corporate Finance activities. Prior to forming Wunderlich Securities, Mr. Wunderlich was with Brookfield-Wunderlich and Progressive Capital, two private equity investment banks. He currently serves on the FINRA District 5 Committee and the SIFMA Regional Firms Committee.</p> <p>Mr. Wunderlich received a B.A. in economics from the University of Virginia in 1992, and received his M.B.A. from the University of Memphis in 1995.</p> <p><b>Tracy L. Wiswall, Chief Compliance Officer</b></p> <p>Year of Birth: 1973</p> <p>Mr. Wiswall was formerly a Senior Compliance Examiner in the Routine Investigations section of the District 5 Office of the NASD. He joined Wunderlich Securities in May 2004 to head the Compliance Department. Since his arrival he has helped to redefine the department by leveraging his knowledge and experience as a securities regulator, along with implementing many new technological tools, in order to redesign the firm’s compliance and supervisory systems. Mr. Wiswall and his staff are tasked with continually updating, implementing and enforcing policies and procedures to ensure continued compliance with all applicable federal, state and self-regulatory rules and laws.</p> |

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

Applicant:  
**Capital Securities of America**

SEC File Number:  
**801-64177**

Date:  
**04/28/2008**

(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:<br><b>Capital Securities of America</b> | IRS Empl. Ident. No.:   |
|---|---|
| Item of Form<br>(identify)  | Answer  |
|   | <p>Bachelors Degree from Southeastern Louisiana University.</p> <p><b>Jerry Cline</b></p> <p>Year of Birth: 1955</p> <p>Formal Education After High School:</p> <ul style="list-style-type: none"> <li>• Denison University, History</li> </ul> <p>Business Background for the Preceding Five Years:</p> <ul style="list-style-type: none"> <li>• April 1994 to Present<br/>Capital Securities of America, President, Municipal Securities Principal, Secretary</li> </ul> <p><b>Brian Mohney</b></p> <p>Year of Birth: 1971</p> <p>Formal Education After High School:</p> <ul style="list-style-type: none"> <li>• Pittsburgh University, Accounting/Management</li> </ul> <p>Business Background for the Preceding Five Years:</p> <ul style="list-style-type: none"> <li>• March 1997 to Present<br/>Capital Securities of America, Chief Operating Officer, SROP, Chief Financial Officer</li> </ul> |
| Item 7 (B)  | <p><b>OTHER BUSINESS ACTIVITIES</b></p> <p>CSA is also licensed as an insurance agency and certain of its employees are licensed to sell insurance products. CSA and its employees may receive compensation in the form of commissions for the sale of insurance related products.</p>  |
| Item 8 C (1), (7), (9) and D  | <p><b>OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</b></p> <p>Individuals associated with CSA will also be associated with the registered broker-dealer/investment advisor Wunderlich Securites, Inc. ("WSI"), CSA's parent company. As such, these individuals may also have brokerage clients of WSI that are not also clients of CSA. Consequently, these individuals may receive</p>  |

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

|  |                                      |                            |
|--|--------------------------------------|----------------------------|
| Applicant:<br><b>Capital Securities of America</b> | SEC File Number:<br><b>801-64177</b> | Date:<br><b>04/28/2008</b> |
|--|--------------------------------------|----------------------------|

(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:<br><b>Capital Securities of America</b> | IRS Empl. Ident. No.: |
|---|-----------------------|

| Item of Form<br>(identify) | Answer |
|----------------------------|--------|
|----------------------------|--------|

compensation in the form of commissions for products sold to WSI only clients.

As licensed investment advisor representatives on behalf of WSI, individuals associated with CSA may, if it is determined to be in the client's best interest, utilize investment advisory services offered through WSI including, but not limited to, wrap fee programs. Under these circumstances, the client will enter into an investment management agreement with WSI rather than with CSA. Clients should review WSI's ADV Part II which will be provided to the client for information regarding WSI's investment management fees. Although it may be perceived that a conflict of interest exist between the interests of the client and those of CSA none actually exists as there is no fee incentive to recommend the use of CSA's investment manager platform over others.

Certain of CSA's employees provide accounting services and insurance products to clients of CSA. In these cases, the services are provided through accounting firms and/or insurance agencies that have been established by the employee and are independent of CSA. Although accounting services and insurance products may be provided to individuals who are clients of CSA, CSA does not receive any compensation as a result of these relationships.

CSA's related person, Mr. Gary Kaltbaum, is the managing member of Interpres Management, LLC which is the manager of a private fund, Interpres Fund, LLC (the "Fund"). Clients of CSA are solicited to purchase interests in the Fund. The Fund's investment objective is to seek capital appreciation independent of market cycles through investments in various forms of equity securities by employing investment strategies that will encompass a broad range of investment programs and techniques that include, among other things, hedging and short sales of securities and transactions in other financial instruments such as stock options and index options. The Manager will not invest any of the Fund's assets in commodity pools, commodity futures, currencies or private placements.

|                       |   |
|-----------------------|---|
| Item 9 (B), (D) & (E) | <b>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</b> |
|-----------------------|---|

As previously mentioned CSA's parent company, WSI, is a registered broker-dealer/investment adviser. Individuals associated with CSA will be licensed as registered representatives and investment advisor representatives of WSI and as such, may receive compensation in the form of commissions or fees for securities products and/or investment advisory services sold to WSI only clients.

Individuals associated with CSA may offer or sell insurance products through CSA or insurance companies independent of CSA through separate licenses as insurance agents. As licensed agents, the individuals may receive commissions on insurance products sold. As a result, a potential conflict of interest may exist with CSA clients' interests. Clients will be under no obligation, contractual or otherwise, to engage the CapTrust' representatives as an insurance agent.

CSA and its employees may buy and sell the same securities that may be

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

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

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|---|-----------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:<br><b>Capital Securities of America</b> | IRS Empl. Ident. No.: |
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| Item of Form<br>(identify) | Answer |
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recommended to clients. To avoid any potential conflicts of interest involving personal trades, CSA has adopted a Securities Compliance Policy (“Securities Compliance Policy”), which includes a formal code of ethics and insider trading policies and procedures. Registrant’s Securities Compliance Policy requires, among other things, that Employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of CSA above one’s own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

CSA’s Securities Compliance Policy also requires Employees to: 1) report personal securities transactions on at least a quarterly basis, and 2) provide CSA with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest.

A copy of CSA’s Securities Compliance Policy shall be provided to any client or prospective client upon request.

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| Item 10 | <p><b>MINIMUM CONDITIONS</b></p> <p>Generally, the minimum dollar value of assets required to set up an investment advisory account is \$50,000. However, CSA reserves the discretion to waive the account minimum as it deems appropriate.</p> <p>Wrap fee programs recommended by individuals associated with CSA may impose minimum requirements for participation in the programs. Information regarding a program’s minimum requirements is contained in the programs’ disclosure documentation.</p> |
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| Item 12 A                  | <p><b>INVESTMENT OR BROKERAGE DISCRETION</b></p> <p>When a client agrees to discretionary management in the CAP program, CSA will be responsible for selecting the amount of securities to be bought and sold and/or the selection of other investment managers. The only limitations on the investment authority will be those limitations imposed in writing by the client. In addition, the client is required to utilize CSA as the broker.</p> <p>If we retain an investment manager for the client we reserve discretion to hire and fire money managers on our client's behalf. The only limitations on the investment authority will be those limitations imposed in writing by the client. For the investment managers that we select to manage client assets, clients should review their disclosure document(s) for more information on their policy with regard to investment or brokerage discretion.</p> <p>Accounts we manage on a discretionary basis may receive more favorable executions when purchasing or selling securities than accounts managed on a non discretionary basis due to the fact that CSA must receive client authorization before placing a trade order.</p> <p>Because CSA engages in an investment advisory business and manages more than one account, there may be conflicts of interest over CSA's time devoted to managing any one account and the allocation of investment opportunities among all accounts managed by CSA. CSA will attempt to resolve all such conflicts in a manner that is generally fair to all of its clients. CSA may give advice and take action with respect to any of its clients that may differ from advice given or the timing or nature of action taken with respect to any particular client so long as it is CSA's policy, to the extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to other clients.</p> <p>CSA is not obligated to acquire for any account any security that Advisor or its officers, partners, members or employees may acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of CSA, it is not practical or desirable to acquire a position in such security.</p> <p>When possible, orders for the same security are combined or "batched" to facilitate best execution concerns. CSA effects batched transactions in a manner designed to ensure that no participating client, including any proprietary account, is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all of the CSA's transactions in that security on that business day, with respect to that batched order. Securities purchased or sold in a batched transaction are allocated pro-rata, when possible, to the participating client accounts in proportion to the size of the order placed for each account. CSA may, however, increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular clients. Additionally, if CSA is unable to fully execute a batched transaction and CSA determines that it would be impractical to allocate a small number of securities among the accounts participating in the</p> |

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|   | transaction on a pro-rata basis, CSA may allocate such securities in a manner determined in good faith to be a fair allocation.   |
| Item 12 B & 13 A  | <p><b>RECOMMENDING BROKERS</b></p> <p>Absent an existing brokerage relationship CSA will assist the client with developing a relationship with brokers that CSA has a relationship with which include: the Institutional Division of Charles Schwab &amp; Co. ("Schwab), or First Clearing Corporation ("FCC").</p> <p>CSA will make recommendations based on the needs of the client and the services provided by the broker/custodian such as ability to execute trades, margin rates, on-line access to accounts, transaction charges, consolidated reporting, duplicate monthly statements, access to mutual funds, including lower sales charges than for direct purchases and lower minimum purchase amounts.</p> <p>As part of the programs offered by Schwab and FCC, CSA receives benefits that it would not receive if it did not provide investment advice to clients. While there is no direct affiliation or fee sharing arrangement between Schwab, FCC and CSA, economic benefits are received by CSA which would not be received if CSA did not have an established relationship with these companies. These benefits do not depend on the amount of transactions directed by CSA to Charles Schwab or FCC. These benefits may include: a dedicated trading desk that services CSA's clients, a dedicated service group and an account services manager dedicated to the CSA's accounts, access to a real time order matching system, ability to block client trades, electronic download of trades, portfolio management software, access to an electronic interface, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), a quarterly newsletter, access to mutual funds, ability to have loads waived for the CSA's clients who invest in certain loaded funds when certain conditions are met and maintained, and the ability to have custody fees waived.</p> |
| Item 13 B   | <p><b>ADDITIONAL COMPENSATION</b></p> <p>CSA has entered into arrangements whereby it compensates unaffiliated third parties for client referrals. CSA's payment of a referral does not affect the fees paid by any new advisory client. Each referral arrangement will conform to Rule 206(4)-3 under the Investment Advisors Act of 1940, as amended, including that such referral arrangement is disclosed to prospective advisory clients.</p>  |
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