



Firm Brochure  
(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of CapSouth Partners, Inc. If you have any questions about the content of this brochure, please contact us at: (334) 673-8600, or by email at [mbolden@capsouthpartners.com](mailto:mbolden@capsouthpartners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state security authority.

Additional information about CapSouth Partners, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. The CRD number for CapSouth Partners is 132517.

March 24, 2017

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## **Material Changes**

### **Annual Update**

The Material changes section of this brochure will be updated at least annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the March 2016 Annual Filing**

CapSouth has entered into a relationship with United Capital Financial Advisers, LLC under their FinLife Partners program. Under this program, United Capital provides CapSouth with resources which may be utilized in assisting with Guidance planning, with sub-advisory services which may be utilized in investing client assets, and with a technology platform that helps in supporting these services. For more information about these services see pages 6 and 13 of this brochure. Information about United Capital may be found at <http://www.unitedcp.com>. This relationship creates conflicts of interests which are described in the Other Fees & Conflicts of Interests section on page 19.

The standardized Investment Strategies that CapSouth offers to clients, as described in the Investment Strategies section on page 21, have changed. The four Active Portfolios have replaced the eight risk-based portfolios. The four Active Portfolios each have a distinct target allocation of equities and fixed income. The eight risk based portfolios were merged into the most appropriate Active Portfolio. The old risk based portfolios included one series designed for accounts under \$50,000 and another series designed for accounts over \$50,000. The new Active Portfolios eliminate this distinction. The methods of analysis, portfolio construction, and goals of each Active Portfolio are similar to corresponding risk based portfolio that was replaced.

### **Full Brochure Available**

If you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (334) 673-8600 or by email at [mbolden@capsouthpartners.com](mailto:mbolden@capsouthpartners.com).

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## **Advisory Business**

### **Firm Description**

CapSouth Partners, Inc. (“CapSouth” or “ADVISER”) was founded in 2001 by Donald P. Bolden. There are currently 12 employees and 1 independent contractor. This team includes 7 investment advisory representatives, 1 technology consultant, and 5 administrative staff employees; included in this team is one Certified Financial Planner® designee, one Chartered Financial Analyst® designee, one attorney and one accountant. The firm is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Advisor (the term registered does not imply a certain level of skill or training).

CapSouth Partners offers a combination of the following advisory services, where appropriate, to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates or charitable organizations and corporations or other business entities.

- Investment management services (Discretionary & Non-discretionary)
- Financial planning services
- Institutional consulting services
- Consulting services to individual clients
- Investment monitoring services

At the start of a client relationship, CapSouth will identify a client's financial background, prior investment experience, investment objectives, goals and restrictions, if any, and risk tolerances, among other things. This information is used in determining which planning recommendations are appropriate for the client and/or which investment recommendations are suitable for the client. CapSouth will update this information on a periodic basis. We also advise all clients to notify us immediately if there is any change to their financial situation or investment objectives.

### **Principal Owner(s)**

Donald P. Bolden is the Principal Owner of CapSouth Partners, Inc.

### **Types of Advisory Services**

The primary types of services offered by CapSouth Partners are ongoing investment supervisory services (asset management), financial planning and ERISA plan consulting. CapSouth also provides investment advice and consulting services.

#### **Discretionary Investment Management**

Discretionary management may be provided by CapSouth by means of selecting an internally (CapSouth) managed portfolio, by granting an advisor permission to utilize discretion in managing the investments in an account, or by authorizing CapSouth to utilize a sub-advisor (“Sub-Manager”) to perform the investment selection of specific assets within the client’s account for which the sub-advisor has been appointed as the discretionary manager.

The internally managed portfolios offered by CapSouth include four portfolios that primarily focus on active management and four portfolios that primarily focus on indexing or passive management. Each portfolio is designed to meet a particular investment goal. These portfolios may contain stocks, bonds, no-load mutual funds, eligible load-waived mutual funds, ETFs and other investments. Discretionary portfolios are managed by Marshall P. Bolden, Chief Investment Officer.

Donald P. Bolden is approved to manage individual accounts on a discretionary basis. These accounts may contain stocks, bonds, no-load mutual funds, eligible load-waived mutual funds, ETFs and other investments. These accounts are managed based on the client's specific goals and objectives for the account and for tax selling purposes.

*Sub-Manager Limited Discretion*

For certain client assets, ADVISER outsources a portion of the investment management to United Capital Financial Advisers, LLC ("United Capital"), an investment adviser not affiliated with ADVISER, who serves as sub-adviser. United Capital is granted limited discretionary investment authority over assets that ADVISER assigns to United Capital. For the assets directed to Sub-Manager for services, its responsibility includes the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation
- apply its discretion as to when to buy and sell
- apply its discretion as to the timing of transactions
- select the broker-dealer for execution of securities transactions, if appropriate, and
- take other portfolio management actions ADVISER delegates or deems appropriate

Any authority of United Capital only applies to the specific assets, within the Client's custodial account, for which United Capital has been appointed as the discretionary manager. United Capital shall not provide investment advice, or have any advisory responsibility to the Client, beyond the assets for which it is appointed as Sub-Manager. The terms of services provided by United Capital are directed in accordance with a separate written agreement entered into between the ADVISER and United Capital. United Capital also provides separate services to ADVISER under its division FinLife Partners, as described below in the FinLife Partners Service Offering section.

Upon request, ADVISER will provide Clients with information about any Sub-Manager that ADVISER has referred Client assets. This information may include content provided by a Sub-Manager explaining its investment style, or an explanation from ADVISER describing the Sub-Manager's investment style. Additionally, upon request, ADVISER will provide Clients with a copy of the Sub-Manager's Form ADV, Part 2A.

Client has the right to request reasonable restrictions on the management of their assets, including restricting the appointment of any and all Sub-Managers to manage their assets. ADVISER has the right to reject Client restriction requests if it cannot reasonably comply with the request based on ADVISER's service offerings and capabilities. Client should look to ADVISER, rather than the Sub-Manager, with respect to carrying out any restrictions set forth by Client.

See additional information about the costs for Sub-Manager services and potential conflicts of interests of the ADVISER in the Fees and Compensation section below.

**Nondiscretionary Investment Management**

We provide nondiscretionary portfolio management services to clients. Investment Advisor Representatives use the client's investment objectives and risk tolerance when making recommendations to clients. Trades are entered only with the consent and approval of the client. We may also enter non-solicited trades per the client's request.

**Navigator Program (also may be referred to as the Wealth Management Program)**

This service includes the Guidance program detailed below, assistance with implementation, estate planning, and asset monitoring services (when requested by the client). Depending on the client, Navigator may include identification of financial problems, cash flow and budget analysis, tax planning, social security planning, risk exposure review, education funding, retirement planning, charitable goals, special needs planning, life insurance and disability insurance planning. Navigator may also include other areas that are specific to the client. Client's may obtain online access to MoneyGuidePro so that they can view their financial plan. A hard copy may be provided upon request. This service also includes assistance with implementation of recommendations accepted by the client, meetings as required, a periodic update of the financial plan, and a three to four year (or as needed) review of the client's estate plan. If the client has asked CapSouth to monitor assets to which we are not the investment advisor, this will be done as agreed upon by the client and the advisor. CapSouth only accepts a limited number of new clients into the Navigator Program each year.

**Guidance Program**

CapSouth may provide Guidance services independently of systems made available through United Capital's FinLife Partners program or may choose to offer Guidance through the FinLife Partners program depending upon the needs and situation of each individual client.

For Guidance offered independently of FinLife, the Guidance program generally addresses retirement planning, education planning, and risk management. The Guidance program is provided through MoneyguidePro. Clients may generally receive online access to MoneyguidePro from which they can view details of their plan. The plan is updated every two to three years, or as needed, as long as the client provides us with updated personal information.

When providing a consolidated financial summary of accounts to Clients, whether using the FinLife Partners' Guidance program or not, data included may contain information about accounts for which ADVISER does not manage or advise the Client. As such, no inference should be drawn that ADVISER serves as the adviser on any or all securities listed in these consolidated financial summaries. For Client assets that ADVISER is not contracted to manage, it will not actively supervise those assets.

If CapSouth utilizes the FinLife Partners' systems provided by United Capital in order to provide the Guidance Program to a client, the remainder of the description in this Guidance Program section will generally apply.

ADVISER's Financial Guidance services are generally delivered through the Guidebook which may include, but are not necessarily limited to, the following services (not all services are offered or applicable to all Clients):

- Money Mind® Analyzer:  
Help to identify and understand your dominant Money Mind®.
- Honest Conversations®  
Help to create a clearly defined set of priorities, in an effort to help improve financial life decisions.
- Financial Control Scorecard®  
Assess if you are on track to meet your financial life goals.

- A net worth summary
- A portfolio snapshot
- Financial goals review and analysis
- Portfolio construction (recommending appropriate investment strategies)
- Asset allocation recommendations
- Consolidated financial summaries

ADVISER offers modular planning services designed to meet individual Clients' specific needs. These services may include one or more of the following:

- Cash flow management
- Investment management recommendations for non-supervised assets (i.e. 401k's and 403b's)
- Retirement planning
- Insurance needs analysis
- Education planning
- Estate planning
- Tax planning
- Divorce planning

Certain Clients, for example, that are small businesses may require specialized needs analyses, planning, or business performance reviews or other services.

Clients may hire ADVISER to provide Financial Guidance services on a one-time basis or continually until canceled. For ongoing services, with the Client's cooperation, ADVISER normally meets with Clients no less than annually to monitor their risk profiles and objectives, updating the financial guidance provided to account for changes. Meetings may occur in-person or remotely by telephone or webinar. If Clients choose not to meet with ADVISER, financial guidance will be provided based on information received during prior meetings.

Although ADVISER generally recommends long-term investment strategies, ADVISER may recommend various short-term investment strategies to accommodate certain Client goals or objectives.

ADVISER performs Financial Guidance services for Clients with varying needs and circumstances, which may differ from, or contradict, financial guidance it may follow in the management of their own assets.

**One Time Guidance Plan (no ongoing review)**

This service is one time only with no ongoing assistance or planning reviews. This service may include financial planning, assistance with the initial implementation of recommendations as accepted by the client, estate planning, and a one-time review of the client's investment assets. Financial planning may include identification of financial problems, cash flow and budget analysis, tax planning, social security analysis, risk exposure review, education funding, retirement planning, charitable goals, special needs planning, life insurance and disability insurance planning. Financial planning may also include other areas that are specific to the client. Online access to MoneyGuidePro may be provided so the client can view their financial plan. A hard copy may be provided upon request. The one-time Guidance plan may be created through United Capital's FinLife



Partners systems depending on the client's desires and situation. The One Time Financial Planning service can be upgraded to the ongoing Navigator or Guidance program per the client's request at the completion of the Financial Planning Service. Client's also have the option of engaging in a contract with CapSouth on an hourly basis or as needed for specific issues that the client would like assistance with.

### **Tax Guidance**

Currently Lewis Robinson, who holds the CPA designation, is the only CapSouth team member permitted to give tax guidance. Should any further CapSouth team member earn the CPA designation, they would also be eligible to offer tax guidance. This service can be included as part of the Navigator, Guidance or one time planning programs. Several potential strategies may be created or addressed in Tax Guidance; these may include charitable giving, Roth conversion, income tax reduction of Social Security income, generational wealth transfers, etc. Results are offered as suggestions only, and clients are encouraged to consult their tax professional before taking any action.

### **Consulting Service**

Services may be provided that are not described in other types of agreements including but not limited to special estate planning needs, business management, buy-out negotiations, review of client's benefits package, or life and disability policies only. These special services will be clearly defined in the client's contract.

### **Institutional Consulting Services**

CapSouth provides several advisory services separately or in combination to institutional clients. The primary clients for these services are defined benefit and defined contribution pension retirement plans. CapSouth will also offer these services, where appropriate, to individuals and trusts, estates, endowments and charitable organizations. Institutional Consulting Services are comprised of several distinct services. Clients may choose from any or all of the services offered to them by CapSouth.

### ***Investment Policy Statement (IPS)***

We will meet with the client (either in person or over the phone) to determine the investment goals, objectives, policies, constraints and risk tolerance. We will then prepare a written IPS stating those goals and objectives. The IPS will provide guidance for the selection of investment options and the procedures and timing interval for the monitoring of investment performance. The client is responsible for review and final approval of the IPS. No assurance can be given that the client will achieve the investment objectives in the IPS.

For clients with existing pension or profit sharing plans, we will evaluate the existing IPS and current investment options. We will then meet with the client to discuss and revise as necessary the plans investment objectives and revise the IPS as appropriate and if necessary.

### ***Investment Manager / Mutual Fund Search Report (for non 3(38) clients or non-discretionary clients)***

We will provide an Investment Manager/Mutual Fund Search Report consistent with the mutually agreed upon level of analysis. This report will be designed to provide the client with a list of investment managers whose investment philosophies and policies are, in the judgment of CapSouth Partners, compatible with the client's investment objectives, policies, constraints and risk tolerance, as stated in the IPS. It is the client's decision as to

which particular investment manager to retain, and CapSouth does not assume responsibility for the client's selection of an investment manager or the manager's investment decisions or performance. An investment manager's past performance is not necessarily indicative of future performance.

*Ongoing Investment Manager Due Diligence*

CapSouth will perform ongoing monitoring of the investment managers to ensure policy compliance within the established guidelines of the IPS.

*Performance Monitoring Reports*

CapSouth will periodically provide Performance Monitoring Reports based on the procedures and timing intervals stated in the IPS. The Performance Monitoring Reports will evaluate the performance of the client's investments over various time periods as well as comparing various aspects of such performance to benchmarks and peer groups, as established in the IPS.

*Discretionary Fiduciary Services (ERISA Section 3(38) Investment Manager)*

We can also provide discretionary fiduciary services, acting as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (ERISA), solely with respect to the provision of investment advice as that term is defined under ERISA and will serve as an "investment manager" as defined in Section 3(38) of ERISA. A responsible plan fiduciary ("RPF") (or an authorized delegate of this fiduciary) must first develop an investment policy statement ("IPS"). Once the IPS is established and approved, we can review the investment options available through the plan and will notify the plan's record-keeper (platform provider) providing instructions to add, remove or replace specific "core" investment options to be offered to plan participants in accordance with the IPS guidelines. We can monitor the core investment options and, on a regular basis, provide reports to the RPF and provide instructions to the plan's record-keeper (platform provider) to remove or replace investments as appropriate in light of the IPS criteria.

When we are retained to provide discretionary fiduciary services, we will act as an Investment Manager and we will have the final decision-making authority with respect to removing or replacing investment alternatives in the core lineup, and the RPFs will not have any further responsibility to communicate instructions to any third-party service provider. This authority is limited to the plan's core lineup.

*Employee Education and Communication*

For pension, profit-sharing and 401(k) plan clients where participants exercise control over their own assets, CapSouth may also provide periodic educational support and investment workshops designed for the participants. The nature of the topics to be covered will be agreed upon by the client and CapSouth. The educational support and investment workshops will not provide Plan participants with individualized, tailored investment advice.

*Participant Advice*

For plans where the individual participant is exercising control over their own assets, CapSouth offers a service to provide investment advice regarding the participant's retirement plan assets. Each participant should complete a questionnaire regarding their goals and objectives and risk tolerance. The advisor will use this information to make the investment recommendations for the participants' individual retirement plan account. An advisor will be available for participants to contact with questions via phone, on site

meetings, or email. The decision to implement the recommendation is the complete responsibility of the participant. CapSouth does not guarantee the future performance of any specific investment or investment allocation. It is the responsibility of the participant to notify CapSouth of any changes in their investment objective or financial condition that may require a change in their allocation. The fee for this service may be paid by the participant or by the plan sponsor according to the consulting agreement which must be signed by the participant or the plan sponsor. We are compensated for this service based on a flat fee or a percentage of assets in order to avoid a conflict of interest when making investment recommendations. CapSouth will not provide individual participant advice to participants of retirement plans where it serves as the plan level consultant and it does not have a level fee arrangement.

*Asset Allocation Models:*

CapSouth may provide investment advice to the client with respect to the establishment and management of asset allocation models. CapSouth does not exercise discretion over the selection and monitoring of the investment alternatives referenced or used in the models. The models shall:

- A. be based on generally accepted investment theories that take into account the historic, long term returns of different asset classes;
- B. assure that all material facts and assumptions on which the models are based accompany the models when presented to participants;
- C. be accompanied by a statement indicating that other investment alternatives having similar risk and return characteristics may be available under the plan and identifying where information on those investment alternatives may be obtained; and
- D. be accompanied by a statement indicating that, in applying particular asset allocation models to their individual situations, participants or beneficiaries should consider their other assets, income, and investments in addition to their interests in the plan.

The participants have the option of selecting their own asset allocation and managing the investments themselves or to select one of the asset allocation models. These models are mostly made up of the funds that the participant has access to through the plan. CapSouth will notify the plan provider to make changes to these models without the participant's prior approval. The Client (Plan Sponsor) retains, and will exercise, final decision-making authority over the selection and monitoring of the investment options within the plan. Participants may transfer their accounts out of the models per the Plan's administrative guidelines and per any trading restrictions, requirements, or applicable fees. Participants can enroll in this program either at the time of plan enrollment or online after initial plan enrollment. Marshall P. Bolden, Chief Investment Officer and Anthony B. McCallister, Director of Retirement Plans determine the asset allocations and make investment decisions for these models.

*Additional Services for Employee Benefit Plans:*

We can also consult with the plan sponsor in the areas of plan design, administration, and provider due diligence, request for proposals, fee negotiations, enrollment packages, and fiduciary responsibilities. The services to be offered will be determined by the client and will be specifically outlined in the contract.

### **Investment Monitoring Program**

The Investment Monitoring Program allows a client to request that CapSouth monitor client accounts where we are not listed as the investment advisor. Based on the information obtained from the client, including the client's goals, risk tolerance and objectives, CapSouth will review the investments, taking into consideration the information obtained from the client. We will meet with the client at least annually to review the account, allocation of the assets, and to make any necessary changes to the client profile to reflect any changes in the client's circumstance.

CapSouth generally does not have the authority to trade accounts in the Investment Monitoring Program, although some exceptions may apply, and therefore will normally not be involved in the purchase or sale of these investments. We will review the client's portfolio and make investment recommendations to the client as market factors and the client's needs dictate. The final decision to implement the recommendations is normally the responsibility of the client. CapSouth generally cannot have direct access to the client's account unless the account custodian can provide CapSouth with separate advisor access that allows for both account trading authority and no authority to withdraw funds. The client is responsible for providing us with duplicate statement copies as necessary.

### **Tailored Relationships**

Our advisory services or recommendations are tailored to the individual needs of clients. Client goals and objectives are discussed in meetings or through correspondence and are used to determine the recommendations to the client. The goals and objectives for each client are maintained electronically or in hard copy format.

CapSouth will accept limited security restrictions from clients on accounts invested in the discretionary portfolios that CapSouth manages without the use of a sub-advisor; for accounts managed by CapSouth in which a sub-advisor is utilized, reasonable client security restrictions may be permitted depending upon the investment strategy of the sub-advisor that is selected by the client and the types of restrictions the client would like.

### **Managed Assets**

As of December 31, 2016, CapSouth Partners, Inc. managed approximately:

\$660,956,243 in assets for approximately 1013 accounts and 35 defined contribution plans.

Approximately \$110,943,318 is managed on a discretionary basis.

Approximately \$18,708,287 is managed on a nondiscretionary basis.

Approximately \$531,304,637 is in defined contribution plans to which CapSouth provides continuous and regular supervisory services.

### **Outsourcing of Certain Investment Operations**

ADVISER works with various third party service providers, including, among others, Envestnet, Inc., to help support the operational needs of managing and servicing Client accounts. Authority provided to the outsourced service providers may include, but is not limited to placing transactions with broker-dealers at the direction of ADVISER, opening accounts with Client's account custodian, and facilitating operational requests on the Client's behalf based on instructions provided by associated persons of ADVISER. When

providing these services, the third party service provider is acting as an agent of ADVISER.

### **FinLife Partners Service Offering**

In an effort to enhance the quality and breath of services that ADVISER provides to its Clients, ADVISER utilizes a suite of digitally powered technology solution offered by FinLife Partners, a division of United Capital Financial Advisers, LLC (“FinLife Partners”). FinLife Partners provide access to its technology platform to the ADVISER that includes use of certain technology platform, training relating to use of such technology platform, and if elected by ADVISER certain clerical document and data compilation services. FinLife Partners is not in any way involved in, or responsible for, the individual investment management or guidance provided to Clients. The ADVISER pays FinLife Partners a flat fee for its technology implementation services and fees calculated per percentage-basis formula in accordance with the volume of clients for whom ADVISER utilizes such services and/or products. As such, for certain services offered, Clients indirectly contribute to the payment of cost of services paid to FinLife Partners. Relating to the cost for services, ADVISER is financially incentivized to refer clients to United Capital, creating a conflict of interest. Financial incentives are described in the Other Fees & Conflicts of Interests section below.

## **Fees and Compensation**

### **Description**

CapSouth Partners, Inc. bases its fees on a percentage of client assets under management, assets under advisement, or net worth, or may charge flat fees or hourly fees. All fees are negotiable.

### **Fee Schedule & Program Fees**

#### **Investment Management Services (Discretionary & Non-Discretionary)**

The standard fee for investment management is charged as a percentage of assets under management. The fee may range up to 2.25% based on the market value and the complexity of the client's relationship. There is a minimum annual fee of \$1,500 per household. The minimum fee may be waived under certain circumstances. A client may be charged a flat percentage fee based on the type of assets in the account. An increase or decrease can be applied to the fee schedule based on the individual client situation. The client's exact fee schedule is shown on the client's signed contract.

- Fees are charged in advance at the beginning of each quarter.
- Fees are based on the market value of the account on the last trading day of each quarter (unless otherwise stated on the contract).
- Fees are prorated based on the number of days in which the account was under management for the quarter.
- Additions and withdrawals of \$20,000 or more will result in a prorated fee adjustment during the quarter of the addition or withdrawal.
- Account Balances are totaled together for clients in the same household to determine the blended fee (see the sample fee calculation below).
- For households that generate at least \$4950 in fees to Capsouth from the Combined Fee Schedule, Guidance may be offered at no additional cost. Each client will choose whether or not to participate in the Guidance program. Fees will not

necessarily be reduced if a client chooses to decline Guidance. See the Guidance section below for more details.

- Some clients may be grandfathered into older fee schedules that CapSouth has used in the past. In order for Guidance to potentially be included as part of their fees, clients must generally move to the Combined Fee Schedule shown below. Advisors may choose, at their discretion, to waive this requirement.

**Sample Fee Calculation Based on the CapSouth Combined Fee Schedule:**

A typical quarterly fee for a client with two investment management accounts and who is subject to the Combined Fee Schedule below per their contract would be calculated as follows:

| <b>Beginning AUM</b> | <b>Ending AUM</b> | <b>Fee</b> |
|----------------------|-------------------|------------|
| \$0                  | \$250,000         | 1.50%      |
| \$250,001            | \$1,000,000       | 1.20%      |
| \$1,000,001          | \$2,500,000       | 1.00%      |
| \$2,500,001          | \$20,000,000      | 0.75%      |

Acct # 1 Balance as of billing date: \$350,000

Acct # 2 Balance as of billing date: \$400,000

|                                      |                |
|--------------------------------------|----------------|
| Total Assets Under Management (AUM): | \$750,000      |
| Blended Fee Rate                     | 1.30% per year |
| Quarterly fee                        | \$2437.50      |
| Annual Fee                           | \$9750         |

For clients with Assets Under Management above \$20 million, fees on the assets above \$20 million will be determined at the discretion of the advisor.

**Sub-Manager Costs**

When ADVISER refers Client assets to a Sub-Manager, the Client is assessed an additional cost. The Sub-Manger assesses a fee to the ADVISER for their management services and that fee is passed through directly to the Client. The fee is based on a percent of the Client's assets and ranges from 0.15% to 0.75%, depending on the manger and services provided. Sub-Managers also impose minimum investment requirements. The minimum amounts vary. In addition to Sub-Manager costs, the investment vehicles that Client assets are invested in may have their own associated cost. For instance, costs are charged to shareholders of mutual funds and exchange traded funds by the fund manager and deducted directly from the net asset value of the investment vehicle.

As described in the "Other Fees & Conflicts of Interests" section below, ADVISER may have a financial incentive when referring Clients to a Sub-Manager.

**Navigator Program (also may be referred to as the Wealth Management Program)**

The fee for the Navigator Program is a flat fee or based on a percentage of the client's total assets or net worth. The fees are adjusted based on the complexity of each case. Initial fees are determined at the beginning of the relationship and are stated in the signed client contract. If a client has assets under management with CapSouth there may be a discount applied to the Navigator Program fee. If the fee is based on the client's net worth or assets the fee may be determined annually or quarterly depending



on the types of assets that need to be valued. The fee is billed to the client quarterly in advance.

At the advisor's discretion and depending on the complexity of the client needs, the Navigator Program may be included in the services CapSouth offers under its Combined Fee Schedule if the client has at least \$1 million of assets under management with CapSouth. In such a case, whether or not the Navigator Program is included in the fee from the Combined Fee Schedule will be determined by the scope of the work CapSouth is to perform and the total Combined Fee Schedule fees the client pays. At the advisor's discretion, an additional fee may be charged to cover the scope of the Navigator work to be performed. The fee arrangement will be detailed in the advisory agreement with CapSouth that the clients signs. If a client is on an old Investment Management fee schedule, has assets under management with CapSouth of under \$1 million, or has Assets Under Advisement to be included in the Navigator plan that CapSouth does not manage such CapSouth manages less than 50% of a client's Assets Under Advisement a separate Navigator fee will normally apply and will be detailed in a Navigator agreement or Financial Guidance agreement the client signs.

A typical Navigator Fee ranges from \$2,500 per year to \$16,000 per year.

#### **One Time Financial Planning**

The fee for one time Financial Planning is charged based on a flat fee, hourly fee, or the Assets Under Management or the Assets Under Advisement a client has with CapSouth. The fee will be adjusted based on the complexity of each case. The fee is determined at the beginning of the relationship and stated in the signed contract. The terms of payment are also specified in the client contract. Hourly clients are billed monthly or quarterly in arrears at the beginning of each month or quarter. For hourly clients, estimates are provided and a deposit is requested. Estimates for hourly work are not guaranteed.

A typical Financial Planning fee ranges \$750 to \$4,000

Sample hourly rates:

|                                    |                |
|------------------------------------|----------------|
| Wealth Advisor                     | up to \$350/hr |
| Wealth Manager                     | up to \$250/hr |
| Chief Investment Officer           | up to \$300/hr |
| Relationship Manager & Other Staff | up to \$150/hr |

#### **Guidance**

The Guidance Program can be priced in multiple ways depending on various factors and the client's specific situation. Guidance costs are generally based upon analysis of the Client's financial goals, event-driven needs, and case complexity. A Client's specific pricing is described in the CapSouth Consulting Services & Planning Agreement and/or an additional Guidance or consulting agreement executed between ADVISER and the Client.

The costs assessed are based on a number of criteria, which may include, but is not limited to:

- Investable assets / assets subject to the agreement,
- Client net worth,
- Case complexity,
- Services provided / Client needs,
- The amount of time spent and/or anticipated to be spent with the Client,
- Preparation work prior to engagement, and/or

- Customization and whether or not services were requested on an expedited basis.

Costs may be charged in a number of ways depending on the specific services being rendered and the client's specific situation, including:

- A flat fee,
- A variable cost assessed as a percent of the client's assets under advisement, net worth or assets under management and

The cost is negotiated between ADVISER and the Client and may be subject to certain minimums, as described in the Client agreement. Cost of Services will normally be calculated and billed in advance at the beginning of each quarter. Fees may be billed or deducted from an account under CapSouth management. Rates vary depending on the agreed upon services.

Relating to how CapSouth prices Guidance services, Assets Under Advisement (AUA) shall generally mean all assets that are included in the Guidance Program and that are not considered "Other Assets" in the Guidance Program. Other Assets may include any assets to be included in a client's Guidance Plan for which CapSouth provides no management or advisory services.

Any client may choose to utilize the Guidance Program regardless of their Assets Under Management (AUM) with CapSouth, the amount of their AUA that CapSouth manages, or the fee amount CapSouth receives from managing the client's assets. If a client becomes eligible for the Guidance Program at no additional cost above the fees generated by the Combined Fee schedule shown above, we will normally discuss the program with the client. The client can determine if they would like to participate in the Guidance program or not. The decision to not participate may not decrease the fees that the client pays.

*Cost of Services*

- i. If fees generated through the CapSouth Guidance & Investment Services Agreement ("Client Agreement") exceed \$4950 and CapSouth manages more than 50% of your Assets Under Advisement (AUA), the ADVISER will prepare and provide you with a formal Guidance plan at no additional charge above those generated from the CapSouth Fee Schedule shown above (page 14).
- ii. If the fees generated through the CapSouth Fee Schedule shown above are less than \$4950, a fee increase, that will be detailed in the Client Agreement, may be applied to the CapSouth Fee Schedule or a separate contract may be required in order to provide Guidance Planning.
- iii. If the Client hires CapSouth for Guidance Planning only (client has no assets managed by CapSouth), the guidance costs shall be detailed in a separate contract with the Client. The minimum Guidance Planning Fee in such cases is typically \$2500 if Guidance is delivered through the FinLife Partners' program or \$1500 if the FinLife Partners' program is not utilized.
- iv. If CapSouth manages less than approximately 50% of Client's AUA and Guidance is delivered through the FinLife Partners's Guidance program, the Guidance Planning Fee shall be a separate fee from those assessed through the Client Agreement; this separate fee will be detailed in a separate contract with the Client. The minimum Guidance Planning Fee in such cases is \$2500.
- v. Money Back Guarantee for Financial Guidance Services: If, for any reason, Client is not satisfied with the Financial Guidance services delivered by ADVISER through the FinLife Partners' Guidance Platform, within the first year of executing



a new advisory agreement, Client may request to have any cost for Financial Guidance services that they have paid reimbursed. This offer is only for Financial Guidance services and does not include investment management services. When a combination of services is provided, only the portion of fees attributed to Financial Guidance services are available to be reimbursed. If Client has received these Guidance services at no additional cost to them above the CapSouth Fee Schedule shown above, the only amount that may be subject to a money back guarantee is the amount that CapSouth has paid to FinLife Partners for use of their program in providing the Guidance program to the client.

#### *Guidance Fee Payments*

To pay for Guidance services, Clients may pay by check or provide ADVISER with written authorization to debit an investment account on the Client's behalf.

Guidance services are typically provided on an ongoing basis as described in the CapSouth Portfolio Services & Planning Agreement or a separate agreement unless otherwise designated as a One Time Guidance Plan.

#### **Consulting Service**

Consulting fees will be based on an hourly charge ranging up to \$350 per hour or a flat fee. The fee will depend on the nature and complexity of the client's consulting needs. All fees are agreed upon prior to entering into a contract. CapSouth has a minimum consulting fee of \$750. The minimum fee may be negotiable. The client will be invoiced in advance for flat fees, and on a monthly or quarterly basis for hourly fees. An upfront deposit on hourly fees may be requested. All terms of payment are specified in the contract.

#### **Institutional Consulting Services**

The fee for Institutional Consulting Services is based on a percentage of plan assets or a flat annual fee. The fee may be up to 1.25% of plan assets for ERISA accounts and up to 2.50% for Non-ERISA accounts. The fee will be based on the services requested and the size and make up of the plan. Typically a minimum annual fee of \$1,750 to \$2,500 applies. Plan sponsors will be invoiced in advance at the beginning of each quarter based upon the value of the plan at the end of the previous quarter or the agreed upon flat fee. Plan sponsors may elect to have the fee taken out of the assets of the plan by the record keeper or to have the fee paid by the employer.

This fee may include the following services and/or other services per the contract:

- Investment Policy Statement
- Investment Manager / Mutual Fund Search Reports
- Ongoing Investment Manager Due Diligence
- Performance Monitoring Reports
- Employee Education & Communication
- Plan Design consultation
- Fee reviews and/or negotiations

#### **Participant Advice**

The fee for advice to individual participants ranges from .25% to 1% per year based on the complexity of the individual's situation or the agreement with the plan sponsor. In general a minimum fee of \$100 applies, however this fee can be waived at CapSouth's discretion. For investment advice provided at the plan level the fee is included as part of the overall fee to the plan.

### **Asset Allocation Models**

The fee for the Asset Allocation Models service will be paid under one of following fee arrangements. If paid at the plan level, the fee will be a percentage fee per year, not to exceed .15% per year of the fair market value of the assets of the retirement plan. If paid at the participant level, the fee will be a percentage fee per year of the fair market value of the individual's account that elects to use the service. The participant level fees range from .01% - .60% per year. This fee is charged in advance and may be paid by direct invoice or it may be deducted from the plan assets. Alternatively, the fee may be included at the plan level as part of the overall fee.

### **Investment Monitoring Program**

The fee for the Investment Monitoring Program is calculated as a percentage of assets being monitored or a flat annual fee. This percentage fee may be up to 2%. The fee will depend on the nature and complexity of the client's circumstance. The fee will be agreed upon in advance of services being rendered. Clients will be invoiced quarterly in advance or the fee may be deducted from an account specified in their investment contract. The percentage fee will be based the value of the asset at the end of the previous quarter.

### **Fee Billing**

Private clients may choose to have fees deducted from a designated brokerage account at Charles Schwab or TD Ameritrade. The client must approve in writing the direct debiting of their investment account. Private clients may also choose to be invoiced directly. All fees are charged in advance.

For Institutional clients the plan sponsor will be invoiced in advance at the beginning of each quarter. This fee is based on a fixed dollar amount or on the value of the plan at the end of the previous quarter. Plan sponsors may elect to have the fee taken out of the assets of the plan by the record keeper or the plan sponsor may pay the fee themselves. To have fees deducted from the plan it must be approved in writing by the Client and a copy of the invoice will be sent to the Plan Sponsor and to the record keeper. All fees are charged in advance.

If the advisory contract is terminated the client will receive a pro-rated refund for the fee paid during the quarter the contract was terminated. Clients should terminate their contract in writing. We will take the last fee charged to the client and pro-rate it based on the number of days the client was in the program for that particular quarter. The refund will be received as a credit to the client's account or the client could receive a reimbursement check.

### **Other Fees & Conflicts of Interest**

Investment advisory services are separate and distinct from fees and expenses charged by mutual funds and/or ETFs to their shareholders. The fees of each fund can be found in each of the Fund's prospectuses. Fees will generally include management fees, other fund expenses and may include distribution fees. We encourage our client's to review a fund's prospectus carefully. Clients can invest in certain funds directly, without the service of CapSouth.

Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds, and exchange traded funds. In some cases, custodians also charge an annual custody fee. Fees for custody are disclosed to the clients prior to the client

opening an account with a custodian. Please see the section entitled, “Brokerage Practices” for more information.

We may at times impose a minimum advisory fee in order to cover the costs of our investment advisory services. All such fee arrangements are disclosed to and subject to negotiation with the client. Our current minimum advisory fee is \$1,500 per year.

We will aggregate accounts together to give the client a blended discounted fee. Our normal practice is to combine accounts for clients in the same household.

ADVISER has a financial incentive to refer Clients to United Capital rather than manage the assets on its own or refer them to another adviser, creating a conflict of interest. When ADVISER refers clients to United Capital for Sub-Manager services it receives various incentives, including:

- ADVISER will receive warrants to purchase United Capital parent company stock, if they transition a predetermined percent of their client assets under United Capital's management and place a predetermined percent of their clients into financial guidance offering that utilizes FinLife Partners' technology solutions, which is described in the “FinLife Partners Service Offering” section of this ADV.
- Certain technology implementation fees incurred by ADVISER in connection with ADVISER's use of FinLife Partners' technology solutions will be waived if a predetermined number of ADVISER's clients subscribe to ADVISER's guidance services that utilize such technology solutions and United Capital's Sub-Manager services.
- If ADVISER does not utilize predetermined threshold volume of Sub-Manager services or technology solutions offered by United Capital or FinLife Partners, as applicable, then the relationship with FinLife Partners may be terminated due to insufficient revenue generation.

To address this conflict, if the Client does not want to invest their assets with United Capital as the Sub-Manager or receive ADVISER's financial guidance services that require access to the FinLife platform, the Client may discuss alternative options with ADVISER.

CapSouth is deemed to be a fiduciary to advisory clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act. Our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid prohibited transactions, we may only charge fees for investment advice about products for which our firm and/or related persons do not receive any commissions or 12b-1 fees.

CapSouth Partners may be named as the Investment Advisor on a retirement plan in which a participant is also a private client of CapSouth. This dual relationship creates a conflict of interest. The conflict is due to the fact that we cannot guarantee better performances for a client on assets that we directly manage and the client may pay a higher fee. CapSouth does not give participant distribution or rollover advice when it also provides participant level investment advice or plan level consulting services. If a participant elects to use CapSouth Partners as the Advisor for an IRA rollover, a rollover disclosure form must be signed.

Employees of CapSouth may also be licensed insurance agents and may recommend that a client purchase an insurance or annuity product. Clients are under no obligation to purchase these products through CapSouth employees. If a client does decide to purchase a fixed insurance / annuity product recommended by a CapSouth employee the client should be aware that the employee and the firm may receive additional compensation. It is our goal at all times to put the interest of the client first; however clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

In order to address conflicts of interest we educate employees on our fiduciary duties as a firm. Our responsibility is to always put the best interest of the client first. We acknowledge that even with a firm wide concept of client first, conflicts still occur. We try to remove as many conflicts as possible, and we discuss these conflicts with our clients in advance.

Clients always have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with CapSouth. Sometimes these products may be at a lower cost than they would be through CapSouth.

## **Performance Based Fees**

CapSouth does not participate in any type of performance based fees.

## **Types of Clients**

### **Description**

CapSouth generally provides investment advice to individuals, trusts, corporations, and pension plans. A minimum of \$100,000 is generally required to open a relationship with CapSouth. This minimum is negotiable based on certain circumstances.

## **Methods of Analysis, Inv. Strategies and Risk of Loss**

### **Methods of Analysis**

In evaluating equities, we primarily use fundamental analysis. The main sources of our information are Morningstar and company websites.

Mutual funds and ETFs (exchange traded funds) are selected by screening for funds that meet certain criteria. We look at manager tenure, past performance, risk levels, expenses, investment philosophy, etc. The main sources of our information are Morningstar and fund company websites.

CapSouth may also recommend the use of a sub-adviser for client accounts. Sub-adviser strategies are evaluated based upon manager tenure, past performance, risk levels, expenses, investment philosophy, etc. The main source of information regarding the

strategies of sub-advisers is normally information provided by the sub-adviser. CapSouth will, in most cases, not be able to verify the accuracy of such information.

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

### **Investment Strategies**

We have four Active Portfolios that primarily utilize investments that seek to outperform a given index over time. All four portfolios use the same or similar mutual funds and/or ETFs, but each one has a unique asset allocation or mix of investments. Each portfolio has a designated risk level and a target return. The asset allocations will change periodically based on our evaluation of market and economic conditions.

We have four Low Cost Portfolios that focus primarily on the reduction of investment costs by utilizing investments that seek to track a given index. All four primarily invest in ETFs and use the same or similar ETFs, but each one has a unique asset allocation or mix of investments. Each portfolio has a designated risk level and a target return. The asset allocations will change periodically based on our evaluation of market and economic conditions.

Other investment strategies are available through the use of sub-advisers. These include but are not limited to strategies designed with a primary focus of reducing taxes, reducing investment costs, reducing volatility, or outperforming an appropriate index.

### **Risk of Loss**

All investment programs have certain risks. CapSouth manages portfolios with a goal of getting an appropriate rate of return for the amount of risk taken. We believe that the pain of losing money is greater than the joy of making money. The following risks may be associated with all of our investments and portfolios and with any investments and portfolios that United Capital manages for us as a subadvisor: loss of principal, interest rate risk, market risk, inflation risk, currency risk, reinvestment risk, liquidity risk, credit risk, counterparty risk, financial risk and emerging markets risks including, but not limited to, political risk, less developed and/or efficient trading markets, differing accounting and legal standards, etc.

Securities investments are not guaranteed, and you may lose money on your investments.

## **Disciplinary Information**

### **Legal and Disciplinary**

The firm and its employees have not been involved in any legal or disciplinary events related to past or present activities.

## **Other Financial Industry Activities & Affiliations**

### **Activities**

CapSouth may from time to time provide business consulting services addressing, among other things, business valuation, succession planning, buy-sell agreements, stock purchase agreements, insurance planning, deferred compensation, and executive compensation planning. CapSouth may also provide businesses with a range of services related to mergers and acquisitions. These services are separate and distinct from the advisory services provided by CapSouth and are provided for by separate and typical compensation.

Related persons of CapSouth may also be insurance agents for insurance companies. In this capacity individuals may receive revenue from the sale of fixed insurance and annuity products. These related persons may sell insurance products to CapSouth clients and non-clients.

### **Affiliations**

CapSouth does not have any arrangements or affiliations with any person or entity that would be material to its advisory clients. We may at times recommend clients use certain legal or tax professionals based on the client's needs, however we do not receive any separate compensation for these referrals.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

CapSouth has a Code of Ethics in place. This Code of Ethics is reviewed on an annual basis for any necessary revisions and signed and acknowledged by the employees on an annual basis. Our Code of Ethics outlines the established rules of conduct for all CapSouth employees. It is designed to govern personal securities trading for employees, the acceptance and delivery of gifts and entertainment from or to clients, the protection of client information, and our fiduciary duty to our clients among other things. Clients may request a copy of our Code of Ethics by emailing Marshall Bolden at [mbolden@capsouthpartners.com](mailto:mbolden@capsouthpartners.com) or by calling 334-673-8600.

### **Participation or Interest in Client Transactions**

Employees of CapSouth may buy or sell securities that are also held by clients. This creates a potential conflict of interest. Employees may not enter trades for a security in their own personal account before entering trades for the same security in client accounts. Marshall Bolden reviews all trades with special attention being paid to employee or employee related trades. Marshall Bolden is the Chief Compliance Officer and the Chief Investment Officer. Marshall's personal trades are reviewed and documented to ensure compliance with our Code of Ethics by Donald Bolden. The sizes of the trades that are entered are not considered significant and should not affect the securities market.

## **Brokerage Practices**

### **Selecting Brokers/Custodians**

CapSouth does not maintain custody of your asset that we manage although we may be deemed to have custody of your assets if you give us authority to withdraw our fee from your account (see Custody, below). Your assets must be maintained in an account at a “qualified custodian”, generally a broker dealer or bank. In order for CapSouth to directly transact business on behalf of our clients, accounts must be held at Charles Schwab & Co., Inc. or TD Ameritrade, Inc. Both are a registered broker dealer & custodian.

We are independently owned and operated and are not affiliated with Charles Schwab or TD Ameritrade in any way. The custodian will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. You will determine if you want to use Charles Schwab or TD Ameritrade. You will open your account directly by entering into an account agreement with the custodian. We do not open the account for you, although we will assist you in doing so. If you do not wish to place your assets with Charles Schwab or TD Ameritrade then we will not be able to directly manage your account.

When selecting custodians / broker dealers to recommend to clients we consider a wide range of factors, including among others:

- Combination of transaction execution services and asset custody services
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- Availability of investment products (stocks, bonds, mutual funds, exchange traded funds, etc.)
- Quality of services
- Competitiveness of the prices of services and the willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our customers

### **Soft Dollars**

CapSouth Partners endeavors to act in each of its client’s best interest. However, CapSouth’s requirement that clients maintain assets in accounts at Charles Schwab or TD Ameritrade may be based in part on the benefit to CapSouth Partners of the availability of some of the products and services and not solely on the nature, cost or quality of custody and brokerage services provided, which may create a potential conflict of interest.

### **Charles Schwab**

For our client accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab’s commission rates applicable to our client accounts were negotiated based on the condition



that our clients collectively maintain a total of at least \$10,000,000 of their assets in accounts at Schwab.

#### Products and Services Available to Us from Schwab

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to institutional brokerage-trading, custody, reporting, and related services-many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of these services help us manage or administer our clients' accounts; while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200.

#### Services That Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

#### Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research (which at this point CapSouth does not use) that we do have access to and can use to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

#### Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself; in other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CapSouth does not utilize all of these benefits however they are available.



### Our interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services as long as our clients collectively keep a total of at least \$10,000,000 of their assets in accounts at Schwab. The \$10,000,000 minimum may give us an incentive to recommend you maintain your account with Schwab, based on our interest in receiving Schwab's value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. Our decision to offer Schwab as a custodian and broker to our clients is supported by the scope, quality, and price of Schwab's services (see *Selecting Brokers/Custodians*) and not Schwab's services that benefit only us.

### **TD Ameritrade**

CapSouth Partners, Inc. is not a party to any formal soft dollar arrangements with TD Ameritrade. CapSouth does receive certain products and services from TD Ameritrade free of charge.

### Services That May Directly Benefit You

TD Ameritrade provides CapSouth with access to their institutional trading and custody services. They also provide us access to some investments that may not be available through their retail division, or could possibly have a higher transaction fee if traded through the retail division. The availability of these services and products is not contingent upon CapSouth having any specific amount of assets in custody or any volume or frequency of trading.

### Services That May Not Directly Benefit You

TD Ameritrade also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts.

- Software and other technology that provide access to client account data
- Access to electronic order entry, including the simultaneous entry of trades for multiple accounts
- Pricing information
- The receipt of duplicate trade confirmations, statements, and tax forms
- Direct advisory fee debiting capabilities
- Access to market and industry research
- Assistance with back-office functions, recordkeeping, and client reporting

### Services That Generally Benefit Only Us

TD Ameritrade also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers.

TD Ameritrade may provide some of these services itself; in other cases, it will arrange for third-party vendors to provide the services to us. They may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CapSouth does not utilize all of these benefits however they are available.

## **Brokerage for Client Referrals**

Neither CapSouth nor any related person of CapSouth receives referrals from a broker-dealer or third party.

## **Directed Brokerage**

CapSouth does not offer directed brokerage. Clients have the option to determine if they would like their accounts held with Charles Schwab or TD Ameritrade. We will provide the client with information on the custodian/broker dealer however the client has the final decision on where to maintain their account. If a client would like to have their trades executed through another broker we will generally not be able to directly manage the account (enter trades, make requests on your behalf).

## **Review of Accounts**

### **Periodic Reviews**

- (1) **Account Review Meetings:** the frequency of this type of review is determined on a client by client basis. These meetings are usually set up quarterly, semi-annually or annually based on the needs of the client. These meetings usually cover topics that include: changes to the clients financial situation, goal changes, Guidance plan status, performance reviews, investment reviews and recommendations, cash flow monitoring, risk tolerance, market discussion, etc. For clients in the Navigator Program one meeting per year will be focused on updating and reviewing their long range plan. For Guidance Clients at least one meeting every two to three years will be used to update their Guidance Plan. In some cases the review schedule may be altered based on the specific needs of the client; this will be agreed upon by the client.
- (2) **Discretionary Account Reviews:** accounts that are in the CapSouth discretionary portfolios are reviewed on at least an annual basis in order to ensure that the accounts are within the guidelines of the Investment Policy Statements. These reviews are conducted separately from a review meeting with a client.

Account Reviews, Guidance Reviews and Navigator reviews may be performed by any Wealth Advisor or Wealth Manager at CapSouth. Discretionary Account Reviews are conducted by Marshall Bolden or Donald Bolden for accounts in investment strategies or portfolios managed by CapSouth and may be conducted by any Wealth Advisor or Wealth Manager for discretionary accounts managed by a sub-manager.

### **Review Triggers**

Account reviews may be performed outside of the standard procedures when a client's investment objectives or life circumstances change, when a client requests a review, and, in the case of discretionary accounts, when the target asset allocation of the underlying portfolio is changed.

### **Regular Reports**

Performance reports on all billed accounts are prepared on a quarterly basis. At a minimum the reports contain performance information for the quarter and year to date, and market values.

Navigator clients will receive an annual or bi-annual update report to their Navigator Plan. This report will contain an update of all of their assets and liabilities, stated goals, various

scenarios summarizing the results of their plan and any recommended changes. This report is available as a hard copy or online through the planning program MoneyGuidePro.

Guidance clients will usually receive a report that updates their Guidance Plan every two to three years or more often depending on the client's situation. This report will contain an update of their assets and liabilities, their retirement and education goals, and various scenarios summarizing the results of their plan and any recommended changes. This report is available as a hard copy and generally online through the planning program MoneyGuidePro. For Guidance clients whose plan is provided in conjunction with the FinLife Partners' Guidance program, a Guidebook may also be provided.

## **Client Referrals and Other Compensation**

### **Incoming Referrals**

CapSouth is very pleased to accept referrals from clients, attorneys, accountants, friends or other sources. We do not pay for these referrals. Certain employees may receive a bonus for bringing a new client relationship to the firm.

### **Referrals to Other Professionals**

CapSouth does not accept any referral fees from other professionals when a prospect or a client is referred to them.

## **CUSTODY**

### **Account Statements**

For accounts held with Charles Schwab or TD Ameritrade, under government regulations, we are deemed to have custody of your assets, because you authorize us to instruct the custodian to deduct our advisory fees directly from your account. Charles Schwab and TD Ameritrade maintain actual custody of your assets.

All client assets are held with a qualified custodian who will provide account statements directly to your address of record, or email if you elect, at least quarterly. You should carefully review those statements promptly when you receive them.

### **Statements Provided by CapSouth**

We will prepare quarterly performance reports for billed accounts. We urge you to compare these quarterly performance reports with the statements that you receive from your qualified custodian.

Clients may also be provided with net worth statements, other reports generated from our financial planning software, or a Guidebook. These types of reports may contain bank account balances, liability information, real estate values and other financial data. This information is obtained from the client or through a direct link that the client has established between their institution and Envestnet or MoneyguidePro (through Yodlee). Some of these assets may be hard to value, and we will rely on the client to confirm this information. This type of information is used in long range planning for the client. Clients are urged to confirm this information periodically.

## **Investment Discretion**

### **Discretionary Authority for Trading**

CapSouth accepts discretionary authority to manage securities on the behalf of clients. We use discretion in determining the securities to be bought and sold, the quantity to be bought and sold, and the timing of the transactions. Discretion means we can act on your behalf without your approval for each transaction. If discretionary authority has not been given to us by the client we will obtain the client's approval prior to each transaction. Discretionary trading allows us to efficiently process trades in client accounts once changes in portfolios have been approved. Clients receive confirms of all trades and may call to discuss the transactions with us at any time.

### **Discretionary Authorization**

In order for CapSouth to have discretionary authority over a client's account the client must sign an agreement giving CapSouth this authority. This agreement must be then approved by an Investment Advisor Representative. Each custodian also requires a client signature giving the Advisor trading authorization over their account. This is usually done at the time the account is opened using account applications.

## **Voting Client Securities**

CapSouth generally does not have the authority to vote proxies on behalf of its clients. Clients will receive proxies or other solicitations directly from the custodian or transfer agent, not from CapSouth. If a client has a specific question and would like to discuss it with an Investment Advisor Representative they may do so.

## **Financial Information**

### **Financial Condition**

CapSouth does not have any financial condition that will preclude us from meeting our contractual commitments to our clients. Since we do not require prepayment of more than \$1,200 in fees per client, six months or more in advance, a balance sheet is not required to be provided.

## **Business Continuity Plan**

### **General**

CapSouth has a Business Continuity Plan in place that outlines the steps that need to be taken in case of an emergency. The issues that could affect our ability to serve our clients range from power outages, tornadoes, fire or the death or disability of a key employee.

We have established alternate office locations should a disaster have a long term effect on our place of business. We have a plan in place to allow employees to know what steps to take should a natural disaster occur in an effort to have as little impact as possible to our

clients. Employees are cross trained, and key man life insurance is in place should a key employee become deceased or disabled.

## **Information Security Program**

### **Information Security**

We internally safeguard your nonpublic, personal information by restricting access to only those employees who provide advisory services to you or those who need access to your information to service your account. Employees are educated on the importance of maintaining confidentiality of client information. In addition, we will maintain physical, electronic and procedural safeguards to guard your nonpublic, personal information.

### **Privacy Information**

CapSouth Partners understands the extremely private nature of information we obtain from our clients in order to provide them with financial services. We take many precautions to keep your nonpublic, personal information safe and secure. Our Privacy Notice is designed to explain what type of information we collect, how it is used and with whom it may be shared.

To conduct regular business, we collect nonpublic, personal information from you. This information is obtained by applications or other forms you provide to us as well as through interviews and client meetings.

### **Sharing of Client Information**

With your permission, we disclose limited nonpublic information solely to service your accounts. This information would be provided for example to attorneys, accountants, mortgage institutions, brokers and custodians as requested by you or as necessary to service your account. We do not disclose any nonpublic, personal information about our customers or former customers to anyone, except as permitted by law. We do not sell personal information that is collected from customers. We use all information collected to provide you with the products and services that you request and to fulfill legal and regulatory requirements.

To provide the utmost in service, we may share the below information as necessary, to companies to perform certain services on our behalf, or as required by law.

- Information the firm receives from clients on applications (name, social security number, address, assets, etc.)
- Information about client transactions with our firm or others account information

### **Sharing of Client Information with Third Parties**

Our firm is very selective in choosing third parties to assist us in servicing our clients, and we do not sell to third parties any personal client information. As needed, we may share nonpublic, personal information with affiliated or nonaffiliated third parties. The information that we may share is the information we collect as described above. We

may disclose nonpublic, personal information about you to the following types of affiliated or nonaffiliated third parties as permitted by law:

- Vendors and service companies that assist us in providing products and services to our clients, such as custodians & broker/dealers, portfolio service providers, planning software providers, etc.

Please contact us if you would like a copy of our Privacy Notice or want more information about our privacy policies. You may contact us at [mbolden@capsouthpartners.com](mailto:mbolden@capsouthpartners.com) or by telephone at (334)673-8600.



Brochure Supplements

**Item 1 – Cover Page**

**Donald P. Bolden, CFP®, CLU**

**President**

**2216 W. Main Street**

**Dothan, AL 36301**

**334-673-8600**

**[www.capsouthpartners.com](http://www.capsouthpartners.com)**

March 24, 2017

This brochure supplement provides information about Donald P. Bolden that supplements the CapSouth Disclosure Brochure. You should have received a copy of that brochure. Please contact Marshall Bolden, CapSouth's Chief Compliance Officer, if you did not receive CapSouth's disclosure brochure or if you have any questions about the contents of this supplement. Additional information about Donald P. Bolden is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Education Background and Business Experience**

*Year of Birth:* 1948

*Formal Education:* Donald attended Wallace College from 1968 to 1970 and he also attended Jacksonville State University from 1970 to 1971.

*Business Background:* Donald entered the life insurance business in 1973 when he joined an insurance firm founded by his father Paul Bolden. In this position, he specialized in estate planning and private client and corporate life insurance programs. In 1976 Donald founded a manufacturing company in Dothan, AL and remained the president of this company for 17 years. In 1993 Donald sold his remaining interest in the business.

In 1994 he rejoined the financial services industry when he became a registered representative with Merrill Lynch earning his series 7, 63 and 65 licenses. While at Merrill Lynch he worked with private clients in the areas of investment management and financial planning while also developing a business in corporate retirement plans.

Donald resigned from Merrill Lynch in April of 2001 to start CapSouth Partners an independent registered Investment Advisor firm. In 2002 Donald obtained the CFP designation. While he was developing advisory business for CapSouth Donald remained a registered representative of a broker dealer\*. In May of 2011 Donald dropped his affiliation as a registered representative with NBC Securities and currently provides fee only investment management services to clients and serves on the CapSouth Investment Committee.

*Current Professional Designations:*

### CFP® (Certified Financial Planner)

The CFP® is a voluntary certification. It is recognized for its high standard of professional education; strict code of conduct and standards of practice; and ethical requirements that govern the engagement with clients. To earn the CFP® an individual must have at least three years of full-time financial planning-related experience and agree to be bound by the CFP Board's *Standards of Professional Conduct*. Individuals must also pass the comprehensive CFP® Certification Examination. The exam is administered in 10 hours over a two-day period and includes material on investment planning, income tax planning, retirement planning, estate planning, insurance planning and risk management, and employee benefits planning.

### CLU (Chartered Life Underwriter)

The CLU is a professional designation in the area of insurance and estate planning. Individuals must complete five core courses and three elective courses and pass all eight two-hour exams.

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of each supervised person providing investment advice. No information is applicable to this item for Donald.



#### **Item 4 – Other Business Activities**

- A. Donald is also a member of various limited liability companies which invest in real estate investments. The members of these companies are generally family members. There is one limited liability company in which a CapSouth advisory client is also members, however CapSouth does not generally solicit clients to participate in real estate limited liability companies. No employee of CapSouth is the managing member of this LLC. CapSouth does not receive any revenue from these limited liability companies nor are the assets of the companies considered part of CapSouth's advisory assets.
- B. Donald is separately licensed as an insurance representative. If a client purchases an insurance product through Donald then he may receive separate compensation. This service and the compensation are separate from the advisory services provided by CapSouth. From time to time Donald may sell an insurance product to a non-CapSouth client. Donald generally does not solicit insurance business from non-CapSouth clients.
- C. Donald serves on the Board of Directors of PACE: Proclaiming America's Call for Equality.
- D. All of Donald's professional time is devoted to CapSouth Partners. He is not actively engaged in any other business or occupation for compensation.

#### **Item 5 – Additional Compensation**

Donald can receive additional compensation in his role as a licensed insurance agent. Clients are made aware that if it is recommended that they purchase an insurance or annuity product for planning purposes that they do not have to use Donald as the insurance agent. Clients may purchase the recommended coverage or product through any outside source. It is the goal of CapSouth to always put the interest of the client first; however the receipt of additional compensation does create a conflict of interest. Donald may also receive additional compensation by placing insurance for individuals who are not clients of CapSouth. Donald does not solicit this type of business.

Donald does not receive economic benefit, sales awards, prizes or other compensation from any other non-client source.

#### **Item 6 – Supervision**

As President of CapSouth, Donald is not directly supervised by other persons.

Donald's work relating to clients is supervised in several ways:

- Written communication is preapproved by Compliance prior to being sent to clients.
- Electronic communication via email is captured through an email retention program and periodically reviewed by Compliance.
- Donald is required to meet with each of his clients at least annually to review their portfolio. These account reviews are documented in CapSouth's CRM (Client Relationship Management) Program.

- Discretionary Portfolios are managed based on the criteria established in the Investment Policy Statement signed by each client. All discretionary accounts managed by Donald are reviewed on a periodic basis by the CIO to ensure accounts are being invested based on the written instructions of the client. Other discretionary accounts are managed by the CIO (Marshall P. Bolden).
- Donald's personal trades are reviewed by the CCO.
- New accounts and trades are reviewed by the CCO.

\*(Wachovia Securities 4/01 to 9/04, NBC Securities 9/04 to 5/2011)



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**Item 1 – Cover Page**

**Marshall P. Bolden, CFA**

**Vice President, Chief Investment Officer, Chief Compliance Officer**

**2216 W. Main Street**

**Dothan, AL 36301**

**334-673-8600**

**[www.capsouthpartners.com](http://www.capsouthpartners.com)**

March 24, 2017

This brochure supplement provides information about Marshall P. Bolden that supplements the CapSouth Disclosure Brochure. You should have received a copy of that brochure. Please contact Marshall Bolden, CapSouth's Chief Compliance Officer, if you did not receive CapSouth's disclosure brochure or if you have any questions about the contents of this supplement. Additional information about Marshall P. Bolden is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

*Year of Birth:* 1977

*Formal Education:* Marshall graduated from Auburn University in 2001 with a B.S. Degree in Finance and a B.S. Degree in Economics.

*Business Background:* Marshall started working at Merrill Lynch in June of 2000 in an associate position where he obtained his series 7 securities license and was employed until October of 2000. In April of 2001 he joined CapSouth Partners and obtained the series 66 license. Marshall's role at CapSouth was to provide investment research and portfolio management. At this time he was also a registered representative of a broker dealer\* however he did not directly manage client relationships. Marshall was named the Branch Manager in 2004 and obtained the series 24 license. In 2005 he earned the right to use the CFA designation and in 2007 he became an AIF®.

In May of 2011 Marshall dropped his series 7 and 24 licenses and his affiliation with NBC Securities. As Chief Investment Officer for CapSouth Partners, Marshall's role is to oversee and manage the discretionary portfolios of the firm. Marshall is also the Chief Compliance Officer. He is directly responsible for limited client relationships.

*Current Professional Designations:*

### CFA (Chartered Financial Analyst)

The CFA charter is a globally respected, graduate-level investment credential. To earn the CFA charter, candidates must pass three sequential, six hour examinations; have at least four years of qualified professional investment experience; join the CFA Institute as members; and commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of each supervised person providing investment advice. No information is applicable to this item for Marshall.

## **Item 4 – Other Business Activities**

- A. Marshall is also a member of various limited liability companies which invest in real estate investments. The members of these companies are generally family members. In one case a non-advisory client is a member of the LLC. CapSouth does not receive any revenue from these limited liability companies nor are the assets of the companies considered part of CapSouth's advisory assets.
- B. All of Marshall's professional time is devoted to CapSouth Partners. He is not actively engaged in any other business or occupation for compensation.
- C. Marshall serves on the Board of Directors of Wiregrass Hope Group.

### **Item 5 – Additional Compensation**

Marshall can earn a onetime bonus for new clients that he helps bring into the firm.

Marshall may receive a bonus based on the profitability of the company.

### **Item 5 – Supervision**

Donald P. Bolden, President, directly supervises Marshall. He can be reached at 334-673-8600.

Marshall's work is supervised in several ways:

- All written communication is preapproved by Compliance prior to being sent to clients.
- Electronic communication via email is captured through an email retention program and periodically reviewed by Compliance.
- Discretionary Portfolios are managed based on the criteria established in the Investment Policy Statement signed by each client.
- Marshall's personal trades are reviewed by Donald Bolden.
- Marshall is required to meet with each client at least annually to review their portfolio/plan. These reviews are documented in CapSouth's CRM (Client Relationship Management) Program.
- Financial Planning Work completed for clients is reviewed by Donald P. Bolden, CFP®

\*(Wachovia Securities 4/01 to 9/04, NBC Securities 9/04 to 5/2011)



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**Item 1 – Cover Page**

**Anthony B. McCallister, AIF®**

**President of CapSouth 401k and General Council**

**2216 W. Main Street**

**Dothan, AL 36301**

**334-673-8600**

**[www.capsouthpartners.com](http://www.capsouthpartners.com)**

March 24, 2017

This brochure supplement provides information about Anthony B. McCallister that supplements the CapSouth Disclosure Brochure. You should have received a copy of that brochure. Please contact Marshall Bolden, CapSouth's Chief Compliance Officer, if you did not receive CapSouth's disclosure brochure or if you have any questions about the contents of this supplement. Additional information about Anthony B. McCallister is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Education Background and Business Experience**

*Year of Birth:* 1974

*Formal Education:* Anthony graduated from Auburn University in 1996 with a Bachelors of Science degree in Business Administration. In 2000 he earned his Juris Doctor (J.D.) from the Thomas Goode Jones School of Law.

*Business Background:* Before joining the financial industry Anthony practiced law in the private sector. He began working as an associate attorney in 2000 with the law firm of Cobb, Shealy, & Crum, PA until 2005 where he became a partner with the law firm of Davenport, Shimoda & McCallister LLC. Anthony made the decision to leave private law and join CapSouth Partners in November of 2006. In 2007 he earned the Accredited Investment Fiduciary Designation (AIF) from the Center for Fiduciary studies. He obtained his series 7 and 66 licenses in 2008 and became a registered representative with NBC Securities and an investment advisor representative with CapSouth. In his role Anthony managed client relationships and corporate retirement plans.

In May of 2011 Anthony dropped his series 7 license and his affiliation with NBC Securities. Currently he serves as the Director of Retirement Plans for CapSouth's corporate retirement plan clients. Anthony also currently serves as General Counsel for CapSouth.

*Current Professional Designations:*

### AIF (Accredited Investment Fiduciary)

The AIF designation is given by the Center for Fiduciary Studies to financial advisors who have demonstrated their knowledge in the area of fiduciary studies and responsibilities.

### J.D. (Juris Doctor)

The J.D. designation is given to individuals who graduate from a law school. J.D. requires admission to law school, 30 or so exams, and a cumulative state exam to become a licensed attorney who may counsel individuals on the law, multi-state ethics exams, and continuing education.

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of each supervised person providing investment advice. No information is applicable to this item for Anthony.

## **Item 4 – Other Business Activities**

- A. Anthony is separately licensed as an insurance representative. If a client purchases an insurance product through Anthony then he may receive separate compensation. This service and the compensation are separate from the advisory services provided by CapSouth. Anthony may receive additional compensation by placing insurance for individuals who are not clients of CapSouth. Anthony does not solicit this type of business.

- B. All of Anthony's professional time is devoted to CapSouth Partners. He is not actively engaged in any other business or occupation for compensation.
- C. Anthony serves on the Board of Wiregrass Rehab Center. The Wiregrass Rehab Center is not a client of CapSouth Partners.
- D. Anthony serves on the Board of Elders for Wiregrass Ministries, Inc.

#### **Item 5 – Additional Compensation**

Anthony can receive additional compensation in his role as a licensed insurance agent. Clients are made aware that if it is recommended that they purchase an insurance or annuity product for planning purposes that they do not have to use Anthony as the insurance agent. Clients may purchase the recommended coverage or product through any outside source. It is the goal of CapSouth to always put the interest of the client first; however the receipt of additional compensation does create a conflict of interest. Anthony may also receive compensation for placing insurance business for a non-client. This business is generally not solicited by Anthony.

Anthony can earn a onetime bonus for new clients that he helps bring into the firm. Anthony may also be eligible for a bonus based on the profitability of the retirement plan department.

Anthony does not receive economic benefit, sales awards, prizes or other compensation from any other non-client source.

#### **Item 6 – Supervision**

Donald P. Bolden, President, is the direct supervisor for Anthony. He can be reached at 334-673-8600.

Anthony's work relating to clients is supervised in several ways:

- All written communication is preapproved by Compliance prior to being sent to clients.
- Electronic communication via email is captured through an email retention program and periodically reviewed by Compliance.
- Anthony is required to meet with each client at least annually to review their portfolio/plan. These reviews are documented in CapSouth's CRM (Client Relationship Management) Program.
- Discretionary Portfolios are managed by the Chief Investment Officer and managed based on the criteria established in the Investment Policy Statement signed by each client.
- Billy's personal trades are reviewed by the CCO.
- New accounts and trades are reviewed by the CCO.
- Financial Planning Work completed for clients is reviewed by Donald P. Bolden, CFP®





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**George W. McCarthy IV (Billy)**

**Relationship Manager**

**2216 W. Main Street**

**Dothan, AL 36301**

**334-673-8600**

**[www.capsouthpartners.com](http://www.capsouthpartners.com)**

March 24, 2017

This brochure supplement provides information about Billy McCarthy that supplements the CapSouth Disclosure Brochure. You should have received a copy of that brochure. Please contact Marshall Bolden, CapSouth's Chief Compliance Officer, if you did not receive CapSouth's disclosure brochure or if you have any questions about the contents of this supplement. Additional information about Billy McCarthy is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Education Background and Business Experience**

*Year of Birth:* 1968

*Formal Education:* Billy graduated from Berry College, Rome, Ga., in 1990 with a B.A. Degree in Communications with an emphasis in Public Relations

*Business Background:* Billy started working for BellSouth Telecommunications in June of 1990 as a Network Sales Engineer responsible for the design and implementation of fiber optic networks for wireless service providers within the nine-state BellSouth region. In the summer of 2004, he left corporate America and joined a team to start Wiregrass Church in Dothan, Alabama, serving on the leadership team as its Service Programming Director. In 2006, Billy left for Nashville, TN., with a team to start Cumberland Church serving in the same capacity. In both ventures, Billy was responsible for establishing and leading the service programming division organized around the North Point Community Church model. In 2008, Billy joined the leadership team of CTS Audio, in Franklin, TN., to serve as the Director of Audio /Video/ Lighting Installation working with church leaders across southeast.

In 2011, Billy returned to Dothan and joined CapSouth Partners as a Relationship Manager. Billy is responsible for working with and managing private client relationships through which he provides ongoing assistance to clients in the areas of financial planning and wealth management, and he also provides education to participants of retirement plans to which CapSouth serves in an advisory capacity. Billy provides fee-only services to clients.

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of each supervised person providing investment advice. No information is applicable to this item for Billy.

## **Item 4 – Other Business Activities**

- A. Billy serves on the Board of Directors of Patty Rutland Jazz. Patty Rutland Jazz is not a client of CapSouth Partners.
- B. Billy serves on the Board of Directors of PACE: Proclaiming America's Call for Equality.
- C. All of Billy's professional time is devoted to CapSouth Partners. He is not actively engaged in any other business or occupation for compensation.

## **Item 5 – Additional Compensation**

Billy can earn a onetime bonus for new clients that he helps bring into the firm.

Billy does not receive other economic benefit, sales awards, prizes or other compensation from any other non-client source.

## **Item 6 – Supervision**

Donald P. Bolden, President, is the direct supervisor for Billy McCarthy. He can be reached at 334-673-8600.

Billy's work relating to clients is supervised in several ways:

- All written communication is preapproved by Compliance prior to being sent to clients.
- Electronic communication via email is captured through an email retention program and periodically reviewed by Compliance.
- Billy is required to meet with each of his clients at least annually to review their portfolio. These account reviews are documented in CapSouth's CRM (Client Relationship Management) Program.
- Discretionary Portfolios are managed by the Chief Investment Officer and managed based on the criteria established in the Investment Policy Statement signed by each client.
- Billy's personal trades are reviewed by the CCO.
- New accounts and trades are reviewed by the CCO.
- Financial Planning Work completed for clients is reviewed by Donald P. Bolden, CFP®.



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**Catherine H. Walding, CRPS®**

**Client Associate for Corporate Retirement Plans**

**2216 W. Main Street**

**Dothan, AL 36301**

**334-673-8600**

**[www.capsouthpartners.com](http://www.capsouthpartners.com)**

March 24, 2017

This brochure supplement provides information about Catherine H. Walding that supplements the CapSouth Disclosure Brochure. You should have received a copy of that brochure. Please contact Marshall Bolden, CapSouth's Chief Compliance Officer, if you did not receive CapSouth's disclosure brochure or if you have any questions about the contents of this supplement. Additional information about Catherine Walding is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 – Education Background and Business Experience**

*Year of Birth:* 1974

*Formal Education:* Catherine graduated from Armstrong Atlantic State University in Savannah, Georgia in 1998 with a B.S. Degree in General Studies, with emphases in English and History. She then received her M.A. in Communication from Auburn University in 2002, with emphasis in Marketing.

*Business Background:* Catherine began working for the Dothan Area Convention & Visitors Bureau as Communications Director in 2007, after spending several years as a stay-at-home mother and part-time realtor in the Atlanta area. Upon deciding to pursue a long-term interest in the financial planning industry, Catherine joined CapSouth in 2010 as a Client Associate for the Corporate Retirement Plan Division.

*Current Professional Designations:*

### CRPS® (Chartered Retirement Plan Specialist)

CRPS® is a professional designation awarded by the College for Financial Planning to individuals who specialize in creating, implementing and maintaining retirement plans for businesses. An exam must be passed to use these credentials. The study program covers types and characteristics of retirement plans, 401(k) plans and nonprofit and government plans. It also covers plan distributions, plan design and implementation, plan establishment and operation, and fiduciary issues.

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of each supervised person providing investment advice. No information is applicable to this item for Catherine.

## **Item 4 – Other Business Activities**

All of Catherine's professional time is devoted to CapSouth Partners and its clients. She is not actively engaged in any other business or occupation for compensation.

## **Item 5 – Additional Compensation**

Catherine can earn a onetime bonus for bringing new clients to the firm.

Catherine is also eligible to receive a discretionary bonus based on the profitability of the retirement plan department.

## **Item 6 – Supervision**

Anthony B. McCallister, President of the CapSouth Retirement Plan Division, is the direct supervisor for Catherine. He can be reached at 334-673-8600.

Catherine's work relating to clients is supervised in several ways:

- All written communication is preapproved by Compliance prior to being sent to clients.
- Electronic communication via email is captured through an email retention program and periodically reviewed by Compliance.
- Catherine's personal trades are reviewed by the CCO.



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**Item 1 – Cover Page**

**Lewis Robinson**

**Wealth Advisor**

**1200 Keys Ferry Court**

**McDonough, GA 30253**

**678-272-7555**

**[www.capsouthpartners.com](http://www.capsouthpartners.com)**

March 24, 2017

This brochure supplement provides information about Lewis Robinson that supplements the CapSouth Disclosure Brochure. You should have received a copy of that brochure. Please contact Marshall Bolden, CapSouth's Chief Compliance Officer, if you did not receive CapSouth's disclosure brochure or if you have any questions about the contents of this supplement. Additional information about Lewis Robinson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Education Background and Business Experience**

*Year of Birth:* 1940

*Formal Education:* Lewis is a graduate of Georgia State University and a member of Beta Alpha Psi.

*Business Background:* Before joining the investment advisory industry Lewis began his career as a CPA in Atlanta, Georgia working with regional and national CPA firms. He also served as Chief Financial Officer of a publicly held company prior to joining a local CPA firm in Griffin, Georgia as a partner and principal. In 1991 Lewis founded and led a McDonough, Georgia based public accounting and consulting firm, Robinson, Whaley Hammonds & Allison, PC, (“RWH&A”) which has since grown to become the largest CPA firm in the area with over twenty professional and support staff.

In 2011 Lewis made the decision to come out of retirement to join CapSouth Partners, and in June of 2012 he became Series 65 licensed and became a Senior Wealth Advisor. Lewis assists wealth management clients with developing, tracking and maintaining a long range financial plan designed specifically for that client.

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of each supervised person providing investment advice. No information is applicable to this item for Lewis.

## **Item 4 – Other Business Activities**

- A. Lewis is separately licensed as an insurance representative with various insurance companies. If a client purchases an insurance product through Lewis then he may receive separate compensation. This service and the compensation are separate from the advisory services provided by CapSouth. Lewis may sell insurance products to non-CapSouth clients from time to time however he does not solicit this type of business.
- B. Lewis is the Treasurer at the McDonough Presbyterian Church.
- C. Lewis is a licensed CPA. He is not currently practicing accounting.

## **Item 5 – Additional Compensation**

Lewis can receive additional compensation in his role as a licensed insurance agent. Clients are made aware that if it is recommended that they purchase an insurance or annuity product for planning purposes that they do not have to use Lewis as the insurance agent. Clients may purchase the recommended coverage or product through any outside source. It is the goal of CapSouth to always put the interest of the client first; however the receipt of additional compensation does create a conflict of interest.

Lewis may receive a bonus based upon the profitability of the McDonough office.

Lewis does not receive any other economic benefit, sales awards, prizes or other compensation from any other non-client source.



## **Item 6 – Supervision**

Marshall P. Bolden, CIO & CCO, is the direct supervisor for Lewis. He can be reached at 334-673-8600.

Lewis's work relating to clients is supervised in several ways:

- All written communication is preapproved by Compliance prior to being sent to clients.
- Electronic communication via email is captured through an email retention program and periodically reviewed by Compliance.
- Lewis is required to meet with each of his clients at least annually to review their current financial situation and portfolio. These account reviews are documented in CapSouth's CRM (Client Relationship Management) Program.
- Discretionary Portfolios are managed by the Chief Investment Officer and managed based on the criteria established in the Investment Policy Statement signed by each client.
- Lewis's personal trades are reviewed by the CCO.
- New accounts and trades are reviewed by the CCO.



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**J. Scott Fain**

**Wealth Manager**

**2216 W. Main Street**

**Dothan, AL 36301**

**334-673-8600**

**[www.capsouthpartners.com](http://www.capsouthpartners.com)**

**March 24, 2017**

This brochure supplement provides information about Scott Fain that supplements the CapSouth Disclosure Brochure. You should have received a copy of that brochure. Please contact Marshall Bolden, CapSouth's Chief Compliance Officer, if you did not receive CapSouth's disclosure brochure or if you have any questions about the contents of this supplement. Additional information about Scott Fain is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Education, Background and Business Experience**

*Year of Birth:* 1986

*Formal Education:* Scott graduated with a bachelor's degree in Marketing in 2009 and a bachelor's degree in Accounting in 2010, both from Troy University. He holds various insurance licenses in Alabama, Georgia, Florida, South Carolina, and Oregon.

*Business Background:* Scott worked as a legal assistant for a law firm while in college. He joined CapSouth Partners in January, 2010, during his last semester as Accounting and Marketing Manager. He soon assumed the role of Business Manager, responsible for all areas of the business that did not deal directly with clients. Scott served in this capacity and a year later became insurance licensed and began working and specializing in the areas of insurance, estate planning, and financial planning. He worked in these areas as a resource for all advisors to call on with their clients. In 2016, Scott obtained the Series 65 license and been working with clients as the primary advisor.

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of each supervised person providing investment advice. No information is applicable to this item for Scott.

## **Item 4 – Other Business Activities**

Scott is separately licensed as an insurance representative. If a client purchases an insurance product through Scott then he may receive separate compensation. This service and the compensation are separate from the advisory services provided by CapSouth. From time to time Scott may sell an insurance product to a non-CapSouth client. Scott does not generally solicit insurance business from non-CapSouth clients.

Scott serves on the Advisory Board for the Dothan Area Young Professionals (DAYP) as the Treasurer and the Professional Development Director, serves on the Regional Advisory Board for the Alabama Baptist Children's Homes and Family Ministries, and serves as a member and the webmaster for the Geneva County Sheriff's Mounted Posse.

## **Item 5 – Additional Compensation**

Scott can receive additional compensation in his role as a licensed insurance agent. Clients are made aware that if it is recommended that they purchase an insurance or annuity product for planning purposes that they do not have to use Scott as the insurance agent. Clients may purchase the recommended coverage or product through any outside source. It is the goal of CapSouth to always put the interest of the client first; however the receipt of additional compensation does create a conflict of interest.

CapSouth Partners makes bonus plans available for eligible employees. Scott can earn a onetime bonus for new clients that he helps bring into the firm.

Scott does not receive other economic benefit, sales awards, prizes or other compensation from any other non-client source.

## **Item 6 – Supervision**

Donald P. Bolden, President, is the direct supervisor for Scott Fain. He can be reached at 334-673-8600.

Scott's work relating to clients is supervised in several ways:

- All written communication is preapproved by Compliance prior to being sent to clients.
- Electronic communication via email is captured through an email retention program and periodically reviewed by Compliance.
- Scott is required to meet with each of his clients at least annually to review their portfolio. These account reviews are documented in CapSouth's CRM (Client Relationship Management) Program.
- Discretionary Portfolios are managed by the Chief Investment Officer and managed based on the criteria established in the Investment Policy Statement signed by each client.
- Scott's personal trades are reviewed by the CCO.
- New accounts and trades are reviewed by the CCO.
- Financial Planning Work completed for clients is reviewed by Donald P. Bolden, CFP®.