

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

**FORM ADV  
Uniform Application for Investment Adviser Registration  
Part II - Page 1**

**Date: March 28, 2023**

Name of Investment Adviser: Capital Focus, Inc.

Address: 412-C Pettigru Street, Greenville, S. C. 29601 Area Code: 864 Telephone Number: 250.1177

[www.capitalfocusinc.com](http://www.capitalfocusinc.com)

**This brochure provides information about the qualifications and business practices of Capital Focus, Inc. . If you have any questions about the contents of this brochure, please contact us at 864.250.1177 or either [ccapfocus@gmail.com](mailto:ccapfocus@gmail.com) or [info@capitalfocusinc.com](mailto:info@capitalfocusinc.com). This information in this brochure has not be approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Capital Focus, Inc. also is available on the SEC's website at [www.adviserinfo/sec.gov](http://www.adviserinfo.sec.gov).**

**Please note that references to Capital Focus Inc. as a "registered investment adviser" or descriptions regarding being "registered" does not imply a certain level of skill or training.**

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

Item 2 Material Changes

. The following updates have been made to the Firm Brochure since Capital Focus, Inc.'s update on March 21, 2018.

- 1) The website has been listed on the cover page.
- 2) Assets under Management (AUM) has been added to Item 4.
- 3) The method of payment of advisory fees has been clarified in Item 5.
- 4) Material risks particular to the types of securities used in Client portfolios, as well as the risks involved with private real estate partnerships has been added to Item 8.
- 5) Detailed information on Capital Focus, Inc.'s Code of Ethics has been provided in Item 11.

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Item 4 Advisory Business

Capital Focus, Inc. is a fee-only financial planning practice that has been in business for over 24 years. Ramon T. Franklin, CFP is the sole owner of Capital Focus, Inc. Capital Focus, Inc. specializing in investment counsel/management, retirement planning, education funding, income tax planning as well as real estate investment/development/management. **Capital Focus, Inc. only accepts non-discretionary investment accounts. Specifically, Capital Focus, Inc. does not and will not accept or manage any discretionary client accounts.**

The overall guiding principle (or focus) of Capital Focus, Inc. is assisting clients in achieving their life goals. Capital Focus, Inc. does this through proper planning in the critical areas of asset allocation and diversification along with a thorough understanding the client's investment experience, level of risk tolerance and time frame/horizon target(s).

Investment Supervisory Services (Portfolio Management of Financial Assets)

Capital Focus, Inc. will assist in the selection and management of a portfolio of stocks, bond and other securities on a fee-only basis - either percentage of invested assets managed or a straight hourly-fee arrangement. The choice is up to the client and is dictated by individual client needs.

Financial Planning and Investment Advisory Services

Capital Focus, Inc. offers general financial planning services and investment counsel/management, retirement planning, education funding, income tax preparation/planning as well as real estate investment/development/management on a straight hourly basis. The specific services provided are dictated solely by individual client needs.

**Capital Focus, Inc. only accepts and manages only non-discretionary investment accounts. As of 12/31/22 Capital Focus, Inc. has Assets under Management (AUM) of \$13,493,539.**

Item 5 Fees and Compensation

Investment Supervisory Services (Portfolio Management of Financial Assets)

Financial Assets handled as part of an overall investment portfolio will be assessed the following management fees: Annual % Assessed Assets managed

1.00% up to or equal to \$1,000,000, .80% from 1,000,001 up to \$1,999,999 and negotiable \$2,000,000 and over

Note: For these investment portfolio management services, the client is assessed a quarterly fee in arrears at the above annual rates and this fee is paid by the client quarterly (e. g. .25 of 1% each quarter or ratable of any portion thereof when assets up  $\leq$  \$1,000,000, .20 of 1% from & \$1,000,001 to \$1,999,999 and negotiable \$2,000,000 and over ). One fourth (.25 %) of the total annual fee is assessed quarterly. This fee is calculated based on average quarterly balances as computed by averaging the beginning quarter and the quarter-end t invested asset market values. Fees for partial quarters are prorated. All fees are paid in arrears.

Special note: In addition to the advisory fees paid to Capital Focus, Inc., clients may pay other expenses to third party companies unrelated to Capital Focus, Inc. For example, a client may pay brokerage commissions, transaction costs, custodial fees, odd-lot differentials, electronic fund fees, and other fees and taxes which are unrelated to the fees paid to Capital Focus, Inc. Mutual funds and exchange-traded funds also charge internal management fees, which are detailed in the prospectuses. Such charges, fees and commissions are exclusive of and in addition to Capital Focus, Inc.'s fee.

Although there is no minimum asset size to establish or maintain an investment management account there is a minimum management fee per annum of five hundred dollars (\$500) for each account. This minimum fee will be billed in arrears and in any quarter in which the management fee based on the above fee structure does not result in a fee of a least \$175 for the quarter (the only exception being for calculations of less than this minimum which are solely attributable to a partial quarter.)

Each client pays for all costs of any security trades, custodial services, taxes, legal or any other costs associated with acquiring and managing the assets of the client's account.

All investment management fees are billed quarterly in arrears unless otherwise agreed in writing in advance. Invoices are due immediately and payable no later than thirty (30) days from date of invoice unless otherwise agreed under the contract. All fees shall be paid by check or electronic wired funds. Capital Focus, Inc. does not accept fees paid in cash.

Item 6 *Performance-Based Fees and Side-By-Side Management*

None.

Item 7      Types of *Clients*

**Types of clients** - Applicant generally provides investment advice to:

- A. Individuals,
- B. Trusts, estates, or charitable organizations
- C. Corporations or business entities other than those listed above

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

A. Capital Focus, Inc.'s security analysis methods include:

- (1) Charting
- (2) Fundamental
- (3) Cyclical

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

- (1) Financial newspapers and magazines
- (2) Inspections or reviews of corporate activities
- (3) Annual reports, prospectuses, filings with the
- (4) Research materials prepared by others Securities and Exchange Commission
- (5) Corporate rating services
- (6) Company press releases

C. The investment strategies used to implement any investment advice given to clients include:

- (1) "Long term" purchases (securities held at least one to three years)
- (2) Margin transactions
- (3) Short term purchases
- (4) Option writing, including covered options,
- (5) "Opportunistic" Trading (securities sold within 90-180 days)
- (6) Arbitrage Trading (to take advantage of pricing discrepancies)

Diversification and value-oriented stock selection are the primary means used to minimize client exposure to extreme market volatility and security losses. In addition, as outlined under item 13, frequent reviews and /or investment reporting to client regarding their accounts are methods used to monitor performance of securities, keep the client apprised of security performance and in an attempt to minimize losses or manage them to the client's risk tolerance level.

**Risk of Loss**

Certain risks apply specifically to particular investment strategies or investments in different types of securities or other investments that clients and other investors should be prepared to bear. The risks involved for different client accounts or funds will vary based on each client's investment strategy and the type of securities or other investments held in the client's account or the fund. Any investment in equity securities is subject to risks and past performance is not indicative of future results. Fluctuations can be dramatic over the short or long term. Different parts of the market and different types of equity securities can react differently to these developments. Political, regulatory and economic developments, along with terrorism, can increase short-term market fluctuations and may have long-term effects on world economies and markets in general. Purchasing investment products involves risk. Stock and bond markets can fluctuate substantially over time with changes in the economy and demand for particular products or services. All clients should be aware that the purchase of securities involves the possibility of financial loss, including the loss of your original investment. Some investment instruments may have greater inherent risks than others.

The following are descriptions of some of the other various risks related to the investment strategies used by Capital Focus, Inc.

Equity investments in smaller companies involve added risks such as limited liquidity and greater fluctuation than that experienced by larger companies, which may impact the ability to sell these investments at a fair and competitive price in a timely manner. Mutual fund investing also involves risk and principal loss is possible. Investors will pay fees and expenses, even when investment returns are flat or negative. Investors cannot influence the securities bought and sold, or the timing of transactions which may result in undesirable tax consequences.

A real estate investment is subject to various risks and in the past real estate investments have experienced significant fluctuations in value due to local market conditions, including the availability of excess supply of properties relative to demand. These risks usually relate to expenses being higher than expected and/or cash flow being less than expected. If cash flow is insufficient to pay all expenses, the investment could suffer losses. Mortgage financing or other debt



Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

can increase these risks and result in an investment being lost through foreclosure. Adverse changes in local, regional, national and international economic conditions can negatively affect real estate values. For example, high unemployment rates, declines in population, and tenant bankruptcies can adversely impact real estate income. Similarly, high real estate taxes, insurance costs, increases in interest rates and high fuel and heating costs due to rising crude oil prices result in higher operating costs. Many real estate-related investments are subject to the risk attributable to, but not limited to: (i) inability to complete renovation, expansion or development on advantageous terms; (ii) adverse government, environmental and tax regulations; (iii) leasing delays, tenant bankruptcies and low occupancy levels and low lease rates; and (iv) changes in the liquidity of real estate markets. If leverage is used for a real estate investment, those investments will be subject to risks normally associated with debt financing, including the risk that: (i) cash flow after debt service will be insufficient to accumulate sufficient cash for distributions; (ii) existing indebtedness (which is unlikely to be fully amortized at maturity) will not be able to be refinanced; (iii) terms of available refinancing will not be as favorable as the terms of existing indebtedness; or (iv) the loan covenants will not be complied with, resulting in a foreclosure and a loss.

In addition to the real estate risks listed above, investments in private real estate partnerships also include, but are not limited to the following additional risks: (i) dependence on the Managing Member's ability to effectively manage the investment; (ii) limitation on communications; (iii) restrictions on transferability of interests; (iv) lack of operating history and information; (v) no regulatory authority reviewing and commenting on unregistered offerings; (vi) limited rights of action against the Managing Member and others; and (vii) potential conflicts of interest of Managing Member and the property manager servicer with other business activities and investments.

Interest rate risk can also impact an investment. When interest rates increase, fixed income investments will generally decline in value. Long-term fixed income investments will normally have more price volatility because of this risk than short-term fixed income securities or instruments. Active and frequent trading of securities and financial instruments in a portfolio can result in increased transaction costs, including potentially substantial brokerage commissions, fees and other transaction costs, as well as short-term capital gains tax treatment. There is also U.S. economic risk since the United States is a significant trading partner with other countries. Downturns in the U.S. economy could have an adverse effect on the economy and markets of other countries.

Capital Focus, Inc. believes the professional and disciplined execution of its investment philosophy will generate sustainable investment returns for its client accounts over time. However, the cumulative effect of company-specific risk and systemic risk of a domestic and/or global nature clearly imply that no investment is guaranteed. Capital Focus, Inc.'s clients making investments on Capital Focus, Inc.'s recommendations should do so with the full knowledge that loss of principal is a real risk and the use of diversification does not assure a profit or protect against loss. Securities markets experience varying degrees of volatility and over time, a client's assets will fluctuate and may be worth more or less than the original amount invested.

Item 9      Disciplinary Information

None.

Item 10 Other Financial Industry Activities and Affiliations

Ramon T. Franklin is a former licensed real estate broker in South Carolina and an inactive licensed broker in Georgia. Ramon T. Franklin is also the operating member of Cole Capital Management LLC., a firm that owns, manages, and develops residential and commercial real estate. These activities represent less than 10 percent of Ramon T. Franklin's time and less than 20 percent of his income. In addition, Capital Focus, Inc., Cole Capital Management LLC. or a related person is not a general partner in any partnership in which clients are solicited to invest.

Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

Capital Focus, Inc. values client trust and places its fiduciary responsibilities to each client first and foremost in all aspects of its business. Since Ramon T. Franklin holds a CFP certification, Capital Focus, Inc. has adopted the Certified Financial Planner Board's new Code of Ethics and Standards of Conduct which outlines the high standard of business conduct, and reinforces each employee's role in discharging Capital Focus, Inc.'s fiduciary duty to clients. The Code of Ethics and Standards of Conduct applies to Ramon T. Franklin as the only employee of Capital Focus, Inc. and includes provisions for maintaining confidentiality of client information, provisions on the fiduciary duty owed to clients, privacy requirements, compliance of all laws and regulations requirements governing professional services, client communication requirements, provisions regarding the duties when recommending, engaging and working with additional parties, conflicts of interest provisions, provisions regarding the implementation of financial planning recommendations, and monitoring and updating responsibilities requirements, among others. For a copy of the Code of Ethics and Standards of Conduct, visit the CFP website at [www.cfp.net/ethics](http://www.cfp.net/ethics) and click on "New Code of Ethics and Standards of Conduct" or contact Capital Focus, Inc. at 864-250-1177 or e-mail at [www.ccapfocus@gmail.com](mailto:www.ccapfocus@gmail.com).

Additional Information on the Certified Financial Planner requirements are listed below.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 82,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's **Standards of Professional Conduct**, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the **Code of Ethics** and other parts of the **Standards of Professional Conduct**, to maintain competence and keep up with developments in the financial planning field; and

Capital Focus, Inc. or a related party does not accept research or "soft dollar" benefits (e.g. products or services) other than execution from a broker dealer or a third party in connection with the client securities transactions.

Capital Focus, Inc. does not actively solicit client referrals from broker dealers or direct client to a particular broker dealer based on any client referral or expectation regarding any client referral business. The criteria for assisting a client in selecting a broker dealer or recommending/ "directing" a client to a particular broker dealer is outlined below:

**"Directed Brokerage"**

Although the client reserves full investment discretion in regards to all investment recommendations of the company, the company reserves the right to recommend a broker dealer in all situations where the client does not already have a relationship or a relationship(s) that the client wishes to maintain/honor.

The first criterion for the recommendation of a broker or dealer relates to services required to be provided to the client account including investment reporting and custodial service capabilities for the types of investments held or to be purchased by the client. The second is the prospective broker or dealer responsiveness to client/ customer services as determined from the company's past experience or transactions and/ or screening and consultation. The commission rates of the broker or dealer are the final consideration, with "discount" brokers being given preference over full service brokers or dealers.

Unless in the company's sole opinion the services required of a client's account cannot be properly served or satisfied without involving a full service broker, the company will recommend a "discount" broker with the required reporting capabilities and custodial services. In the event, however, a client desires or requires the special research capabilities, reporting and servicing of a "full -service" broker or specifically desires a "second (or so) opinion" (i. e. further research and analysis) and the client's investment needs cannot be properly or adequately met or satisfied without involving a "full- service" broker or dealer, the company will use the services of the broker or dealer rendering such an opinion or fulfilling this role.

Item 13      Review of Accounts

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

Ramon T. Franklin , President of Capital Focus, Inc. is the sole reviewer of client accounts. Accounts are viewed based on the types of assets in the client's accounts e. g. equity holdings typically deserve and require closer review/monitoring/management that those account consisting of say mainly investment-grade bonds held to maturity. Ramon T. Franklin handles all account review (current accounts <100). A total of no greater than 200 accounts are anticipated.

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

Typically, clients with assets under active management will receive investment performance reporting no less frequently than quarterly, unless less frequent reporting is specifically requested. At a minimum an annual performance report would be provided to any client with asset under active management. These reports of course would be in addition to the regular monthly or quarterly client account reporting by the various brokerage firms with custody of the assets.

Item 14 *Client Referrals and Other Compensation*

Although Capital Focus, Inc. welcomes and appreciates client referrals, recognizes them as an excellent source of new clients and considers them a validation of sound counsel and services performed there is no compensation provided either directly or indirectly to any client for any referral.

Furthermore, Capital Focus Inc. receives no additional compensation except that previously disclosed in Item 5.

**Specifically, Capital Focus, Inc. (or a related person) does not receive any additional compensation** or some other economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

Item 15      *Custody*

Capital Focus, Inc. does not have custody of any client assets. All client securities are held at the custodian used by the broker/dealer selected/approved by the client in advance.



**Investment or Brokerage Discretion. Capital Focus, Inc. only accepts non-discretionary investment accounts.**

Specifically, Capital Focus., Inc. or any related person must first obtain specific client consent regarding any of the following:

- (1) specific securities are bought or sold
- (2) amount of securities to be bought or sold
- (3) broker or dealer to be used
- (4) commission rates paid

Does Capital Focus, Inc. or a related person suggest brokers to clients?

Although the client reserves full investment discretion in regards to all investment recommendations of the company, the company reserves the right to recommend a broker dealer in all situations where the client does not already have a relationship or a relationship(s) that the client wishes to maintain/honor.

The first criterion for the recommendation of a broker or dealer relates to services required to be provided to the client account including investment reporting and custodial service capabilities for the types of investments held or to be purchased by the client. The second is the prospective broker or dealer responsiveness to client/customer services as determined from the company's past experience or transactions and/ or screening and consultation. The commission rates of the broker or dealer are the final consideration, with "discount" brokers being given preference over full service brokers or dealers.

Unless in the company's sole opinion the services required of a client's account cannot be properly served or satisfied without involving a full service broker, the company will recommend a "discount" broker with the required reporting capabilities and custodial services. In the event, however, a client desires or requires the special research capabilities, reporting and servicing of a "full -service" broker or specifically desires a "second (or so) opinion" (i. e. further research and analysis) and the client's investment needs cannot be properly or adequately met or satisfied without involving a "full- service" broker or dealer, the company will use the services of the broker or dealer rendering such an opinion or fulfilling this role.

Item 17      Voting *Client* Securities

While Capital Focus, Inc. may offer counsel or advice if asked by a client on voting client securities, it does not seek or accept discretion to vote any securities.

As practical matter, Capital Focus, Inc., strongly encourages clients/investors to vote with their "feet" i. e. securities where management and or practices are unacceptable or even questionable are not worthy of continued investment and should be immediately sold.

Item 18 Financial Information

Not required as no prepayments or custody of assets required or accepted.

Item 19 Requirements for State-Registered Advisers

Ramon T. Franklin, CFP/President of Capital Focus, Inc. has not been involved in any disciplinary event as outlined under Item 3, nor found liable in any arbitration claim alleging damages in excess of \$2,500, nor found liable in any civil, self-regulatory, or administrative proceeding involving a) an investment or an investment related activity b) fraud, false statement(s) or omissions c) theft, embezzlement, or other wrongful taking of property d) bribery, forgery, counterfeiting or extortion or e) dishonest, unfair, or unethical practices nor subject to a bankruptcy petition.

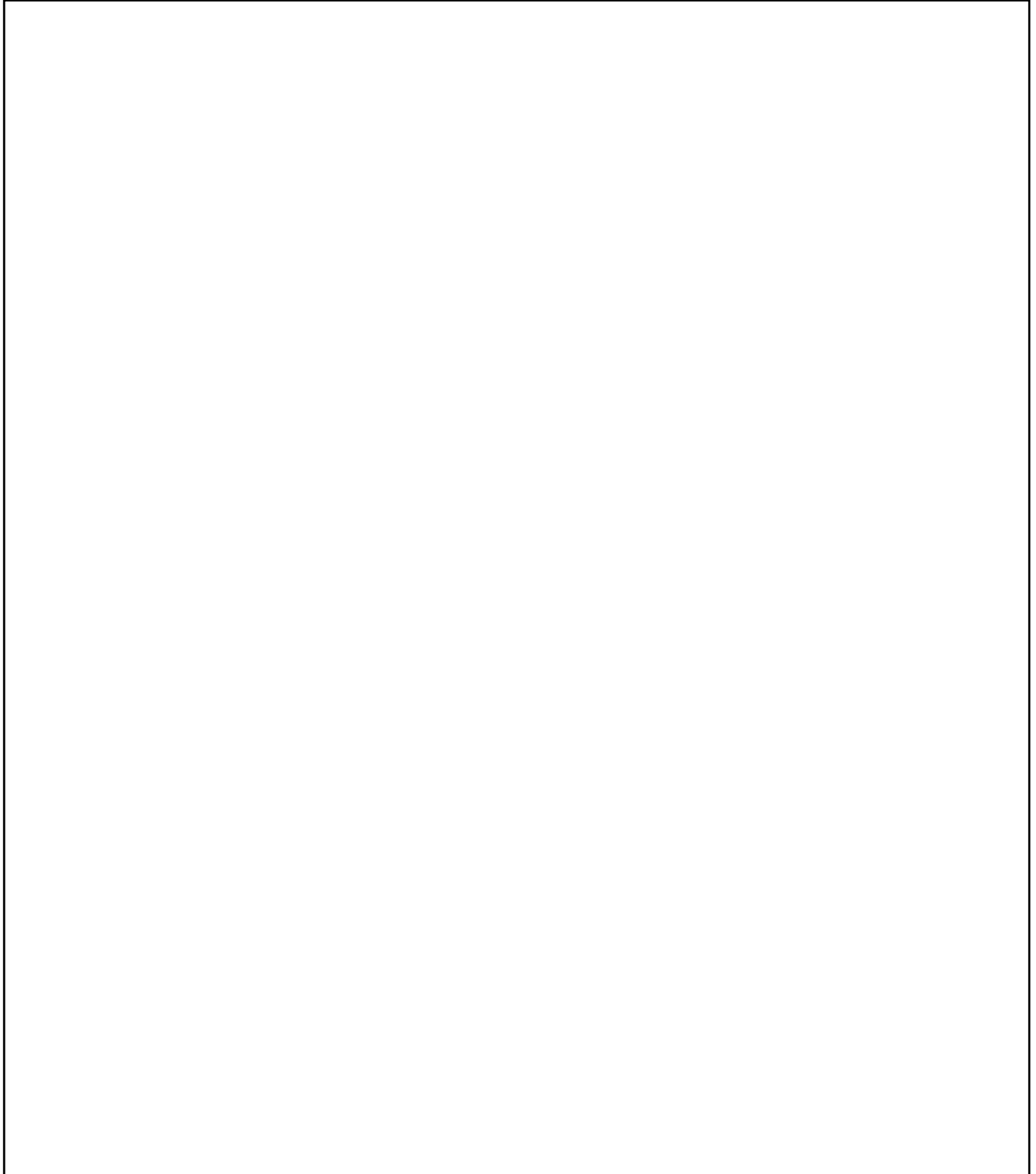
ITEM 5 CONT'D

For financial and advisory services (including such administrative services as budgeting, bookkeeping and check-writing) a client is charged a rate of \$175 per hour upon beginning with the first consultation and interview. Any trading, custodial fees, account reporting fees and any other costs relating to the management of the client's assets are the client's responsibility and are passed through to the client without a markup. It is the firm's privacy policy that all client identities, information and activities are kept strictly confidential and no client information is ever to be released to any third party without the prior verbal or written permission of the client. In no event will such client list or information be "sold" or transferred to a third party unless prior client consent is given and the client specifically has the ability to "opt out" under such an arrangement.

ITEM 11 CONT'D.

Capital Focus, Inc., Ramon T. Franklin, and other company officers trade securities for their accounts as they are permitted. The specific trades are dictated by the objectives and needs of these persons. These securities transactions shall not be inconsistent with those security trades recommended by the company. It should be noted, however, that there is always the possibility that due to specific individual needs and objectives ( e. g. related to tax and diversification needs) that on occasion the securities traded by Capital Focus, Inc. and its officers may be inconsistent with any general security recommendations.

The guiding investment management principles of the company are based on superior stock selection, low turnover (to minimize transaction costs), longer time horizon, proper asset allocation/ diversification and only a moderate risk tolerance (except for special instances where a predetermined percentage of the assets from a large diversified portfolio (over \$1 million in invested assets) are specifically designated for speculative and high risks investments that may be appropriate to attempt to meet targeted return objectives for clients with the tolerance for extreme risks and a long time horizon).



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