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Capitol Wealth Management, Inc.

7900 Westpark Dr., Suite T-420
McLean, VA 22102
(703)891-4070
www.capitolwealthmgmt.com

PART 2A OF FORM ADV THE BROCHURE

This brochure provides information about the qualifications and business practices of Capitol Wealth Management, Inc. which will be referred herein as "CWM". If you have any questions about the contents of this brochure, please contact Frank J. McGovern at 703-891-4070. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about CWM is also available on the SEC's website at: www.adviserinfo.sec.gov.

Material Changes

CWM's most recent update to Part 2 of Form ADV was made in March, 2011. CWM's business activities have not changed materially since that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by CWM in prior years.

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Advisory Business

Associated person of CWM are referred to herein as Investment Advisory Representatives "IARs". The business of CWM falls into two major categories.

Comprehensive Financial Planning

CWM through its IARs, provides comprehensive financial planning for individuals and businesses in the areas of tax planning, cash flow and debt management, investment planning, risk management, educational planning, financial independence planning, estate planning, executive benefits planning, and insurance planning. CWM through its IARs provides regular and continuous investment advice to its financial planning clients. CWM through its IARs generally invests in equity securities, such as exchange-listed securities, securities traded over-the-counter- and foreign issues, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, investment company securities, such as variable annuities and mutual fund shares, United States government securities, and exchange traded funds. CWM also furnishes advice on insurance coverage for individuals and businesses, as well as estate planning techniques not involving legal advice.

Investment Advisory Services-Asset Management

CWM through its IARs also provides individualized asset allocation and investment management services. In those cases, CWM's IARs will open a brokerage account(s) in the client's name through either Schwab Institutional division of the Charles Schwab & Co., Inc. or LPL Financial "Custodians".

Individualized services are initiated by the completion of a comprehensive fact finding/risk tolerance/suitability review with the client. Following this financial review a CWM's representative will develop and propose an initial asset allocation. The portfolio is then invested, either on a discretionary or on a non-discretionary basis in a variety of investment instruments, recommended by CWM's IARs such as listed above.

CWM's IARs provide an ongoing evaluation of the implemented portfolio of the client. Recommendations for purchases and sales in the client's account(s) are communicated to the client and then implemented upon the client assent. However, the IAR may have discretion over an account(s) and may therefore implement trades without communication with the client beforehand.

The Custodian provides the client with monthly account statements detailing monthly activity and portfolio positions. CWM provides the client a quarterly performance report.

CWM has a few remaining accounts with SEI Corporation and its affiliates. These clients receive monthly consolidated statements from SEI showing account activity and market value of SEI Fund positions. Additionally, the client receives a quarterly performance report from SEI. CWM no longer creates accounts with SEI and their Asset management Program.

CWM was founded in 1996 and is primarily owned by one individual, Frank J. McGovern. As of March 31, 2011, CWM managed \$30 million on behalf of 35 clients.

Fees and Compensation

CWM charges annual fees for investment management provided under the Investment Advisory Agreement as follows:

Account Assets			Annual Fee
From \$0	to	\$249,999	1.50%
Next \$250,000	to	\$499,999	1.25%
Next \$500,000	to	\$999,999	1.00%
Next \$1,000,000	to	\$1,999,999	.75%
Next \$2,000,000	to	\$4,999,999	.50%
Next \$5,000,000	to	UP	Negotiable

The advisory fees are payable either quarterly in arrears or in advance and are based on the market value of all assets in the account(s) on the last trading day of each calendar quarter. The fees are calculated on a cumulative basis for those clients with multiple accounts.

In addition to the advisory fees above, client may pay fees for custodial services, account maintenance fees, transaction fees for stock, ETF, or mutual fund trades, and other fees associated with maintaining the account. CWM does not share in any portion of such fees. Additionally, client may pay their proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such fees are not shared with CWM and are strictly compensation to the fund manager.

In any partial calendar quarter, the advisory fee will be prorated based upon the number of days that the client account(s) was open during the quarter.

The client will receive a full disclosure stating how the fee was calculated. However, it is the client's responsibility, not the Custodian, to verify the accuracy of the fee calculation.

Clients' accounts that are custody at Charles Schwab & Co. Inc. receive a detailed invoice showing how the fee was calculated.

Clients' accounts that are custody at SEI receive a break-down of how the fee was calculated on their quarterly statements.

Performance Based Fees and Side-By-Side Management

CWM does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to CWM.

Types of Clients

CWM provides customized investment management services to high-net-worth individuals. CWM's minimum account size is generally \$250,000 but this amount is negotiable.

Methods of Analysis, Investment Strategies and Risk of Loss

Frank J. McGovern, as President and Chief Compliance Officer (CCO) of the firm will conduct fundamental analysis on all securities recommended for clients. This analysis varies depending upon the security in question.

For stocks and bonds the analysis generally includes a review of the issuers management, the amount and volatility of past profits and losses, the issuer's assets and liabilities, as well as any material changes from historical norms,

prospects for the issuer's industry, as well as the issuer's competitive position within that industry, and any other factors considered relevant.

For mutual funds and ETF's the analysis generally includes a review of the fund's management team, the fund's historical risk and return characteristics, the fund's exposure to sectors and individual issuers, the fund's fee structure, and any other factors considered relevant.

All investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures. CWM primarily invests for relatively long time horizons, often a year or more. However, market developments or change in clients' risk position could cause CWM to sell securities more quickly. Depending upon a client's investment objectives, CWM might engage in short selling or option writing. The use of these techniques poses additional risks that are discussed in detail with clients who are considering the use of these investment vehicles.

All investing involves risk of loss.

Disciplinary Information

CWM and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

LPL Financial, Inc.

All CWM personnel are registered representatives of LPL Financial, Inc. (LPL) a registered broker-dealer, member of FINRA/SIPC. If a client requests and approves, CWM representatives will use LPL to execute client transactions. When a transaction is executed by LPL, CWM personnel, in their capacity as registered representatives, may receive a commission. Commission charges are competitively priced with other full-service brokers and, except for securities transactions involving mutual funds, are stated on the confirmation notice sent to the client. For securities transactions involving mutual funds, the commission rate is described in the fund prospectus.

CWM does not receive research, products, or services from the broker-dealer LPL, that execute transactions on behalf of CWM's clients. CWM is not an affiliate or subsidiary of LPL.

Charles Schwab Institutional

CWM's IAR's may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. CWM is independently owned and operated and not affiliated with Schwab. Schwab provides CWM with access to institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least 10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional, and are not otherwise contingent upon Advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum.

For CWM's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to CWM other products and services that benefit CWM but may not benefit its clients' accounts. Some of these other products and services assist CWM in managing and administering client's accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); provide research, pricing information and other market data; facilitate payment of CWM's fees from its clients' accounts; and assist with back-office functions, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of CWM's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to CWM other services intended to help CWM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to CWM by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CWM. While as a fiduciary, CWM endeavors to act in its clients' best interests, and CWM recommends that clients maintain their assets in accounts at Schwab may be based in part of the benefit to CWM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

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

To avoid any potential conflicts of interest involving personal trades, CWM has adopted a written trading policies and procedures ("Code") for its employees which include a formal code of ethics and insider trading policies and procedures. Procedures have been adopted to ensure compliance with the provision of the Code, including pre-approval of personal securities transactions, annual affirmations of compliance and regular reviews of holdings and transactions. CWM's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy CWM's code of ethics is available upon request.

CWM's employees are generally permitted to trade alongside client accounts as long as they receive the average price that is applicable to clients and pay their share of any transaction costs. However, no employees are allowed to participate in partially filled orders until all clients' orders have been filled. The Chief Compliance Officer (CCO) monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

CWM maintains a watch list of securities that are being considered for client accounts, as well as securities already held in client accounts. Any proposed employee transaction involving securities on the watch list requires preclearance from the CCO. The CCO does not grant preclearance where it would appear that an employee's trading could disadvantage CWM's clients.

Under certain circumstances an employee might invest in a security that is not considered suitable for client accounts because of size, liquidity, or other factors. A change in these factors could result in the security becoming more suitable for clients, but the CCO might not allow the security to be purchased for client accounts in order to avoid even the appearance of employees trading ahead of clients. In CWM's experience, it is rare for an employee's personal trading to limit clients' investment opportunities, but such a situation may arise from time to time.

Brokerage Practices

CWM generally recommends that clients arrange for their assets to be held with Charles Schwab Institutional (CSI). CWM has managed client assets held at CSI for many years and has found them to offer good services at competitive prices.

Soft Dollar Benefits

CWM received certain products and services from CSI free of charge or at a discounted rates. The products and services include the receipt of duplicate client confirmations, statements, and other account information; direct advisory fee debiting capabilities; access to an electronic network for order entry, including the simultaneous entry of trades on behalf of multiple client accounts; a portfolio management system and software that supports CWM's research processes.

Periodically CSI will pay for CWM employees' travel and accommodation costs in connection with industry conferences.

CWM does not believe that clients whose accounts are held by CSI bear any additional costs in connection with CWM's receipt of products and services. Furthermore, CSI's provision of these products and services is not contingent upon CWM formally committing any specific amount of business to CSI. However, CWM would not receive these products and services if client accounts were not held in custody and trades by CSI. CWM's receipt of these products and services creates a conflict of interest in connection with CWM's recommendation of CSI. Also, some of the products and services listed above benefit clients whose accounts are held by other custodians, which could create a conflict of interest between the clients at CSI, who are indirectly paying for the products and services, and the clients at other custodians who may benefit from the products and services.

The Selection of Trading Counterparties

CWM can typically trade accounts at CSI using other broker-dealers. However, CSI charges clients trade-away fees that CWM believes outweigh any benefits from trading stocks, mutual funds, or ETF's with other brokers. The availability and pricing of bonds varies more widely, so prior to placing a bond trade CWM solicits bids from several dealers and then executes the trade with the dealer that offers sufficient liquidity and the most favorable pricing.

For clients who elect to have their account held by firms other than CSI, CWM's approach is generally to trade stocks, mutual funds, and ETF's with the chosen custodian, and to trade bonds with the dealer that sufficient liquidity and the most favorable pricing.

Some clients' accounts are relatively small, in which case the custodian may not allow CWM to trade through other firms. Other clients may specifically request that their accounts only be traded through a particular broker-dealer. CWM trades these accounts through the firm chosen by the client, which limits CWM's ability to seek best execution. Trading restrictions may result in materially higher trading costs and reduced returns.

Best Execution Reviews

On at least an annual basis CWM's CCO evaluates the pricing and services offered by CSI and other trading counterparties with those offered by other reputable firms. CWM has sought to make a good-faith determination that CSI and other chosen trading counterparties provide clients with good services at competitive prices. However, clients should be aware that this determination could have been influenced by CWM's receipt of products and services from CSI. Historically CWM has concluded that CSI is as good as, or better than, the other firms that have been considered. CWM would notify its clients if it were to determine that another firm offered better pricing and services than CSI.

Aggregated Trades

CWM typically aggregates client trades in an effort to treat all clients fairly. Clients participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. Employees may be included side-by-side in bunched client trades. If an order is partially filled, clients will have their orders fully filled on a randomized basis; CWM will seek to complete any unfilled client orders on the next trading day. Employees are excluded from bunched trades whenever client orders are only partially filled.

When trading accounts through CSI and one or more other broker-dealers, CWM's trader may choose to place smaller trades ahead of larger trades when the smaller trades are not expected to materially affect the price or liquidity of the security in question. This practice may result in accounts held at CSI trading after other accounts with disproportionate frequency. It is possible that over time, this practice could result in clients whose accounts trade through other broker-dealers experiencing a benefit at the expense of the CSI accounts.

Client Referrals

CWM does not compensate CSI or any other custodian or broker-dealer for referring client accounts.

Review of Accounts

Accounts under CWM's management are monitored on an ongoing basis by the Chief Compliance Officer (CCO). The CCO reviews each account in detail on at least an annual basis, as well as in connection with each client meeting. On at least a quarterly basis the CCO reviews a number of reports that are designed to identify accounts that are outside the expected ranges of returns, exposure to asset classes, and exposure to industry sectors. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if market, political, or economic environment changes materially.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis. CWM supplements these statements by providing each client with a quarterly performance report. Additionally, CWM may provide performance reports during client meetings.

Client Referrals and Other Compensation

CWM pays a portion of its advisory fees to another investment advisor in connection with that advisor's referral of a client to CWM.

Other than the previously described products and services that CWM receives from CSI or SEI, CWM does not receive any other economic benefit from non-clients in connection with the provision of investment advice to clients.

Custody

All clients' accounts are held in custody by unaffiliated broker-dealers or banks, but CWM can access many Clients' accounts through its ability to debit advisory fees. For this reason CWM is considered to have custody of client assets. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by CWM.

Investment Discretion

CWM has investment discretion over most clients' accounts; however, there are a number of older accounts that were established under a non-discretionary agreement. Clients grant CWM trading discretion through the execution of a limited power of attorney included in CWM's advisory contract.

Clients can place reasonable restrictions on CWM's investment discretion. For example, some clients have asked CWM not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low cost basis.

Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisors Act, CWM has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that CWM receives will be treated in accordance with these policies and procedures.

CWM does not currently vote proxies on behalf of the clients therefore; clients receive proxy notices and solicitation materials directly.

Financial Information

CWM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.