

Item 1 – Cover Page

Firm Brochure

(Form ADV Part 2A)

Alton Capital Management, Inc.

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618-466-9700

www.altoncapital.com

March 31, 2011

This Brochure provides information about the qualifications and business practices of Alton Capital Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 618-466-9700. 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.

Alton Capital Management is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Alton Capital Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Gregory H. Bray, President/Chief Compliance Officer at 618-466-9700 or gbray@altoncapital.com. Our Brochure is also available on our web site www.altoncapital.com, also free of charge.

Additional information about Alton Capital Management is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Alton Capital Management who are registered, or are required to be registered, as investment adviser representatives of Alton Capital Management.

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Brochure Supplement(s): Form ADV Part 2A Appendix 1 – Wrap Fee Program

Item 4 – Advisory Business

Alton Capital Management, Inc. (ACM) was registered on August 29, 1997 with the State of Illinois as a Registered Investment Advisor. ACM provides investment management services to individuals, businesses, retirement accounts and trusts. We also provide financial planning services coincident to the management of client assets. ACM generally has an account minimum of \$50,000 with the majority of accounts objective being long-term capital appreciation, although accounts seeking income are also managed. Each advisory account's investments are tailored to the individual client. Clients may impose various restrictions to the investments held in their account(s).

Each client will submit a fully executed Advisory Contract and Request for Management outlining all fees, terms and conditions of the client/advisor relationship. Each client will provide ACM with detailed financial information including but not limited to all personal assets and liabilities, investments, insurance, business interests, real estate, etc. Clients will also provide ACM with financial objectives. ACM will continually monitor applicant's status and objectives and will select investment vehicles to meet applicant's investment goals and objectives. It is the client's responsibility to promptly notify their advisor at ACM of material changes in their financial position, and/or changes in their investment objectives.

ACM may from time to time perform security research, approximate valuation, or perform coincidental financial services for an hourly fee. The hourly fee will be based on the degree of difficulty pertaining to the services rendered and will be greater than \$100.00/hour and less than \$200.00/ hour.

As of February 21, 2011, the total assets managed by ACM are \$52,100,000. Of these total assets, \$51,700,000 are discretionary, and \$400,000 are non-discretionary.

Item 5 – Fees and Compensation

All fees are subject to negotiation.

The specific manner in which fees are charged by Alton Capital Management is established in a client's written agreement with ACM. ACM will generally bill its fees in advance on a quarterly basis. Clients may also elect to be billed directly for fees or to authorize ACM to directly debit fees from client accounts. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days that the account is under management for that quarter. Upon termination of any account, any unearned fees will be promptly refunded, pro rated daily, and any earned, unpaid fees will be due and payable.

ACM will charge investment management fees based on a percentage of assets under management and will bill client accounts quarterly with payments due at the beginning of each quarter. Management fees are subject to negotiation. A typical portfolio fee schedule is as follows:

<u>Assets Under Management</u>	<u>Fee %</u>
\$1 - \$499,999	1.25%
\$500,000 - \$999,999	1.00%
\$1,000,000 - \$1,999,999	0.75%
\$2,000,000 plus	fees are negotiable

Fees are calculated on the total value of the assets under management as of each quarterly billing date. Each client may pay quarterly fees by check, bank wire or by withdrawal from client's account when arranged in advance. As of February 21, 2011, all clients have opted to have their quarterly fees deducted directly from their account, or from a corresponding account held at Alton Securities Group.

Client may, at any time, terminate investment advisory contract by written notice and thereby be entitled to a pro-rated fee refund based on actual number of days in which contract was in effect.

Management fees are typically the only expenses incurred by client accounts. These fees include all expenses and costs related to the selection of investments and all investment transaction costs. Please see Item 12 for more information regarding our brokerage services. ACM does not accept compensation for the sale of any investment products.

Additional fees may include:

- \$35 annual fee for certain retirement accounts
- \$50 one-time set up fee for T.O.D (Transfer on Death) accounts
- 0.1% distribution fee for T.O.D. accounts
- Wire fees of \$10
- Foreign tax when applicable
- Mutual fund internal fees and expenses which are normal to the operation of the fund and disclosed in the fund prospectus.

A part of a mutual fund's internal expenses are 12-b-1 fees. These fees are received by Alton Capital Management. Regarding sales charges for mutual funds: traditional "load" funds purchased for client accounts will be done at N.A.V. (net asset value) with no "load" or upfront sales charge and no contingent deferred sales charge upon liquidation. "No-load" mutual funds may also be purchased. It is in this manner that we may select from traditional "load" mutual funds and "no-load" funds without regard to sales cost to the client, eliminating a potential conflict of interest and expanding the selection of funds from which we may invest.

Item 12 further describes the factors that Alton Capital Management considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

Alton Capital Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Alton Capital Management provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable and/or fraternal institutions. There is no minimum account size, but accounts with less than \$50,000 may not be considered for management.

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

Investing in securities involves risk of loss that the client should be prepared to bear.

Alton Capital Management considers each individual client's overall financial position and ability to take on risk when formulating an overall investment strategy. Therefore, each client will have a mix of various investments tailored to their needs.

Currently, the primary investment security of Alton Capital Management is individual stocks. At ACM we focus primarily on the more well established, larger "blue chip" companies, many of which pay dividends. Growth stocks and smaller speculative stocks will be considered if appropriate. This is done on a client by client basis. Many times, a portfolio of individual stocks is enhanced by the use of mutual funds and ETFs for further diversification and exposure to various investment classes.

INDIVIDUAL STOCKS

The primary method of stock selection begins with a fundamental analysis of that company and its industry. Various factors are considered, including but not limited to the PE ratio, anticipated earnings growth rate, debt/equity ratio, ROE, profit margin, and various other fundamental indicators. We will also consider the average analyst recommendation (buy/hold/sell) as well as recent upgrades/downgrades by analysts that cover the stock.

Other factors that go in to the selection of a security are the macroeconomic cycle that the economy is in and how this will effect the industry of the particular stock that we are considering.

Technical analysis is used primarily as a factor to help determine specific purchase or sale prices of a stock only after we have used fundamental analysis and determined that we would like to buy or sell that security.

The risk of investing in stocks has the potential for partial or total loss of that investment.

EXCHANGE TRADED FUNDS (ETFs)

ETFs are used to fill various gaps in client portfolios, such as exposure to commodities, currencies, sector investments, foreign investments, etc. These funds may be long or short. Short funds carry additional risks and will generally decrease in value if the underlying security increases in value.

Risks involved with ETF include the potential for total or partial loss, and are influenced by interest rate fluctuations as well as geo-political risks. The use of derivatives in ETFs that involve physical commodities or ETFs that are short will also increase the risk of that ETF.

MUTUAL FUNDS

Mutual funds may also be used in client accounts. In some instances a client account may be comprised completely of mutual funds. Alton Capital Management utilizes services from Morningstar to analyze various funds. Many factors are considered in the selection of mutual funds, primarily the overall fund category (bond funds, stock funds, large cap, small cap, growth, value, international, etc.) Additional parameters include manager tenure, fund expenses, alpha, beta, and diversification of holdings. Average bond quality and duration are used for bond fund selections. Past performance of a fund is not indicative of future results, but is useful in showing how a fund/manager performed in down markets as well as up markets.

Although typically well diversified, the risk of total or partial loss in a mutual fund is borne by the client. These risks arise from fluctuating interest rates, default risk, the fluctuation of the stock market as well as geo-political risks. More specific risks associated with each particular fund are outlined in detail in the fund prospectus. Clients will receive, either physically or electronically (if so elected by the client), a prospectus for each fund in the client's portfolio.

INDIVIDUAL BONDS, CDs

Individual bonds, including government, corporate and municipal bonds may be held in client accounts. The bond's rating, coupon, maturity, call provisions and duration are carefully considered in selection each security.

Risks do exist, even in bonds and CDs. These risks include default risk (with corporate bonds and municipal bonds) as well as interest rate risk and purchasing power risk.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Alton Capital Management or the integrity of ACM's management. ACM has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The principal business of Alton Capital Management's executive officers involves significant duties with Alton Securities Group Inc., a broker-dealer. Gregory H. Bray, C. William Bray and Matt D. Maberry are actively engaged in the day to day operations of Alton Securities Group Inc., and in some instances clients of Alton Securities Group may be clients of ACM. Gregory Bray and C. William Bray will devote approximately 10% of their time to Alton Securities and 90% of their time to ACM. Matt Maberry devotes approximately 25% of his time to ACM and 75% of his time to ASG.

ACM has an arrangement with Alton Securities Group Inc., a securities broker-dealer, to provide brokerage services for its clientele. Alton Securities Group Inc., unless otherwise specified by client, will provide trade executions for ACM and its clients via RBC Correspondent Clearing. Gregory Bray, C. William Bray and Matt D. Maberry are principals and shareholders of Alton Securities Group and provide brokerage services for clients. Gregory Bray is an officer (Secretary) of Alton Securities Group. Matt D. Maberry is also an officer (President) of Alton Securities Group.

Item 11 – Code of Ethics

Alton Capital Management has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Alton Capital Management must acknowledge the terms of the Code of Ethics annually, or as amended.

Alton Capital Management anticipates that, in appropriate circumstances and consistent with the client's investment objectives, it will recommend and/or execute the purchase or sale of securities in which ACM, its affiliates and/or clients may have a position of interest. ACM's employees and persons associated with ACM are required to follow ACM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of ACM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for ACM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of ACM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of ACM's clients. In addition, the Code requires pre-clearance of some transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between ACM and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with ACM's obligation of best execution. In such circumstances, the affiliated and client accounts will share costs equally and receive securities at

a total average price. ACM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

ACM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Gregory Bray at 618-466-9700.

It is ACM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. ACM will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

Accounts with ACM will typically use Alton Securities Group as the broker/dealer. Alton Securities Group may benefit from the client accounts of ACM. Commissions charged on ACM client transactions are generally \$0 per transaction (unless otherwise noted and disclosed to the client), therefore virtually eliminating the potential for soft dollar conflicts.

ACM utilizes RBC Correspondent Services, as custodian for cash and securities. We may also utilize virtually any qualified and bonded custodian requested by a client. The management of ACM will apply due diligence comparisons to any proposed custodian and will monitor any current custodians for irregularities or abuses. RBC Correspondent Services, as a wholesale broker/dealer, offers a broad array of services and very competitive fees. Alton Securities Group, Inc., unless otherwise specified, will be responsible for order execution via RBC for accounts of ACM, as well as other products and services. The value of products, research, and services provided by Alton Securities Group, Inc. to ACM is not a factor in determining remuneration to Alton Securities Group, Inc. Therefore, there is no discrimination among clientele of ACM regarding allocation of expenses associated with research, products or services. ACM will charge a flat execution fee (currently \$0) per transaction to cover those costs incurred. This will always be done on a fully-disclosed basis and cannot be changed without the written consent of client.

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

Item 13 – Review of Accounts

The Investment Advisory relationship begins by gathering all pertinent client information, respective goals and objectives, and implementing an appropriate financial strategy to achieve those particular goals and objectives. This is a perpetual and dynamic process requiring constant attention.

Changes in financial status, particularly goals or objectives, the need or availability of funds, etc. should be reported to ACM by the client on a timely basis, as these factors effect investment strategy and necessitate changing, modifying and/or implementing a revised financial plan.

On an ongoing basis, Mr. C.W. Bray, Mr. G.H. Bray and Mr. Maberry will be responsible for review and evaluation of the current macro-economic forces controlling the direction of the economy.

Complete financial and accounting information will be maintained for each client account, which will provide a means of reporting as well as monitoring by ACM management. Mr. G.H. Bray and Mr. Maberry will share in the responsibility for the general review of the investment management accounts held by ACM.

Detailed review of client accounts is an ongoing process, and each advisor will monitor his or her client accounts appropriately. Advisors will review client accounts not less frequently than on a monthly basis, being mindful of the investment objective of each account.

On a quarterly basis, ACM will provide each client with a detailed asset statement outlining current valuations, total asset value, changes in asset value, current income, account activity, total and annual returns compared with accepted benchmarks, changes in ratings, portfolio breakdown by asset class, deposits, withdrawals, etc.

Item 14 – Client Referrals and Other Compensation

Alton Capital Management does not pay for referrals, and receives no compensation for referrals given. All client information is held in strict confidentiality outlined in our Privacy Policy and is not shared with outside sources.

Item 15 – Custody

Unless the client designates other arrangements for custodianship of client securities, all custodial services will be provided by RBC Correspondent Services through Alton Securities Group, Inc., a fully disclosed introductory broker-dealer. Clients will open an account with RBC via Alton Securities Group in order to affect an investment advisory relationship with ACM. Alton Capital Management shall not at any time have physical custody of client assets and ACM has no right of withdrawal of funds from client's account without prior written consent from client.

Per the terms of the arrangement with RBC, clients of ACM will receive account statements on a monthly basis (this will default to quarterly if there is not activity in the account), as well as quarterly performance reports.

Should clients choose to select a broker dealer other than RBC, they should receive at least quarterly statements from that broker dealer, bank or other qualified custodian that holds and maintains their investment assets. ACM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. In such cases, our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Alton Capital Management usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a fiduciary manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, ACM observes the investment policies, limitations and restrictions of the clients for which it advises.

Clients may impose virtually any investment guideline and/or restriction on the management of their assets. These must be provided to ACM in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Alton Capital Management does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. ACM may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Alton Capital Management's financial condition. Alton Capital Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.