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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Capital Management Services, Inc. If you have any questions about the contents of this brochure, please contact us at 610-254-0001. 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 Capital Management Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Capital Management Services, Inc. is 105903.

Capital Management Services, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

Capital Management Services, Inc.'s registration was granted by the U.S. Securities and Exchange Commission on November 19, 1987. Michael Ellis Feldman (CRD Number 1200174) is President and one hundred (100%) percent shareholder of the firm. Jennifer Ann Garrett (CRD Number 1628496) is Chief Compliance Officer of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions. As of April 30, 2012, the firm managed assets on a discretionary basis in the amount of \$270,298,453 which represented 1,139 accounts and on a nondiscretionary basis, managed \$49,888,094 which represented 21 accounts.

Firm (the "Adviser") provides investment advisory services, as summarized in this section. Performance reporting is provided for all accounts at least quarterly.

The Adviser utilizes a top-down investment approach that evaluates the financial markets and the economy to establish a strategic asset allocation for a portfolio. The Adviser employs five investment advisory services described below: CMS Wealth Management; Strafford Asset Management; CMS Third-Party Sub-Adviser; Variations of CMS Wealth Management, Strafford Asset Management, and CMS Third Party Sub-Adviser; and Broker/Dealer Services. Proper due diligence is performed prior to any recommendation.

The Adviser may make available additional investment advisory services in addition to those listed. These additional services may be utilized in limited circumstances where an investment adviser representative has joined the Adviser and currently utilizes another firm or program for asset management services.

CMS Wealth Management:

A client may elect to retain the Adviser to provide investment advisory services through CMS Wealth Management. This service provides the allocation of a client's portfolio among various asset classes. The Adviser utilizes individual securities, no-load funds, money managers, exchange-traded funds and options. In the selection of investment vehicles, the Adviser gives due consideration to past performance, transaction fees, tax efficiency, and management style.

A client may also elect to retain the Adviser to allocate a portion of a client's assets into a concentrated portfolio of stocks selected using one or a combination of two investment styles: a buy-and-hold value approach or momentum growth at a reasonable price. The Adviser will select and research possible stocks for inclusion in the portfolio. However, the client is consulted in regard to the purchase of these stocks. In addition, the Adviser will from time-to-time include specific stocks in the portfolio purely at the client's request.

Neither the Adviser nor any of its investment adviser representatives receives any portion of the brokerage commissions or compensation for transactions effected for CMS Wealth Management. Fees are charged either in advance based on the total market value of assets under management on the last day of the previous calendar quarter or in arrears based on the average capital of the assets under management for the previous quarter. Certain CMS Wealth Management fees paid in advance will be refunded on a pro-rated basis to a client who terminates these services prior to the end of the quarter.

On occasion, clients may engage CMS Wealth Management on a limited 6-12 month basis to consult on

portfolio analysis and review.

Strafford Asset Management:

A client may elect to retain the Adviser to provide individual equity management through Strafford Asset Management. This service is available to clients with portfolios in excess of \$1 million. The minimum is subject to increase or decrease based upon the circumstances of each client.

Strafford Asset Management is a separately managed all-cap, sector-driven, global portfolio of approximately 20-50 equities. Financial markets are monitored and evaluated, and specific securities are identified that match the Adviser's investment criteria. The Adviser determines the company's underlying value. Positions are closely monitored to determine if the original strategy still applies. Securities may be sold upon reaching full valuation or upon a change in the Adviser's outlook. A covered call (buy-write) strategy may be utilized for selected equity positions.

Neither the Adviser nor any of its investment adviser representatives receives any portion of the brokerage commissions or compensation for transactions effected for Strafford Asset Management. Strafford Asset Management fees the Adviser receives are generally graduated based on a percentage of assets under management. Fees are charged either in advance based on the total market value of assets under management on the last day of the previous calendar quarter or in arrears based on the average capital of the assets under management for the previous quarter. Certain Strafford Asset Management fees paid in advance will be refunded on a pro-rated basis to a client who terminates these services prior to the end of the quarter.

CMS Third Party Sub-Adviser:

CMS Third Party Sub-Adviser may be offered to clients with portfolios in excess of \$2 million who desire portfolio management services on a discretionary basis by a third party registered investment adviser (the "Sub-Adviser"). The minimum is subject to increase or decrease based upon the circumstances of each client. The Adviser utilizes CMS Third Party Sub-Adviser to administer and to assist with the individual securities or manager selection. Sub-Advisers are screened based upon the following: asset class, performance, risk level, style consistency, fees, as well as experience and longevity of the managers. The Adviser also provides ongoing due diligence where applicable. The Adviser and/or the Sub-Adviser will consult with the client where applicable concerning the client's objectives and risk tolerance. The Adviser will coordinate any communication between the Client and the Sub-Adviser(s). The Adviser will recommend these Sub-Adviser(s), which are unaffiliated portfolio management firm(s), to provide portfolio management services to the client where suitable. The Adviser and the Sub-Adviser monitor and consult with the client concerning the investment performance of the account, monitor the continuing capability and general performance of the Sub-Adviser(s), and may recommend a change therein if the Adviser deems this appropriate.

Variations of CMS Wealth Management, Strafford Asset Management, and the CMS Third Party Sub-Adviser:

The Adviser offers several variations of CMS Wealth Management, Strafford Asset Management, and CMS Third Party Sub-Adviser Programs, including the following:

1. Asset allocation using style specific institutional or no-load/load-waived mutual funds unaffiliated with Adviser (includes periodic rebalancing of assets among funds);
2. Asset allocation using a specific asset allocation model, recommended to and selected by the client, for which the Sub-Adviser chooses mutual funds unaffiliated with the Adviser to meet the parameters of the model;

3. Asset allocation among a combination of selected mutual funds and/or individual portfolio managers unaffiliated with the Adviser, with respect to whom the Sub-Adviser provides ongoing due diligence and monitoring of performance;
4. Asset allocation among a combination of selected mutual funds and/or individual portfolio managers unaffiliated with the Adviser, with respect to whom the Sub-Adviser provides ongoing due diligence and monitoring of performance, and with the addition of a hedging strategy that is managed by the Sub-Adviser or a selected portfolio manager and is designed to provide protection against downside risk; and
5. Asset allocation programs to be designed by the Adviser or a Sub-Adviser that are similar to the foregoing programs.

In each case the Adviser and/or Sub-Adviser will monitor the client's account on a regular basis with regard to the appropriateness of the allocations in the judgment of the Adviser or Sub-Adviser, as applicable, in light of financial market and economic conditions. The Adviser and/or Sub-Adviser will recommend account modifications based on changes in the client's investment objectives, overall financial circumstances, risk tolerance and return objectives.

In limited cases, Investment Adviser Representatives have arrangements to provide fee based investment advisory services including asset allocation monitoring of investment and reporting to clients outside of the asset management programs. Fees for these services are billed in arrears or in advance, are due on a monthly or quarterly basis and, in some cases, a minimum fee or asset size may be required. Fees may vary based on the type of plan needed, complexity of the client's situation and services provided. Fees may be negotiable under the same circumstances as described above for CMS Wealth Management and Strafford Asset Management.

The Adviser provides 401(k) consulting services for plan trustees of corporations, public and private. The Adviser follows a process that analyzes plan investment options and makes a selection based upon asset allocation investment performance, risk level, style consistency, fees, and longevity of fund manager. The Adviser also provides ongoing monitoring of the investments and allocations. Recommendations may be made to modify allocations or to change investment vehicles due to performance issues, fund manager change, fund expense change, or an undesirable shift in investment style. The Adviser also handles participant education as requested. Participant education may include regular enrollment meetings which focus on fund information as well as market and economic overviews to assist participants in the selection of the appropriate investment options.

The Adviser also provides the following types of financial planning services:

1. Investment Planning - This involves advice with respect to asset allocation and investment income accumulation strategies. These strategies are implemented principally through the utilization of mutual funds. Evaluations are made of existing investment in terms of their economic and tax characteristics as well as their suitability for meeting client's objectives. Tax consequences and their implication are identified and evaluated.
2. Retirement Planning - This involves advice with respect to alternatives and methods for accumulating wealth for retirement income or advice relative to appropriate distribution of assets following retirement. Tax consequences and their implications are identified and evaluated.
3. Estate Planning - This involves advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques. It involves a discussion of gifts, trusts, etc., and the disposition of business interests. Tax consequences and their implications are identified and evaluated.

4. Business Succession Planning - This includes advice with respect to alternatives and strategies regarding the continuity or disposition of the business upon the business owner's retirement, death, disability, or decision to sell. Tax consequences and their implication are identified and evaluated.

The Adviser also has a few special arrangements with wrap fee programs and money managers which allow for fee based asset management on an exclusive basis for special client situations. These programs follow the same general format and fee structure as our primary programs (as described above). Depending on the arrangement, the representative of the Adviser serves either as an investment adviser representative or a solicitor for the program.

Fees and Compensation

Form ADV Part 2A, Item 5

CMS Wealth Management:

The following schedule outlines the maximum annual fee charged; however, fees may be negotiable depending on such factors as account size, historical circumstances and prior relationships:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
First \$250,000	1.75%
Next \$250,000	1.50%
Next \$500,000	1.25%
Above \$1,000,000	1.00%

An additional charge of 0.25% may be levied on accounts using a covered call writing strategy.

Strafford Asset Management:

The following schedule outlines the maximum annual fee charged; however, fees may be negotiable depending on such factors as account size, historical circumstances and prior relationships:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
First \$250,000	1.75%
Next \$250,000	1.50%
Next \$500,000	1.25%
Above \$1,000,000	1.00%

CMS Third Party Sub-Adviser:

Representative fee schedules are as follows:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
First \$2,000,000	1.50%
Next \$3,000,000	1.25%
Next \$5,000,000	1.00%
Above \$10,000,000	negotiable

The above fees represent the maximum fees that may be charged. The actual fee schedule charged, however, may be less than such fees. Fees may be negotiable under the same circumstances, and fees are charged in the same manner, as described previously for CMS Wealth Management and Strafford Asset Management.

401(k) consulting services may be offered to trustees of retirement plans with assets in excess of \$500,000. The minimum is subject to increase or decrease based upon the circumstances of each plan. 401(k) consulting fees are as follows:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
First \$1,000,000	1.00%
Next \$1,000,000	0.75%

Next \$3,000,000	0.50%
Next \$5,000,000	0.35%
Above \$10,000,000	negotiable

The above fees represent the maximum fees that may be charged. The actual fee schedule charged, however, may be less than such fees. Fees may be negotiable under the same circumstances, and fees are charged in the same manner, as described previously for CMS Wealth Management.

In addition, the Adviser occasionally presents seminars concerning financial planning to groups of employees, associations and general public groups on a negotiated fee basis.

Advisory fees charged for financial planning vary according to such factors as assets of the client, whether the service is being made available by an employer as an employee benefit and whether the fee is for a new contract or for the renewal of an existing contract or for an ongoing service contract. A retainer of up to 100% of the estimated fee may be billed to the client upon execution of the contract. Financial planning services may be offered at an hourly rate varying from \$75 to \$500 per hour, or more, or an asset management fee may be applied. In certain situations a flat fee may be charged ranging from \$1,500-\$25,000 or more. After the first anniversary of their initial contract, clients may wish, or the Adviser may suggest, that their contracts be renewed. The client may elect to have a written summary prepared or to have the Adviser provide continuous advisory services.

The financial planning contract may be terminated without penalty at the discretion of the client within five (5) days after its execution. If the client is dissatisfied with the focus or specificity of the plan, the Adviser will, if requested by the client in writing within ten days of delivery, and at no additional cost, make appropriate changes to the plan, or in the Adviser's sole discretion, refund part or the entire fee which the client has paid.

The Adviser also provides financial planning services to corporate clients with regard to nonqualified benefit planning. Such plans are summarized for the client in a written document delivered to the client which reflects the client's current situation with respect to this program, an analysis of alternative methods to informally "fund" the program, including an overview of the account treatment of such alternative methods within the program and a recommendation as to the appropriate method of "funding" for that employer. Fees charged for this planning are based on the complexity of the analysis needed. Fees charged to clients typically range from \$1,000 to \$15,000 or more. The financial planning contract may be terminated without penalty at the discretion of the client within five (5) days after its execution. If the client is dissatisfied with the focus or specificity of the plan, the Adviser will, if requested by the client in writing within ten days of delivery, and at no additional cost, make appropriate changes to the plan, or in the Adviser's sole discretion, refund part or all of the fee which the client has paid.

Clients may incur certain charges imposed by outside custodians or mutual fund companies and other third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees, and commissions are exclusive of and in addition to the firm's fee.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

None.

Types of Clients

Form ADV Part 2A, Item 7

Individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

In most cases, a minimum fee or dollar value of assets managed will be required for Asset Management/Supervisory services. In addition, there may be a minimum charge for financial planning. Generally, the minimum fees and/or value of assets managed are as follows:

	<u>Minimum Fee Per year</u>	<u>Minimum Assets Under Mgt.</u>
Investment Advisory Services	X	\$250,000
Financial Planning	\$1,500	X

The minimum is subject to increase or decrease based upon the circumstances of each client. Additional information regarding Asset Management/Supervisory Services and Financial Planning is described above.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

The Adviser provides investment consulting using both fundamental and technical approaches to investment planning. Analysis and advice is provided in the following areas: investments, cash management, risk management, retirement planning and estate planning.

Investment Adviser representatives of the Adviser utilize research reports and information provided by third parties for analysis for asset management programs, which are provided to the clients.

In the financial planning process, using approved questionnaires and software, the Adviser's investment adviser representatives and the client identify appropriate client objectives and applicable allocation of client assets among categories of financial assets in order to address specific client identified economic and tax characteristics.

In addition to sources identified under item 4B for all asset management programs used by representatives of the Adviser, the specific security analysis methods, sources of information and investment strategies would depend upon and would be determined by the applicable third party asset management vendors or process selected by the client.

Examples of these investment methods, sources and strategies include strategic and tactical asset allocation, construction of individual stock portfolios based upon fundamental valuation models and/or market consensus and the utilization of options to provide a protection component on variable investments.

Investment strategies include long-term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions and option writing.

All securities carry some varying degree of risk of loss.

Disciplinary Information

Form ADV Part 2A, Item 9

None.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

The Adviser has some personnel who are registered representatives of Comprehensive Asset Management and Servicing Inc. (CAMAS), a registered broker-dealer. These personnel may offer investments available through the broker-dealer and can effect transactions on a non-discretionary or discretionary trading authority basis. Certain investment adviser representatives may also be licensed to sell insurance and related financial vehicles.

The Adviser's personnel who are registered representatives of a registered broker-dealer also offer investments available through the broker-dealer and can effect transactions on a non-discretionary or discretionary trading authority basis, for clients in many types of investments, including common and preferred stock, mutual funds, exchange-traded funds, U.S. Government securities, mortgaged-backed securities, corporate and municipal bonds, certificates of deposit, coins/precious metals, and options.

Certain investment adviser representatives of the Adviser who provide investment advice to its clients are registered representatives of Comprehensive Asset Management and Servicing Inc. in its capacity as a registered securities broker-dealer and will normally also be licensed to sell insurance and related financial programs.

While the Adviser's principal business is providing investment advisory services, the proportion of time spent by Adviser's principal executive officers on effecting transactions in securities and selling insurance products varies greatly from time to time and is not determinable.

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

Form ADV Part 2A, Item 11

The Adviser, as a matter of policy and practice, and consistent with industry best practices and SEC requirements, has adopted a written Code of Ethics covering all supervised persons. This Code of Ethics requires high standards of business conduct, compliance with federal securities laws, reporting and record keeping of personal securities transactions and holdings, reviews and sanctions. A copy is provided to any client or prospective client upon request. The Adviser will adhere to the guidelines described under this Code of Ethics. These guidelines promote fairness and objectivity in dealing with all clients and prospects when disseminating investment recommendation. They also require that transactions for clients shall have priority over any purchases made by the Adviser and its officers, employees and investment adviser representatives. The Code of Ethics is designed to ensure that no personal securities or investment transactions of the personnel of the Adviser are in conflict of interest with a client of the Adviser.

Brokerage Practices

Form ADV Part 2A, Item 12

As discussed previously, several of the Adviser's investment adviser representatives are registered representatives of Comprehensive Asset Management and Servicing Inc. (CAMAS), an unaffiliated broker-dealer. As registered representatives, they may effect through CAMAS or any other unaffiliated broker-dealer, as applicable, either (1) transactions for clients that are completely separate from and unrelated to any of the asset management programs, financial planning services or timing services of the Adviser; or (2) transactions for such asset management programs, financial planning services or timing services of the Adviser. In the former case, for transactions for clients that are completely separate from and unrelated to any of the asset management programs, financial planning services or timing services of the Adviser, the commissions or other compensation for such transactions that are payable to such representatives are not paid to the Adviser, but instead are paid directly to the representatives under the broker-dealer compensation arrangements between such representatives and CAMAS, or the other unaffiliated broker-dealers. In the latter case, for transactions for such asset management programs, financial planning services or timing services of the Adviser, neither the Adviser nor any of its investment adviser representatives receives any portion of such commissions or compensation for such transactions, and the Adviser or Sub-Adviser, as applicable, pays the cost of effecting such transactions for the applicable asset management program, financial planning service or timing service from its receipt of the fees paid by the clients of the Adviser.

Two situations arise where potential conflicts of interest may exist in the recommendation of brokers to clients:

- 1) Several of the Adviser's investment adviser representatives are registered representatives of Comprehensive Asset Management and Servicing Inc., broker/dealer, member FINRA, SIPC, and
- 2) The Adviser participates in the TD Ameritrade Institutional and Fidelity Investments adviser program. Additionally, the Adviser may participate in the TD Ameritrade Institutional or Fidelity Investments client referral programs, as well as the TD Ameritrade Institutional Coaching Program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade and Fidelity Investments are independent and unaffiliated SEC-registered broker/dealers and FINRA members. TD Ameritrade and Fidelity Investments offer to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Adviser receives some benefits that may be deemed "economic" from TD Ameritrade or Fidelity Investments through its participation in the programs.

Even though the Adviser may recommend CAMAS, TD Ameritrade, or Fidelity Investments to clients for custody and brokerage services, clients are not required to utilize these firms. In the event that a client freely chooses to implement the investment advice provided by the Adviser through such a registered representative or investment adviser representative, the broker/dealer that executes the transactions for such investment would be of the client's choosing. As part of its fiduciary responsibility to clients, the Adviser endeavors at all times to put the interest of its clients first. Adviser acknowledges its duty to seek best execution of trades for client accounts.

As disclosed above, some of the Adviser's investment adviser representatives are registered representatives of Comprehensive Asset Management and Servicing Inc. and Adviser participated in TD Ameritrade's and Fidelity Investments' adviser programs and Adviser may recommend TD Ameritrade, Fidelity Investments or CAMAS to clients for custody and brokerage services. There is no direct link between Adviser's relationship with these broker/dealers and the investment advice it gives to clients, although Adviser receives certain

benefits that may be deemed "economic" through its participation in these programs. These benefits may include the following products or services (provided without cost or at a discount): receipt of duplicate client confirmations and statements; research related tools and services; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, technology, and practice management products or services provided to Adviser by third party vendors. Additionally, TD Ameritrade and Fidelity Investments may also have paid for business consulting or professional services received by Adviser's related persons. Some of the products and services made available by TD Ameritrade and Fidelity Investments through the program may benefit Adviser but may not benefit its client accounts. These products or services may assist Adviser in managing and administering client accounts, including accounts not maintained at TD Ameritrade or Fidelity Investments. Other services made available by TD Ameritrade or Fidelity Investments are intended to help Adviser manage and further develop its business enterprise. The benefits received by Adviser (or its related persons) do not depend on the amount on brokerage transactions directed to CAMAS, TD Ameritrade, or Fidelity Investments.

As part of its fiduciary duties to clients, Adviser endeavors at all times to put the interest of its clients first. Clients should be aware that the receipt of economic benefits by Adviser (or its related persons) in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's choice of broker-dealer for custody and brokerage services.

Review of Accounts

Form ADV Part 2A, Item 13

Accounts in asset management or investment supervisory programs are reviewed as agreed upon by the representative and client or as requested by the client. Additionally, investment adviser representatives review quarterly reports of client accounts. The Adviser's Investment Committee receives quarterly performance reports from the primary investment adviser or wrap fee program sponsor for some programs. The Investment Committee is comprised of: Michael E. Feldman, CFP®; Jennifer A. Garrett, CFA; and Eric T. Lanshe, CFA.

Financial Planning clients each receive a completed financial plan tailored separately for each of such clients initially and if they elect to renew. Clients who participate in asset management programs receive confirmations as activity occurs and/or monthly statements of activities within the account. All asset management programs offered by the Adviser provide at least quarterly reports to clients.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

As disclosed under Item 12, Adviser participates in TD Ameritrade's Institutional's and Fidelity Investments' adviser programs. Adviser may recommend TD Ameritrade or Fidelity Investments to clients for custody and brokerage services. There is no direct link between Adviser's participation in the program and the investment advice it gives to its clients, although Adviser receives economic benefits through its participation in the programs that are typically not available to TD Ameritrade's or Fidelity Investment's retail investors. These benefits include the following products and services (provided at cost or at a discount): receipt of duplicate client statements and confirmations; research –related products and tools; consulting services; access to a trading desk serving Adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Adviser by third-party vendors. TD Ameritrade or Fidelity Investments may have paid for business consulting and professional services received by Adviser's related persons. Some of the products and services made available by TD Ameritrade or Fidelity Investments through the programs may benefit Adviser by may not benefit its client accounts. These products or services may assist Adviser in managing and administering client accounts, including accounts not maintained at either TD Ameritrade or Fidelity Investments. Other services made available by TD Ameritrade and Fidelity are intended to help Adviser manage and further develop its business enterprise. The benefits received by Adviser do not depend on the amount of brokerage transactions directed to TD Ameritrade or Fidelity Investments. As part of its fiduciary duties to clients, Adviser endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's choice of custodian.

Adviser may receive client referrals from either TD Ameritrade AdvisorDirect Program or Fidelity Investments through their referral programs. In addition to meeting the minimum eligibility criteria for participation in the referral programs, Adviser may have been selected to participate based on the amount and profitability to TD Ameritrade or Fidelity Investments of the assets in, and trades placed for, client accounts maintained with TD Ameritrade or Fidelity Investments. TD Ameritrade and Fidelity Investments are discount broker-dealers independent of and unaffiliated with Adviser and there is no employee or agency relationship between them. TD Ameritrade and Fidelity Investments have established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. Neither TD Ameritrade nor Fidelity Investments supervise Adviser and has no responsibility for Adviser's management of client portfolios or Adviser's other advice or services. Adviser pays TD Ameritrade an ongoing fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Adviser ("Solicitation Fee").

Adviser may also receive coaching services referrals from TD Ameritrade through its participation in the TD Ameritrade Institutional Coaching Program. In addition to meeting the minimum eligibility criteria for participation in the this program, Adviser may have been selected to participate in the program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades paced for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker dealer independent of and unaffiliated with Adviser and there is no employee or agency relationship between them. TD Ameritrade has established the

TD Ameritrade Institutional Coaching Program as a means of assisting independent unaffiliated advisers to grow and maintain their respective investment adviser business. TD Ameritrade does not supervise Adviser and has no responsibility for Adviser's management of client portfolios or other advice or services.

Adviser's participation in the TD Ameritrade Institutional Coaching Program raises potential conflicts. Adviser may encourage their clients to custody their assets at TD Ameritrade when those client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Coaching Program, Adviser may have an incentive to recommend to its clients that the assets under management by Adviser be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade.

Adviser's participation in the TD Ameritrade Institutional Coaching Program does not diminish its duty to seek best execution of trades for client accounts.

Adviser will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Adviser from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Adviser on the recommendation of such referred client. Adviser will not charge clients referred through these referral programs any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade or Fidelity Investments to its clients.

Adviser's participation in the referral programs raises potential conflicts of interest. TD Ameritrade or Fidelity Investments will most likely refer clients to investment advisers that encourage their clients to custody their assets at TD Ameritrade or Fidelity Investments and whose client accounts are profitable to TD Ameritrade or Fidelity Investments. Consequently, in order to obtain client referrals from TD Ameritrade or Fidelity Investments, Adviser may have an incentive to recommend to clients that the assets under management by Adviser be held in custody with TD Ameritrade or Fidelity Investments and to place transactions for client accounts with TD Ameritrade or Fidelity Investments. In addition, Adviser has agreed not to solicit clients referred to it through the referral programs to transfer their accounts from TD Ameritrade or Fidelity Investments, or to establish brokerage or custody account at other custodians, except when its fiduciary duties require doing so. Adviser's participation in the referral programs does not diminish its duty to seek best execution of trades for client accounts.

Further, the Adviser may enter into an agreement to pay a referral fee to an individual "solicitor." The client receives full written disclosure of the agreement as an addendum to the Investment Advisory Agreement. The client does not pay an additional charge for receiving advisory services through a solicitor.

Furthermore, Adviser may receive succession planning, practice valuation and equity management services from third-party vendors through Adviser's participation in TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in this program, Adviser may have been selected to participate based on the amount and potential profitability to TD Ameritrade of the assets in and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Adviser and there is no employee or agency relationship between TD Ameritrade and Adviser. TD Ameritrade has established the TD Ameritrade Institutional Equity Management Program as means of assisting independent unaffiliated advisers to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise Adviser and has no responsibility for Adviser's management of client portfolios or Adviser's other advice or services to clients.

Adviser's participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. Adviser may encourage clients who may be more profitable to TD Ameritrade to custody their assets at TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, Adviser may have an incentive to recommend to clients that the assets under management by Adviser be held in custody with TD Ameritrade and to place transactions for client accounts

with TD Ameritrade. Adviser's participation in the program does not relieve the Adviser of the duty to seek best execution of trades for client accounts.

Custody

Form ADV Part 2A, Item 15

None.

Investment Discretion

Form ADV Part 2A, Item 16

The Adviser manages many accounts on a discretionary basis. The Adviser has the authority to determine the securities to be bought or sold and the amounts of those securities in order to follow the investment policy approved by the client.

Voting Client Securities

Form ADV Part 2A, Item 17

Firm does not vote proxy statements on behalf of advisory clients.

Financial Information

Form ADV Part 2A, Item 18

There is no financial reporting requirement since the firm does not receive any fees more than six months in advance.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Not applicable.

Additional Information

The Adviser has client suitability requirements, as well as regulation and compliance rules and procedures, which must be followed. In addition, compliance officers and other principal executive officers of the Adviser have the right to and do conduct supervisory regulation and compliance inspections and audits on a periodic basis.

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Jennifer A. Garrett, CFA
Eric T. Lanshe, CFA

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FORM ADV PART 2B
BROCHURE SUPPLEMENT

This brochure supplement provides information about Michael E. Feldman, Jennifer A. Garrett, and Eric T. Lanshe that supplements the Capital Management Services, Inc. brochure. You should have received a copy of that brochure. Please contact Jennifer A. Garrett, Chief Compliance Officer, if you did not receive Capital Management Services, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about the above listed individuals is available on the SEC's website at www.adviserinfo.sec.gov.

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Educational Background and Business Experience

Form ADV Part 2B, Item 2

Michael E. Feldman, CFP® - Michael has been providing comprehensive financial planning services to individual and corporate clients throughout the United States for over thirty years. He is the founder and President of Capital Management Services, Inc., an independent investment advisory firm. Michael holds a marketing degree from Temple University and is a Certified Financial Planner Practitioner. He is a member of the Financial Planning Association, a national organization for members of the financial planning community. He was born in 1947.

Jennifer A. Garrett, CFA - Jennifer has over twenty-five years of investment management experience. She serves as Senior Portfolio Manager for Capital Management Services, Inc. She specializes in advising high net worth individuals, as well as managing fixed income portfolios. Previously she was a partner in a regional investment advisory firm. Jennifer graduated from Drew University with a BA in Economics. Further, she holds the Chartered Financial Analyst designation. She belongs to both the CFA Institute and the CFA Society of Philadelphia. She was born in 1961.

Eric T. Lanshe, CFA – Eric has over twenty years of experience in the financial services industry. He serves as Senior Portfolio Analyst for Capital Management Services, Inc. He specializes in portfolio construction and implementation for the firm's diverse clientele. Eric is a graduate of West Virginia University with a BS in Business Administration. Over the course of his career, he has served in various facets of the industry, ranging from quantitative back testing to equity market making to bond trading to comprehensive wealth management. Eric is a holder of the Chartered Financial Analyst designation and is a member of both the CFA Institute and the CFA Society of Philadelphia. He was born in 1969.

Chartered Financial Analyst ['CFA']: This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required.

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 62,000 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
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Disciplinary Information

Form ADV Part 2B, Item 3

None.

Other Business Activities

Form ADV Part 2B, Item 4

The Adviser has some personnel who are registered representatives of Comprehensive Asset Management and Servicing Inc. (CAMAS), a registered broker-dealer. These personnel may offer investments available through the broker-dealer and can effect transactions on a non-discretionary or discretionary trading authority basis. Certain investment adviser representatives may also be licensed to sell insurance and related financial vehicles.

The Adviser's personnel who are registered representatives of a registered broker-dealer also offer investments available through the broker-dealer and can effect transactions on a non-discretionary or discretionary trading authority basis, for clients in many types of investments, including common and preferred stock, mutual funds, exchange-traded funds, U.S. Government securities, mortgaged-backed securities, corporate and municipal bonds, certificates of deposit, coins/precious metals, and options.

Certain investment adviser representatives of the Adviser who provide investment advice to its clients are registered representatives of Comprehensive Asset Management and Servicing Inc. in its capacity as a registered securities broker-dealer and will normally also be licensed to sell insurance and related financial programs.

While the Adviser's principal business is providing investment advisory services, the proportion of time spent by Adviser's principal executive officers on effecting transactions in securities and selling insurance products varies greatly from time to time and is not determinable.

Additional Compensation

Form ADV Part 2B, Item 5

See Item 4, above.

Supervision

Form ADV Part 2B, Item 6

The Chief Compliance Officer of the firm supervises the professional activities of all individuals in the firm.

Requirements for State-Registered Advisers

Form ADV Part 2B, Item 7

Not applicable.