

Item #1 Cover Page

Caplinger Management

Part 2A of Form ADV

The Brochure

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Updated: March 31, 2011

This brochure provides information about the qualifications and business practices of Caplinger Management. If you have any questions about the contents of this brochure, please contact us at (561)627-4601 or GaryCaplin@aol.com. 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 CAPLINGER MANAGEMENT/GARY B. CAPLINGER also is available on the SEC's website at www.adviserinfo.sec.gov.

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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 materials 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 Gary B. Caplinger, President/Chief Compliance Officer at (561)627-4601 or GaryCaplin@aol.com.

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Item #4 Advisory: Caplinger Management is a sole proprietorship owner by Gary B. Caplinger, President and Chief Compliance Officer. Caplinger Management has been doing business since January, 1986.

Mr. Caplinger primarily provides investment management to individuals. His investment advice

is limited to common stocks, corporate and municipal bonds. All investment advice is tailored to the individual needs of his clients.

As of March 31, 2011, Mr. Caplinger manages twenty-nine (29) million dollars of clients assets of which twenty three (23) million dollars were non-discretionary in nature and six (6) million dollars were managed discretionary accounts

Item #5 Fees and Compensation:

All fees are subject to negotiation.

The specific manner in which fees are charged by Caplinger Management is established in a client's written agreement with Caplinger Management. Caplinger Management will generally bill its fees on a quarterly basis in arrears. Clients may also elect to be billed directly for fees or to authorize Caplinger Management to directly debit fees from client accounts. Management fees shall [or shall not] be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any unpaid fees will be due and payable.

Investment management fees can range in the area of .35% to 1.25% of the assets under management depending on the extent of services provided. Fees will be calculated on the previous month's market value.

Caplinger Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Caplinger Management's fee, and Caplinger Management shall not receive any portion of these commissions, fees, and costs.

Caplinger Management uses Fidelity Investments to maintain custody of its clients assets. Fidelity charges no fees in connection with this service except for a modest fee on the buying and selling of securities. Fidelity also provides monthly statements to all non-discretionary clients. It also provides statements for discretionary accounts upon request.

Item #6 Performance-Based and Side-By-Side Management:

Caplinger 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:

Caplinger Management provides portfolio management services to individuals, high net worth individuals, associated trusts, estates, corporate pension, profit-sharing plans, and charitable endowments.

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

Caplinger Management conducts fundamental analysis on all securities recommended for client accounts. This analysis varies depending on the security in question. For stocks and bonds the analysis generally includes a review of:

- . The issuer's management;
- . The amount and volatility of past profits or 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 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.

Caplinger Management conducts a thorough portfolio review monthly.

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Caplinger Management primarily invests for relative long time horizons, often for a year or more.

Investing in securities always involves risk of loss that clients should be prepared to bear.

Caplinger Management subscribes to Value Line for financial reporting services, databases, and publications. In addition, Caplinger Management relies on information provided by independent

service providers, such as; Standard & Poor's rating agencies, numerous business publications, various academic resources and news and information sources on the internet, such as CNBC and business news networks.

Item #9 Disciplinary Information:

Caplinger Management has no information applicable to this item.

Item #10 Other Financial Industry Activities and Affiliations:

Caplinger Management and its employees do not have any relationships or arrangements with other financial services companies that pose any material conflicts of interest

Item #11 Code of Ethics:

Caplinger Management has adopted a Code of Ethics for all employees 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.

Caplinger Management anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Caplinger Management has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Caplinger Management, its affiliates and/or clients, directly or indirectly, have a position of interest. Caplinger Management's employees and persons associated with Caplinger Management are required to follow Caplinger Management's Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Caplinger Management 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

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employees to invest for their own accounts. 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 Caplinger Management and its clients.

It is Caplinger Management's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. CAPLINGER MANAGEMENT will also not cross trades between client accounts.

Item #12 Brokerage Practices:

Caplinger Management does not maintain custody of your assets on which we advise. Assets must be maintained in an account at a qualified custodian, generally a broker/dealer or a bank. Caplinger Management generally recommends that clients arrange for their assets to be held with Fidelity Investments. We are independently owned and operated and are not affiliated with Fidelity Investments. Fidelity Investments will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. Caplinger Management has managed client assets held at Fidelity Investments for many years and has found Fidelity Investments to offer good services at competitive prices. However, clients are not required to have Fidelity Investments custody their assets.

Soft Dollar Benefits

Caplinger Management receives certain products and services from Fidelity Investments free of charge or at discounted rates. A partial list of these products and services include:

- . The receipt of duplicate client confirmations, statements, and other account information;
- . The combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- . The capability to execute, clear, and settle trades (buy and sell securities for your account);
- . The capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);

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- . Consistent quality of service and concern for client account;
- . Competitive pricing, including: any mutual fund charges, commission rates, margin interest rate, and extra service fees;
- . Solid financial strength and stability;
- . Direct client access to customer service is generally available 24 hours per day, 7 days a week through Fidelity Advisor Channel.
- . Access to research products and security search and filtering capabilities;
- . Access to an electronic network for order entry, including the simultaneous entry of trades on behalf of multiple client accounts;
- . Electronic access to client activity on a regular basis through daily downloads;
- . Reporting and software that supports Caplinger Management's research process.

For our clients' accounts that Fidelity Investments maintains, Fidelity Investments does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executed or that settle into the Fidelity Investments account. Periodically Fidelity Investments will offer seminars and conferences, sometimes hosted by industry representatives, for Caplinger Management employees that offer free meals and refreshments.

Fidelity Brokerage Services is Fidelity Investment's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage-trading, custody, reporting, and related service-many of which are not typically available to retail customers. Fidelity Investments also makes available various support services, like Fidelity Advisor Channel. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Fidelity Investments support services generally are available on an unsolicited basis and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Fidelity Investments.

Fidelity Investments also makes available to Caplinger Management other products and services that benefit Caplinger Management but may not benefit its clients' accounts. These include software and other technology that provide access to client account data, facilitate trade execution, provide research, pricing information and other market data, assist with back office functions, record keeping, and client reporting. Fidelity Investments also provides other services including: consulting, publications and conferences on practice management, informational technology, business succession, regulatory compliance, and marketing. Fidelity Investments may discount or waive fees it would

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otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Caplinger Management.

Caplinger Management does not believe that clients whose accounts are held by Fidelity Investments bear any additional costs in connection with Caplinger Management's receipt of the products and services. Furthermore, Fidelity Investments' provision of these products and services is not contingent upon Caplinger Management formally committing any specific amount of business to Fidelity Investments. However, Caplinger Management would not receive these products and services if client accounts were not held in custody and traded by Fidelity Investments. Caplinger Management's receipt of these products and services creates a conflict of interest in connection with Caplinger Management's recommendation of Fidelity Investments. 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 Fidelity Investments, 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 Counterparts

Caplinger Management can typically trade account held at Fidelity Investments using other broker/ dealers. However, Fidelity Investments charges clients trade-away fees that Caplinger Management believes outweigh any benefits from trading stocks, bonds or

mutual funds with other brokers. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Caplinger Management believes that having Fidelity Investments execute client trades is consistent with our duty to provide the client with the best execution of the trades.

The availability and pricing of bonds varies more widely and this can be a disadvantage to clients that rely primarily upon one broker/dealer.

For clients who elect to have their accounts held by firms other than Fidelity Investments, Caplinger Management's approach is generally to use the chosen custodian and recommend to the client trades that should be made. It is the client's responsibility to place the trades and maintain all books and records on the account(s). Caplinger Management will not have any access to the client's accounts and will not be able to monitor the accounts on a periodic basis.

Some clients' accounts are relatively small, in which case the custodian may not allow Caplinger Management to trade through other firms. Other clients may specifically request that their accounts only be traded through a particular broker/dealer. Caplinger

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Management trades these accounts through the firm chosen by the client, which limits Caplinger Management's ability to seek best execution. Trading restrictions may result in materially higher trading costs and reduced returns. Also, Caplinger Management may not be accorded the same consideration and service as it receives from Fidelity Investments due to the lower volume of business.

Best Execution Reviews

On at least an annual basis Caplinger Management evaluates the pricing and services offered by Fidelity Investments and other trading counterparties with those offered by other reputable firms. Caplinger Management has sought to make a good-faith determination that Fidelity Investments 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 Caplinger Management's receipt of products and services from Fidelity Investments. Historically Caplinger Management has concluded that, considering all factors, Fidelity Investments is as good as, or better than, the other firms that have been considered. Caplinger Management would notify its clients if it were to determine that another firm offered better pricing and services than Fidelity Investments.

Aggregated Trades

Caplinger Management does not typically aggregate client trades. Clients that do participate 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 were partially filled, clients will have their orders fully filled on a randomized basis; Caplinger Management 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 Fidelity Investments and one or more other broker/dealers, Caplinger Management'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 Fidelity Investments 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 Fidelity Investment accounts.

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Client Referrals

Caplinger Management does not compensate Fidelity Investments or any other custodian or broker/dealer for referring client accounts.

Item #13 Review of Accounts:

Accounts under Caplinger Management's management are reviewed monthly and initiates a client meeting or discussion on a quarterly basis. Caplinger Management reviews each account in detail. On at least a quarterly basis Caplinger Management reviews a number of reports that are designed to identify overall portfolio performance. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Clients generally receive account statements directly from their chosen custodian on a monthly basis. Caplinger Management supplements these custodial statements with quarterly reports provided during client meetings.

Item #14 Client Referrals and Other Compensation:

Caplinger Management does not pay any portion of its advisory fees to another investment adviser in connection with that adviser's referral of a client to Caplinger Management.

Other than the previously described products and services that Caplinger Management receives from Fidelity Investments, Caplinger Management does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients. The availability to us of Fidelity Investments products and services is not based on us giving particular investment advice, such as buying Fidelity Investments mutual funds or any particular securities for our clients.

Item #15 Custody:

All clients' accounts are held in custody by unaffiliated broker/dealers or banks. Generally, for Caplinger Management, Fidelity Investments maintains custody of your assets. Account custodians send statements directly to the clients.

Item #16 Investment Discretion:

Caplinger 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 manner consistent with the stated investment objectives for the particular client account.

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

Investment guidelines and restrictions must be provided to Caplinger Management in writing.

Item #17 Voting Client Securities:

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, Caplinger Management declines to vote any proxies on behalf of client securities. Clients are completely responsible for the voting of proxies related to securities held in their accounts with the broker/dealer.

Clients should consider the reputation, experience, and competence of a company's management and board of directors when it evaluates a prospective investment. Clients generally vote in favor of routine corporate matters, such as the re-approval of an auditor or a change of a legal entity's name. Clients also generally vote in favor of compensation practices and other measures that are in-line with industry norms, that allow companies to attract and retain key employees and directors, that reward long-term performance, and that align the interests of management and shareholders. Clients may choose to supplement their evaluation of proxies with guidance from an independent corporate governance consulting firm.

Item #18 Financial Information:

Caplinger 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.

Item #19 - Requirements for State Registered Advisors

A. Gary B. Caplinger is the only principal executive officer and his formal education and business background are listed elsewhere on Form ADV.

B. All business activities of Caplinger Management have been described elsewhere on Form ADV.

C. Caplinger Management does not collect any performance based fees.

D. 1. Caplinger Management has never been involved in any type of arbitration claim.

2. Caplinger Management has not been found liable in any civil or administration proceedings involving any of the following:

- a) an investment or an investment related business or activity;
- b) fraud, false statement(s), or omissions
- c) theft, embezzlement, or other wrongful taking of property,
- e) dishonest, unfair, or unethical practices.

E. Caplinger Management has no other relationship or arrangement with any issuer of securities.