

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

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Brochure dated
March, 2012

This brochure provides information about the qualifications and business practices of Flagship Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at 610-565-9580. 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 Flagship Capital Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

None

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Flagship Capital Management is a privately held Registered Investment Advisor, incorporated in Delaware in January, 1990. The firm has three individual shareholders: Thomas Goldsmith who is actively engaged in the business and two inactive shareholders Vincent Griffith and Michael Ritter.

Flagship provides investment management services for individuals, corporations, pension and profit sharing plans, foundations, trusts, and endowment funds. These management services include the selection of investment securities to be purchased on behalf of clients. In addition to the selection of the specific investment securities, the proportion of those securities in relation to the client's investment account and the timing of the purchase and sale of those securities are included as part of the management service. Services offered also include financial planning and business and investment advisory services.

Client investment portfolios generally contain: stocks, bonds, mutual funds, exchange traded funds, and cash. The allocation of these assets varies by individual client and is structured to match the goals and risk tolerance of each client. These allocations are adjusted from time to time to reflect economic and market conditions as well as the changing needs of the client. All client assets are held by third party custodians who provide clients with monthly statements, as well as confirmations of all trading activity

On March 31, 2012 the total of client assets managed by Flagship on a discretionary basis was \$81,040,000 and an additional \$805,000 in client assets were managed on a non-discretionary basis.

Item 5 Fees and Compensation

Flagship charges an annual fee for its investment advisory services which is payable quarterly in advance based on the market value of the client's portfolio at the end of each fiscal quarter.

Typically these fees are as follows:

Amount Invested	Annual Fee
\$0-\$1 million	up to 1.25%
next \$4 million	1.0%
next \$5 million	0.75%
over \$10 million	0.50%

FCM's Management Agreement and the custodian account forms grant FCM authority to deduct the quarterly advisory fees from the client accounts held by third party custodians. The itemized invoices are billed directly to the custodian of the client's accounts indicating the account to be charged by account. The client is sent a copy of the invoice to the custodian noting that it is a copy and that they do not need to remit any funds. Fees are then deducted from the client's accounts by the custodian and forwarded directly to Flagship. Clients can, at their discretion, elect to be billed and pay the fees directly.

Flagship's fees for self directed 401(k) plan accounts generally include an initial one- time setup fee of \$2,500 or \$ 40 per eligible participant. An annual monitoring fee of up to 1.0% is also due. This annual fee is payable quarterly in advance, based on the market value of the portfolio at the end of each fiscal quarter.

Clients and or participants investing in mutual funds pay additional fees assessed at the mutual fund level, which vary by fund.

Our customary management fees may be increased when clients are referred to our firm through a consultant and a referral fee is paid. All fees are fully disclosed via the management agreement and/or solicitation agreement.

A client may terminate the management agreement with Flagship at any time, by giving 30 days prior written notice. Unearned fees will be refunded on a pro-rata basis. There are no fees charged by Flagship to terminate an account.

All accounts may be subject to normal transaction costs (e.g. brokerage commissions, exchange fees). Flagship does not directly or indirectly participate in any of these fees.

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

Flagship neither charges, nor participates in any fees based upon the performance of clients accounts.

Item 7 Types of *Clients*

As stated in Item 4, Flagship provides investment management services for individuals, corporations, pension and profit sharing plans, foundations, trusts, and endowment funds. Individual accounts may be both taxable and tax deferred. Flagship's minimum account size is typically \$250,000.00, which can be a combination of more than one brokerage account within a family and then managed as one composite account.

Flagship creates separate accounts for each client. These accounts are established at third party custodians and are registered in the name of each client. Client accounts may consist of a mix of stocks, bonds, ETFs, mutual funds or cash. Flagship employs both fundamental and technical methods of analysis when selecting securities for inclusion in a client's portfolio. Fundamental analysis will include a macroeconomic assessment of the investing environment as well as economic factors pertinent to the particular industry and issuer of a security being considered for investment. Technical analysis is a method of graphically measuring the supply and demand for stocks at various price levels.

Client portfolios will generally include a mix of equities and fixed income securities. This mix is intended to generate an income component for each portfolio, as well as capital appreciation potential.

Analysis of individual issuers of securities will include, among other things: balance sheet structure via ratio analysis and yearly changes, income statement reviews for revenue and expense changes, cost structure and profitability, and cash flow statements are reviewed for the sources and uses of cash.

Investment portfolios are subject to various risks which can affect the ability of clients' portfolios to achieve their investment objectives. These risks may include, among others: stock market risk, adverse issuer risk, interest rate risk, credit risk, inflation risk, geo-political risk, and macroeconomic risk. The market value of the securities held within clients' portfolios fluctuate from day to day and during the day while the investment markets are open. These changes in market valuation can result in a loss in portfolio value.

Item 9 Disciplinary Information

Neither Flagship Capital Management, nor its employees, has ever been subject to any disciplinary actions by the SEC, federal or state regulatory agency, or any self regulatory organization.

Item 10 Other Financial Industry Activities and Affiliations

Not applicable. Flagship does not invest any client funds with any third party investment advisors from whom FCM receives any form of compensation.

All employees of Flagship Capital Management are expected to conform to the following overriding principal upon which Flagship operates: that each and every client of Flagship has placed with Flagship, and all of its employees, a trust that: we will work for, and in the best interests of, our clients in every respect. As investment advisors, Flagship and its employees have a responsibility to render professional and unbiased investment advice. Flagship and its employees owe our clients a duty of: honesty, good faith, care, and fair dealing. We must act at all times in the client's best interests and must avoid or disclose conflicts of interest.

In order to earn and maintain that trust, it is expected that each employee will:

- Act with integrity, dignity, and in an ethical manner when dealing with clients, prospects, business partners, and co-workers
- Practice and encourage others to practice investment management in a professional and ethical manner
- Strive to improve the competence of themselves and others in the firm
- Use reasonable care and exercise independent professional judgment in carrying out their duties

Employees shall not engage in any professional conduct involving dishonesty, fraud, deceit, or misrepresentation, nor commit any act that reflects poorly on their honesty, trustworthiness, or professional competence. Employees shall comply with the federal securities laws governing investment advisors at all times.

Employees shall deal fairly with all clients when providing investment information, making investment recommendations, or taking investment action. Employees must not give preferential treatment to favored clients to the detriment of other clients.

Employees shall not undertake any independent practice that could result in compensation or other benefit, in competition with Flagship, without written consent of Flagship's chief compliance officer or president.

Employees shall disclose to the president and/or chief compliance officer any matter including beneficial ownership of any investments that reasonably could be expected to interfere with their duties at Flagship Capital Management.

Employees shall comply with prohibitions on any activity that can, or would, create a conflict with Flagship or its clients. Employees must act for the benefit of Flagship's clients and place the clients' interests before their own.

Any employee involved in the investment process shall:

- Make sure that a reasonable inquiry has been made into the client's financial situation, investment experience and investment objectives prior to affecting any

investment transactions. This information shall be updated periodically; necessary adjustments as a result of any changed circumstances, or objectives, should be made

- Consider the appropriateness and suitability of investment decisions for each client. In determining the appropriateness and suitability, employees shall consider the needs and circumstances of the client and their portfolio, along with the characteristics of the investments involved. Employees shall not recommend any investment unless they reasonably determine that the recommendation and or investment is suitable for the client and their portfolio
- Disclose to clients and prospects the basic format and general principals of Flagship's investment process, and shall promptly notify clients and prospects of any material changes to that process

Transactions for clients shall have priority over those for Flagship, its employees, their families or other accounts in which they may have a direct or indirect beneficial interest.

Flagship shall preserve the confidentiality of its clients and the firm. Any information communicated by clients or Flagship concerning matters within the scope of the client-advisor, or employer-employee relationship, shall be held in strict confidence.

Employees shall not make any statements orally, nor in writing, that misrepresent the services that Flagship, or the employee, are capable of performing, nor the qualifications of Flagship or the employee. Employees shall not make, nor imply, any assurances or guarantees regarding any investment.

Employees are prohibited from trading either personally or on behalf of others while in possession of material, nonpublic information. They are also prohibited from communicating any nonpublic information to others in violation of the law.

Any violation of these standards may result in disciplinary action, including but not limited to: a warning, fines, disgorgement, suspension, demotion, or termination of employment. In addition, violations may result in referral to civil or criminal authorities where appropriate.

When selecting brokers to execute trades, Flagship selects those broker dealers who in their best judgment provide prompt and reliable execution and service at reasonable commission rates. While cost is an important factor in this decision, a number of other considerations will enter into the decision. These may include: the number of securities being traded, the size and complexity of the transaction, the desired timing of the transaction, the market activity for the particular security, and the other relevant services of the broker-dealer.

These brokers act as third party custodians for all of the investments held in Flagship client accounts. Client assets held by these custodians are protected by SIPC (Securities Investor Protection Corporation) insurance, as well as excess SIPC policies held by the various custodians. Clients are directly notified by these independent custodians of each investment transaction affected in the individual client's account. The custodian provides monthly statements to the client detailing the securities held, their current market valuation and any activity that occurred within the client's account during the preceding month. Clients are encouraged to review these third party statements.

Flagship does not participate in any form of soft dollar arrangements with any broker (under these types of arrangements the broker will pay for services contracted for by the investment advisor such as: magazine, newspaper or software subscriptions).

Investment accounts are regularly supervised using a team approach of Flagship personnel, headed by Mr. Goldsmith and Ms. Vinci. Individual investments are monitored, in order to determine appropriate timing for the purchase and sale of the securities within client accounts. Macroeconomic criteria along with fundamental and technical data are employed in the review process. Adjustments to the investment accounts are affected when they are deemed appropriate either due to changes in: the client's situation, the overall investment outlook, or the outlook for a particular investment.

Flagship provides clients with a quarterly investment overview of their investment accounts at the end of each calendar quarter.

Subject to applicable law and regulations, the applicant may, from time to time, enter into written agreements with third parties for the referral of clients. Should a relationship result in the Applicant entering into agreements with specific clients, the Applicant may pay referral fees. The payment of such fees may result in additional costs to the client. Clients (including prospective clients) will be provided with written disclosure of any applicable referral arrangement in accordance with applicable provisions of Rule 206(4)-3 under the Investment Advisors Act of 1940.

Flagship does not participate in any form of incentive programs from third parties in the delivery of its services to its clients.

When selecting custodians to hold client assets and execute trades, Flagship selects custodians who, in their best judgment, provide prompt and reliable execution and service at reasonable commission rates. While cost is an important factor, a number of other considerations will enter into the decision. These may include: the financial strength of the custodian, the trading capabilities of their broker-dealer and the timeliness and quality of their reporting.

Clients will receive both trade confirmations and monthly account statements from these third party custodians. Clients should carefully review those confirmations and statements and compare them to the quarterly reports provided by Flagship.

As stated in Item 4, the vast majority of Flagship's client accounts are invested on a discretionary basis. Only those client assets held in defined contribution retirement plans are invested on a non-discretionary basis.

FCM shall serve clients in accordance with the Advisers Act and other applicable laws and regulations. Under the Management Agreement, FCM shall have complete discretion and authority to manage the client's accounts, subject to any written guidelines which Client may provide from time to time. The Management Agreement appoints FCM client's agent and attorney-in-fact for that purpose. With guidance from the Client Profile completed by each client, FCM (and its authorized representatives) are authorized to perform the following at client's expense without further approval from the client, except as required by law, and as fully, in the same manner and with the same force and effect as the client: (a) to make all investment decisions; (b) to buy, sell and otherwise trade in securities; (c) to invest, reinvest or hold any cash in the client's account; (d) to select brokers or dealers to execute securities transactions; (e) to take any steps authorized under this agreement; (f) to take whatever further steps FCM deems appropriate to manage the client's accounts.

Flagship will exercise clients' proxy voting rights on their behalf. Flagship generally votes with the recommendations of management with the exception of the issue of board membership. To discourage entrenched board management, Flagship generally withholds its votes for board members who are older than age 65 and have not worked for the company, and for former employees who have been retired from the company for more than five years, with the exception of company founders.

Item 18 Financial Information

N/A – Flagship does not require nor collect any client fees more than 3 months in advance.

Part 2B of Form ADV: Supplement Items
Flagship Capital Management, Inc.

Item 2. Educational Background and Business Experience

Thomas A. Goldsmith, Jr
President

Mr. Goldsmith has been engaged in the investment industry for over 32 years. As the founder of Flagship, he has developed the company's structure and policy. Prior to launching Flagship, he was a Vice President of Corporate Finance for Moseley Securities Corp., a major regional brokerage firm, the Director of Equity Analysis for Capital Analysts, Inc. a national brokerage firm, and an accountant for Lease Financing Corporation. Mr. Goldsmith serves on the boards of several private corporations and charitable organizations, including: Nutritional Development Services of the Archdiocese of Philadelphia and the Riddle Healthcare Foundation. Also he serves as a member of the investment committee of Main Line Health and as president of the board of Cardinal O'Hara High School. Mr. Goldsmith received a B.S. in Accounting in 1976 and an M.B.A. in Banking and Finance in 1980 from St. Joseph's University in Philadelphia, Pennsylvania.

Katherine M. Vinci
Senior Vice President

Ms. Vinci has spent more than 31 years in the financial services industry. Ms. Vinci joined Flagship in 2000 and is a portfolio manager and the director of operations and administration for the company. Ms. Vinci is also involved in client service for the firm. Prior to joining Flagship, she was an accountant for Cigna Corporation. Ms. Vinci received a B.S. in Accounting in 1980 and an M.B.A. in Financial Management in 1988 from St. Joseph's University in Philadelphia, Pennsylvania

Brian J. Howles
Investment Analyst

Mr. Howles joined Flagship in July of 2008 as an investment analyst and member of the investment committee. Mr. Howles is a 2008 graduate of Loyola College in Baltimore with a BBA in Economics.

T. Patrick Goldsmith
Investment Analyst

Mr. Goldsmith joined Flagship in 2012 as an investment analyst and is a member of the investment committee. Mr. Goldsmith joins Flagship after 5 years at Susquehanna International Group. At SIG Mr. Goldsmith worked on the energy and commodities trading desk as well as in the Investment Banking Department. Mr. Goldsmith is a graduate of St. Joseph's University in Philadelphia, Pennsylvania with a BS in Finance. Mr. Goldsmith is a level II CFA candidate.

Michael C. Ritter CPA
Shareholder

Mr. Ritter is a passive shareholder of Flagship with no active role in the Company. Mr. Ritter is a CPA and CEO of an automotive finance company. He has been involved in the transportation and medical equipment finance industry for 30 years. He received a BS/BA in accounting from the University of Delaware in Newark, Delaware and a certificate in tax from Widener University in Chester, Pennsylvania.

Vincent A Griffith, MD Shareholder

Dr. Griffith is a passive shareholder of Flagship with no active role in the Company. Dr. Griffith is a Diplomate of the American College of Obstetrics and Gynecology currently retired from medicine, teaching high school science. He received his BA in pre med from West Virginia University in Morgantown, West Virginia, his MD from West Virginia University in Morgantown, West Virginia

Supervision

Flagship uses a team approach to its investing. Under this team approach, it is the team, not any one individual who exercises investment authority over client accounts.

Item 3.

N/A

Item 4. Other Business Activities

Additionally, Mr. Thomas Goldsmith is also a limited partner in J&T Building Company which owns commercial real estate.