

BDC Capital Management, Inc.

**4101 Cox Road, Suite 315
Glen Allen, VA 23060**

804-965-0707

Toll-Free: 1-877-685-1007 / Fax: 804-965-0120

www.bdccapitalmanagement.com

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of BDC Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at 804-965-0707. 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 BDC Capital Management, Inc. is also available on the SEC's website at www.Advisorinfo.sec.gov. The searchable IARD/CRD number for BDC Capital Management, Inc. is CRD 108445.

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

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, BDC Capital Management, Inc will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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Item 4 Advisory Business

BDC Capital Management, Inc. - Firm Description:

BDC Capital Management, Inc. is a registered investment advisory firm specializing in investment management, strategic tax planning and estate planning. We work with families, businesses, and charitable organizations to properly coordinate their financial objectives in these three areas of financial management. BDC Capital Management, Inc. has been in business since 1990. Gary Wood, Certified Financial Planner, President and Founder of BDC Capital Management, Inc., and Branch Manager for Raymond James Financial Services has served the financial services industry for over 35 years.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. We refer to Associated Persons who provide investment advice as Investment Adviser Representatives ("IARs") or Advisory Representatives throughout this Brochure. As used in this brochure, the words "we", "our" and "us" refer to BDC Capital Management, Inc. and our IARs. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

We provide analysis and recommendations involving a broad range of personal concerns based on your individual needs and circumstances. An important aspect of this service involves giving advice on the selection and management of investments. Based upon your objectives, guidelines and financial situation we may determine that you are suitable for investment management as discussed below.

Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Financial Planning Services**
- **Asset Management Services**
- **Asset Allocation Services**

Financial Planning Services

BDC Capital Management, Inc. is an independent, fee-based financial planning and investment management firm providing comprehensive planning solutions for individuals, families, family-owned businesses and charitable organizations. We work with clients to develop comprehensive financial plans which may include estate planning, investment management, strategic tax planning, risk management, and cash flow analysis. A standard cash flow analysis incorporates considerations for client giving goals, education planning, retirement income needs, the anticipated impact of inflation on pensions and savings accounts during retirement, and portfolio simulation analysis. Simulations of goals and asset allocations outline the historical and projected probabilities of goal attainment.

For family-owned businesses, we analyze business structure and financial commitments to determine the most tax-efficient compensation package for the business owner. We provide benefit cost analysis and business valuation services. We also help to develop timely, tax efficient business transition strategies.

At BDC Capital Management, Inc., we help our clients pursue their financial goals by developing financial plans strategically designed to meet their investment management, tax planning and retirement planning needs. We meet regularly with our client families to monitor their financial progress, to consider new goals and to discuss any pending tax law changes which may directly affect their planning strategy. Clients are under no obligation to implement any recommendation made in a written financial plan. Clients may impose restrictions on investing in certain securities or

types of securities, and clients have total freedom to execute securities and/or insurance transactions with any company of their choice. BDC Capital Management, Inc. representatives are also associated persons with Raymond James Financial Services, Inc., and it is likely that BDC Capital Management, Inc. Independent Advisor Representatives, if asked to implement investment or insurance transactions, will recommend or use only the financial and insurance products offered by Raymond James Financial, Inc., the Broker/Dealer, and that any financial plan may be limited by such products.

We offer broad-based, modular, and consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. The process typically begins with an initial complimentary consultation. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Asset Management Services

BDC Capital Management, Inc. provides Investment Advisory Supervisory services under the following wrap fee programs:

PASSPORT ACCOUNT

The PASSPORT Account ("PASSPORT") is an Investment Advisory Account, administered by Raymond James & Associates, Inc. (RJA) which offers Clients, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account and a nominal transaction charge in lieu of a commission for each transaction. These services are offered nationwide in all fifty states, the District of Columbia and Puerto Rico.

AMBASSADOR ACCOUNT

The AMBASSADOR Account ("AMBASSADOR") is an Investment Advisory Account administered by RJA, which offers clients on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account.

BDC Capital Management, Inc.'s Independent Advisor Representatives (IARs) receive an annual asset based fee on wrap fee accounts. Fee schedules are presented in Form ADV Part 2A, Item 5.

BDC Capital Management, Inc. IARs apply tactical portfolio management to all client accounts - wrap fee accounts and non-wrap fee accounts. Our tactical portfolio management measures basic supply and demand relationships between stocks, bonds and cash so that we can be responsive to market movement and volatility. All accounts at our firm receive strategic and tactical investment management.

Asset Allocation Services

We offer asset allocation services that are tailored to meet our clients' needs and investment objectives. Once you have retained our firm for asset allocation services, we will gather information about your financial situation and objectives, and assist you in determining your investment goals, objectives, risk tolerance, and retirement plan time horizon. We will initially provide you with recommendations as to how to allocate your investments among categories of assets. We will then review your account at a minimum of once a month. Where appropriate, we may provide you with recommendations to change your asset allocation in an effort to remain consistent with your stated financial objectives. You are free at all times to accept or reject any of our investment recommendations. You are solely responsible for implementing our recommendations. Unless you separately retain our services, we will not execute any transactions or changes in asset allocation on your behalf.

Types of Investments

We offer advice on equity securities, including exchange-listed securities, securities traded over-the-counter (OTC) and foreign issuers, corporate debt securities (other than commercial paper), certificates of deposit, municipal securities, investment company securities, which include variable life insurance, variable annuities, and mutual fund shares, United States government securities and interests in partnerships in real estate.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. We may also provide investment advice with respect to coins, fine art, or other alternative investments. Further, we may assist you in the purchase of numismatic and bullion coins if requested. You may request that we refrain from investing in particular securities or certain types of securities.

Assets Under Management

BDC Capital Management, Inc. IARs provide ongoing supervisory and management services for its securities portfolios. The amount of non-discretionary client assets under management as of December 31, 2011 is \$8,512,910. The amount of discretionary client assets under management as of December 31, 2011 is \$44,193,593.

Item 5 Fees and Compensation

Financial Planning Services

For broad-based financial planning services, we charge a fixed fee based upon an hourly rate of \$175. An estimate of the total time and cost will be determined at the start of the advisory relationship. Fees may be negotiable depending on the scope and complexity of the plan, the client's situation, and/or the client's objectives. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we may notify you and may request that you approve the additional fee.

If you only require advice on a single aspect of your finances, we offer modular financial planning/general consulting services on an hourly basis. Our rate for such services is \$175 per hour and is negotiable depending on the scope and complexity of the plan, your financial situation, and your objectives.

Fees are due upon completion of services rendered. We will not require prepayment of a fee more than six months in advance and in excess of \$500.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

Asset Management Services

BDC Capital Management, Inc. charges fees for Investment Advisory Supervisory services under the following programs:

PASSPORT ACCOUNT

The PASSPORT Account ("PASSPORT") is an Investment Advisory Account, administered by RJA, which offers Clients, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account and a nominal transaction charge in lieu of a commission for each transaction. These services are offered nationwide in all fifty states, the District of Columbia and Puerto Rico.

BDC Capital Management, Inc. IARs provide investment advice on a non-discretionary and discretionary basis. There is a minimum investment of \$50,000 for PASSPORT Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for PASSPORT Accounts are as follows:

BLENDED RATE FEE SCHEDULE

PASSPORT Fee Investments:

<u>Account Value</u>	<u>Total Fee</u>
First \$500,000	1.25%
Next \$500,000	1.00%
Over \$1,000,000	0.75%
Over \$5,000,000	Negotiable

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. The Client authorizes and directs RJA as Custodian to deduct asset-based fees from the Client's account; the Client further authorizes and directs the Custodian to send a quarterly statement to the Client which shows all amounts disbursed from the Client's account, including fees paid to BDC Capital Management, Inc. The Client understands that the brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

Additionally, there is a nominal Processing Fee for the execution of each trade, as follows:

<u>SECURITY TYPE</u>	<u>PROCESSING FEE</u>
Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
Preferred Stocks	\$50
Options Contracts	\$50
Bonds	\$50

In addition to the foregoing transaction charge, the Client will incur a charge in the amount of \$4.00 per transaction for handling and postage charges. The Client may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The Client Agreement may be terminated by the Client or BDC Capital Management, Inc. at any time upon providing notice pursuant to the provisions of the Client Agreement. In the event of termination of this Agreement, BDC Capital Management, Inc. will refund to the Client the prorated portion of the fee for the quarter of termination.

AMBASSADOR ACCOUNT

The AMBASSADOR Account ("AMBASSADOR") is an Investment Advisory Account administered by RJA, which offers clients on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account.

BDC Capital Management, Inc. IARs provide investment advice on a non-discretionary and discretionary basis. There is a minimum investment of \$100,000 for AMBASSADOR Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for AMBASSADOR Accounts are as follows: (All fees are incremental)

<u>Assets</u>	<u>Advisory Fee*</u>
First \$500,000	1.50%
Next \$500,000	1.25%
Over \$1,000,000	1.00%
Over \$5,000,000	Negotiable

* Minimum annual asset-based fee per Account: \$1,500

Ambassador Account clients will not pay any transaction charges, postage or handling fees for the first 50 trades per year, with the total number of transactions used being reset each year on October 1st (regardless of in what month the account was first established). This might result in a conflict of interest as it could provide an incentive for an Advisor to limit trading to no more than 50 trades during the 12 month period beginning annually on October 1st. Beginning on the 51st trade, transaction charges per trade will apply as follows*:

<u>SECURITY TYPE</u>	<u>PROCESSING FEE</u>
Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
Preferred Stocks	\$50
Options Contracts	\$50
Bonds	\$50

*In addition to the above transaction charges, a nominal fee for postage and handling for each transaction will be assessed.

The Client may also incur charges for other account services provided by RJA not directly related to the advisory, execution and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. The Client authorizes and directs RJA as Custodian to deduct asset-based fees from the Client's account. The Client further authorizes and directs the Custodian to send a quarterly statement to the Client which shows all amounts disbursed from Client's account,

including fees paid to BDC Capital Management, Inc. The Client understands that the brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

The Investment Management Agreement may be terminated by the Client or BDC Capital Management, Inc. at any time upon providing written notice pursuant to the provisions of the Investment Management Agreement. There is no penalty for terminating the Client's account. Upon termination, the Client will receive a refund of the portion of the prepaid asset-based fee which is not utilized. BDC Capital Management, Inc. will not accept instructions to terminate the Agreement unless such instructions are provided in writing by the Client.

ADDITIONAL DISCLOSURES ABOUT AMS PROGRAMS:

Investment of Cash Reserves

With respect to cash reserves of Advisory Client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation). The custodian may change an investment option at any time by providing the Client with thirty (30) days advance written notice of such change, modification or amendment. Cash Sweep Options include the Raymond James Bank Deposit Program ("RJBDP"), the Credit Interest Program ("CIP"), the RJBDP/CIP Combo Program, Eagle Money Market Mutual Funds, and/or any combination thereof. Where an unaffiliated third party acts as custodian of account assets, the Client and/or the custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are invested automatically on a daily basis. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a Client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the Client's account. Due to the foregoing practices, Raymond James and Associates may obtain federal funds prior to the date that deposits are credited to Client accounts and thus may realize some benefit because of the delay in investing such funds.

For further information please refer to the Cash Sweep Options disclosure statement, a copy of which is available from BDC Capital Management, Inc., or is available on the Raymond James public website, www.raymondjames.com.

Asset Allocation Services

BDC Capital Management, Inc. offers this fee-based Advisory service for Employer Sponsored Savings Plans. This service includes our ongoing plan asset allocation recommendations for an annual fee of no greater than 1/2% of plan assets.

Cash Rule Conflict

Participants in the PASSPORT and AMBASSADOR programs with cash or money market investments which exceed 20% of the total market value of client's account at the time of billing will be included for fee purposes only if the account did not exceed 20% in cash or money market investments at the end of the previous quarter. Otherwise the balance in excess of 20% will not be included in the value of the Client's account for fee purposes. This fee billing provision is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided, and the exclusion of excess cash from the advisory fee is intended to benefit Clients holding substantial cash balances (as a percentage of the total individual account value) for an extended period of time. However, this provision may pose a financial disincentive to an IAR, as the

portion of cash or money market investments will not be included in the asset-based fee charged to the account. This may cause an IAR to reallocate a client account from cash or money market investments to advisory fee eligible investments in order to avoid the application of this provision and therefore receive a fee on the full asset value in a Client's account(s).

Additional Fees and Expenses

For non-IRA/ERISA PASSPORT and AMBASSADOR accounts, the Client's Investment Advisor Representative may elect to absorb all or a portion of the Processing Fee. Certain open-end mutual funds which may be acquired by Clients, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. However, if the IAR elects to absorb the Processing Fees in *non*-IRA/ERISA accounts, they may also elect to receive trails paid by the fund company, if any, to defray the cost of the Processing Fees they absorb. If such an election is made, there may be a conflict of interest where the IAR may have an incentive to absorb all of the Processing Fees in consideration of the actual or anticipated trails they will receive.

Clients should understand that the annual advisory fees charged in the PASSPORT and AMBASSADOR programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring the BDC Capital Management, Inc.'s advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end sales charge.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not BDC Capital Management, Inc.) to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, which may increase the overall cost to the client by 1%-2% (or more), are available in each fund's prospectus.

Clients should also understand that certain no-load variable annuities may be offered in the PASSPORT and AMBASSADOR programs and may be charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

Clients should also understand that more sophisticated investments such as short sells and margins may be offered in the PASSPORT and AMBASSADOR programs. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where an IAR may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

A Client's total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include the Client's ability to:

- 1) obtain the services provided within the programs separately with respect to the selection of mutual funds,
- 2) invest and rebalance the selected mutual funds without the payment of a sales charge, and
- 3) obtain performance reporting comparable to those provided within each program.

When making cost comparisons, Clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the Client otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or the Client otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

The Client's IAR may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to the Client's IAR, which may be more than the IAR would receive under an alternative program offering or if the Client paid for these services separately. Therefore, the Client's IAR may have a financial incentive to recommend a particular account program over another. IARs do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, IARs may receive higher compensation for certain product types. In addition, the IAR may receive incentive compensation for utilizing a particular account program.

BDC Capital Management, Inc. believes the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Clients that terminate the Advisory agreement(s) within the first five (5) business days of entering into the Advisory agreement will have any advisory fees that were charged refunded back to them.

All above quoted fees may be negotiated within the stated fee schedule; however, certain circumstances may dictate an exception from the set range.

Compensation for the Sale of Other Investment Products

Associated Persons of our firm may be licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products. Insurance commissions earned are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

BDC Capital Management, Inc. and its IARs do not accept performance-based fees - that is, we do not accept fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 Types of Clients

BDC Capital Management, Inc. Advisor Representatives generally provide investment advice to individuals, charitable organizations, and closely-held businesses.

Account opening minimum account size requirements are specified under our wrap-fee program guidelines:

The minimum dollar value for starting and maintaining a Passport Account is \$50,000. Smaller accounts may be accepted based upon the specific circumstances of an account.

The minimum dollar value for starting and maintaining an Ambassador Account is \$100,000. Smaller accounts may be accepted based upon the specific circumstances of an account.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.
 - *Risk:* Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.
 - *Risk:* The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
 - *Risk:* The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.
 - *Risk:* The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.
- **Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
 - *Risk:* Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- **Short-Term Purchases** - securities purchased with the expectation that they will be sold

within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

- *Risk:* Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Investment Strategy and Tax Disclosures

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as tax law requires that the cost basis method remain unchanged after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another. However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

The following types of securities may present the following risks:

- Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally

very low, it's possible for inflation to outpace the return. Likewise, US Government securities are backed by the full faith and credit of the United States government but it's also possible for the rate of inflation to exceed the returns.

- Fixed Income securities or bonds, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.
- There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.
- Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.
- A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Although BDC Capital Management, Inc. will make every attempt to manage portfolio risk, clients are advised that investing in securities involves risk of loss that clients should be prepared to bear.

Client financial goals, timing of financial goals and client investment temperament are the factors affecting the development of portfolio strategy. We incorporate these considerations in helping our clients develop a comprehensive investing strategy that includes both Long-term purchases

(securities held at least a year), and Short-term purchases (securities sold within a year). Beyond these considerations, we utilize a top-down investment approach which incorporates the tenets of qualitative and quantitative fundamental research, as well as those of sound technical analysis.

Item 9 Disciplinary Information

BDC Capital Management, Inc., has been registered and providing investment advisory services since 1990. Neither our firm nor any of our Management Persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Associated persons of BDC Capital Management, Inc. are licensed as registered representatives to sell securities through Raymond James Financial Services, Inc. ("RJFS"), a securities broker/dealer, member FINRA and SIPC. In this capacity, IARs may be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds and receive commissions for those transactions. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Insurance Agent

Persons providing investment advice on behalf of our firm are also separately licensed as independent insurance agents. These individuals will earn commission-based compensation for selling insurance products. Insurance commissions earned are separate and in addition to advisory fees you pay to BDC Capital Management, Inc. for investment advisory services. You are under no obligation, contractually or otherwise, to purchase insurance products through Associated Persons of our firm. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of Raymond James Financial Services, Inc. ("RJFS") a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that RJFS provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by RJFS, including: the value of research provided, reputation in the marketplace, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services RJFS provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Persons providing investment advice on behalf of our firm are also registered representatives of RJFS. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from RJFS unless RJFS provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through RJFS. It may be the case that RJFS charges higher transaction costs and/or custodial fees than another broker charges for the same types of services. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use RJFS, we may not be able to accept your account. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

With regard to the Passport and Ambassador accounts, select fund companies have agreed to pay administrative fees to Raymond James and Associates, Inc. ("RJA") in consideration for RJA's waiver of the \$30 Processing Fee assessed on certain Passport Account mutual fund purchases ("Participating Funds"). Raymond James financial advisors do not receive any part of these payments. For a list of fund companies that have agreed to pay Raymond James servicing fees for eligible purchases of Participating Funds, please contact our firm at the telephone number located on the cover page of this brochure, or by sending a written request to the address located on the cover page of this brochure. Refer to the *Advisory Business* section above for additional disclosures on the Passport and Ambassador programs.

Soft Dollar Benefits

We do not receive any soft dollar benefits from Raymond James Financial Services, Inc.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Block Trades

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not

based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts

Internal (Firm) reviews of Client accounts are completed at least monthly, and often more frequently than on a monthly basis. Clients are encouraged to schedule semi-annual reviews with our Financial Advisors, but Clients are not limited to semi-annual reviews.

The timing and nature of account reviews are dictated by a variety of factors. Such factors include the following: contributions or withdrawals of cash from an account; a determination to change the cash level of an account; the allocation of a block of a particular security purchased for, or sold from, a particular objective; a Client's request for tax-loss selling; a Client's direction to refrain from purchasing a particular security, or class of securities, for his or her account; a Client's request for information regarding the performance or structure of an account; the performance of an account; option maturity dates; interest rate changes; changes in the list of securities approved for purchase for a particular objective; a Client's pledge of the assets of an account as collateral security; and requirements imposed by court order or regulatory decree (e.g. divorce decree, tax lien).

RJFS, our broker/dealer firm, provides regular reports to Clients regarding their accounts. Clients receive confirmations of each transaction from RJFS. Clients also receive direct statements from RJFS and its subsidiaries and related insurance companies summarizing client account activity and valuation. Clients with fee-based asset management programs also receive quarterly, annual, and from inception, investment performance summaries; these summaries are rendered as of the end of each calendar quarter.

Item 14 Client Referrals and Other Compensation

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Raymond James Financial Services, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

Item 15 Custody

We do not take custody of your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. We may have the authority to deduct our advisory fees from your account, but only if you previously consented to such deduction in writing.

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please call our main office number immediately located on the cover page of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign a discretionary management agreement. If you engage us to provide investment advisory services on a discretionary basis, we have the authority to determine the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

Item 19 Requirements for State Registered Advisors

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

Investment Advisor Representatives of BDC Capital Management, Inc. must have a minimum of five years prior service in the financial services industry, and have earned a four-year undergraduate degree or the equivalent.

Gary W. Wood, CFP® (Year of Birth - 1954) - President and Chief Investment Officer

Business Background:

- January 1997 to present - Mr. Wood is a Registered Representative of Raymond James Financial Services, Inc.
- June 1990 to present - Mr. Wood is President and Chief Investment Officer of BDC Capital Management, Inc.
- April 1991 to January 1997 - Mr. Wood was a Registered Representative with Guardian Investor Services Corporation.
- Prior to founding BDC Capital Management, Inc., Mr. Wood was an Investment Advisor Representative and Registered Representative at another investment advisor, American Express Financial Advisors. For eight years prior to this, Mr. Wood was affiliated with Jefferson National Bank, a statewide banking concern where he served as an officer of the bank and branch manager.

Education:

Certified Financial Planner (CFP®), College of Financial Planning, Denver, Colorado;

Concentrations in Economics and Accounting at Virginia Commonwealth University and American Institute of Banking

Professional Affiliations:

Member Financial Planning Association

Charter Member Kingdom Advisors

Member National Association of Christian Financial Planners

Associate Member Christian Legal Society

Ervin H. Stewart (Year of Birth - 1947)

Business Background:

- May 1999 to present - Mr. Stewart is an Advisor Representative of BDC Capital Management, Inc.
- May 1999 to present - Mr. Stewart is a Registered Representative of Raymond James Financial Services, Inc.
- April 1994 to May 1999 - Mr. Stewart was a Registered Representative with Guardian Investor Services Corporation.

Education:

Concentration in Business Administration at Virginia Commonwealth University; U.S. Navy veteran.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of our privacy policy notice to you on an annual basis. Please contact us at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In limited circumstances, we may make an error in submitting a trade on your behalf. In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a loss, we will reimburse you or otherwise ensure that your account is made whole. If the trade error results in a profit, the profit will be maintained by the broker-dealer.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Date: April 11, 2012

BDC Capital Management, Inc

4101 Cox Road
Suite 315
Glen Allen, VA 23060

Telephone: 877-685-1007
Facsimile:

Form ADV Brochure Supplement for

Gary W. Wood, CFP®

CRD No. 1312352
Email: gary.wood@raymondjames.com

This brochure supplement provides information about Gary Wood that supplements the BDC Capital Management, Inc brochure. You should have received a copy of that brochure. Please contact us at 877-685-1007 if you did not receive BDC Capital Management, Inc's brochure or if you have any questions about the contents of this supplement.

Additional information about Gary Wood is available on the SEC's website at www.adviserinfo.sec.gov.

Please retain this Form ADV Brochure Supplement for future reference, as it contains important information if you decide to add services or establish additional advisory accounts at BDC Capital Management, Inc. We will provide you with an updated copy of this Brochure only if there are material changes to the information in Item 3 (Disciplinary Information).

Form ADV Brochure Supplement for Gary W. Wood

Item 2 Educational Background and Business Experience

The business background information provided below is for the last five years.

Your Financial Adviser: Gary W. Wood, CFP®

Year of Birth: 1954

Education:

- Certified Financial Planner (CFP®), College of Financial Planning, Denver, Colorado;
- Concentrations in Economics and Accounting at Virginia Commonwealth University and American Institute of Banking

Business Background:

- January 1997 to present - Registered Representative of Raymond James Financial Services, Inc.
 - June 1990 to present - President and Chief Investment Officer of BDC Capital Management, Inc.
 - April 1991 to January 1997 - Registered Representative with Guardian Investor Services Corporation.
-

Certifications: **CFP®**

The 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 63,000 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.

Item 3 Disciplinary Information

Mr. Wood does not have, nor has he ever had, any disciplinary disclosure.

Item 4 Other Business Activities

Mr. Wood is a registered representative with Raymond James Financial Services, Inc. ("RJFS"). RJS is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Mr. Wood may recommend securities or insurance products offered by RJFS as part of your investment portfolio. If clients purchase these products through Mr. Wood, he will receive the customary commissions in his separate capacity as a registered representative of RJFS. Additionally, Mr. Wood could be eligible to receive incentive awards such as RJFS may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Wood an incentive to recommend investment products based on the compensation received, rather than on your investment needs. Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Mr. Wood's firm brochure for additional disclosures on this topic.

Mr. Wood is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Wood for insurance related activities. This presents a conflict of interest because Mr. Wood may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Item 5 Additional Compensation

Please refer to the *Other Business Activities* section above for disclosures on Mr. Wood's receipt of additional compensation as a result of his activities as a registered representative of Raymond James and a licensed insurance agent.

Also, please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of BDC Capital Management, Inc's firm brochure for additional disclosures on this topic.

Item 6 Supervision

Mr. Wood is the Principal, Chief Compliance Officer, of BDC Capital Management, Inc., and is not supervised by other persons.

Item 7 Requirements for State Registered Advisers

Mr. Wood does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.

Date: April 11, 2012

BDC Capital Management, Inc

4101 Cox Road
Suite 315
Glen Allen, VA 23060

Telephone: 877-685-1007

Form ADV Brochure Supplement for

Ervin H. Stewart

CRD No. 2556729

This brochure supplement provides information about Ervin Stewart that supplements the BDC Capital Management, Inc brochure. You should have received a copy of that brochure. Please contact us at 877-685-1007 if you did not receive BDC Capital Management, Inc's brochure or if you have any questions about the contents of this supplement.

Additional information about Ervin Stewart is available on the SEC's website at www.adviserinfo.sec.gov.

Please retain this Form ADV Brochure Supplement for future reference, as it contains important information if you decide to add services or establish additional advisory accounts at BDC Capital Management, Inc. We will provide you with an updated copy of this Brochure only if there are material changes to the information in Item 3 (Disciplinary Information).

Form ADV Brochure Supplement for Ervin H. Stewart

Item 2 Educational Background and Business Experience

The business background information provided below is for the last five years.

Your Financial Adviser: Ervin H. Stewart

Year of Birth: 1947

Education:

- Concentration in Business Administration at Virginia Commonwealth University; U.S. Navy veteran.

Business Background:

- May 1999 to present - Advisor Representative of BDC Capital Management, Inc.
 - May 1999 to present - Registered Representative of Raymond James Financial Services, Inc.
 - April 1994 to May 1999 - Registered Representative with Guardian Investor Services Corporation.
-

Item 3 Disciplinary Information

Mr. Stewart does not have, nor has he ever had, any disciplinary disclosure.

Item 4 Other Business Activities

Mr. Stewart is a registered representative with Raymond James Financial Services, Inc. ("RJFS"). RJFS is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Mr. Stewart may recommend securities or insurance products offered by RJFS as part of your investment portfolio. If clients purchase these products through Mr. Stewart, he will receive the customary commissions in his separate capacity as a registered representative of RJFS. Additionally, Mr. Stewart could be eligible to receive incentive awards such as RJFS may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Wood an incentive to recommend investment products based on the compensation received, rather than on your investment needs. Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Mr. Stewart's firm brochure for additional disclosures on this topic.

Mr. Stewart is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Stewart for insurance related activities. This presents a conflict of interest because Mr. Stewart may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Item 5 Additional Compensation

Please refer to the *Other Business Activities* section above for disclosures on Mr. Stewart's receipt of additional compensation as a result of his activities as a registered representative of Raymond James and a licensed insurance agent.

Also, please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of BDC Capital Management, Inc's firm brochure for additional disclosures on this topic.

Item 6 Supervision

Gary Wood, President and Chief Compliance Officer is responsible for supervising the advisory activities of Ervin Stewart. Mr. Wood can be reached at (804) 965-0707.

Item 7 Requirements for State Registered Advisers

Mr. Stewart does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.