

HMS Capital Management, LLC Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of HMS Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 615.829.7200 or by email at: dana@hm scm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HMS Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. HMS Capital Management, LLC's CRD number is: 149764

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Registration does not imply a certain level of skill or training.

Version Date: 11/11/2013

Item 2: Material Changes

HMS Capital Management, LLC has not yet filed a Wrap Fee Program Brochure. Therefore there are no material changes to this brochure to report.

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Item 4: Services Fees and Compensation

HMS Capital Management, LLC (hereinafter “HMS”) offers the following services to advisory clients:

A. Description of Services

HMS participates in and sponsors a wrap fee program offered through one of their custodians, TD Ameritrade (“The Program”) for certain investment management service clients. This wrap fee program allows HMS to manage client accounts for a single fee that includes portfolio management services, trading, and custodial costs. The fees are payable quarterly in arrears. HMS charges an annual fee of 1.40% (“Fee”) of assets under management in The Program. These fees are negotiable solely at the HMS’s discretion.

Fees will be calculated as follows:

The Fee will be computed for each The Program’s accounts for each calendar quarterly billing period and charged on a quarterly basis in arrears.

- TD Ameritrade will calculate and charge the Fee to each of The Program’s accounts shortly after the last day of the billing period. The billing periods match calendar quarters (e.g. March, June, September and December).
- At the end of each billing period, TD Ameritrade will multiply each of the previous three months, “end of the month” balances by the amount of the Fee.
- The Fee for the billing period is calculated by adding each month’s previous calculation amount and adding 3 months together for the quarterly Fee.
- If an account opens in the middle of the month, that month’s monthly Fee for the account will be prorated for the number of days in the month that the account was in existence.
- If an account closes before the end of a month, the end-of-the-month balance will be considered the eligible assets in the account at the close of business the day before the account was closed for purposes of determining the monthly fee calculation. The monthly fee calculation for that month will be prorated for the number of days in the month the account was in existence.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with five days’ written notice.

TDA Institutional Services will be responsible for all billing and fee collection.

B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program including the cost of the services if provided separately and the trading activity in the client's account.

C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for mutual fund fees and all other account fees; such as annual IRA fees to the custodian, termination fees if the account is moved to another broker, or third party adviser fees.

D. Compensation of Client Participation

Neither HMS, nor any representatives of HMS receive any additional compensation beyond advisory fees for the participation of clients in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, HMS may have a financial incentive to recommend the wrap fee program to clients.

Item 5: Account Requirements and Types of Clients

We provide advisory services primarily to individuals, high net worth individuals, charitable organizations, corporations, and insurance companies with smaller accounts than those in our separate account program, where the trading fees typically involved would adversely affect the overall account performance due to the smaller amount of invested assets. HMS will monitor all accounts and trading activity to verify that the wrap fee program is still beneficial vs. as normal trading fee account scenario

As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio size of \$40,000. At our sole discretion, we may accept clients with smaller portfolios based upon certain factors including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing client relationships. We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

HMS will not select any outside portfolio managers for management of this wrap fee program. HMS will be the sole portfolio manager for this wrap fee program.

1. Standards Used to Calculate Portfolio Manager Performance

Account Performance will be periodically measured against standard appropriate industry benchmarks.

2. Review of Performance Information

All accounts will be reviewed at least annually.

B. Related Persons

As HMS is the only portfolio manager in the program, there are no conflicts of interest relating to choice of third party or related persons as portfolio managers for this wrap fee program.

C. Advisory Business

We currently have seven different investment models that use a mix of domestic and foreign equities, fixed income securities, mutual funds, exchange traded funds and other suitable investment vehicles. We directly manage all portfolios.

The seven different investment models are:

- Focus 20 - portable alpha portfolio of multi-capitalization growth stocks
- Equity Income - portable alpha portfolio of large cap dividend producing stocks
- Innovators - multi capitalization aggressive growth portfolio
- Global Mid Cap Growth - medium capitalization aggressive growth portfolio
- Aggressive Growth - aggressive portfolio of stocks, ETFs and mutual funds
- Stable Growth - balanced portfolio of stocks, bonds, mutual funds and ETFs
- Conservative Growth - income oriented portfolio of stocks, bonds, mutual funds, ETFs and covered call positions

We will rebalance and/or reallocate your portfolio at least annually. We may rebalance more frequently at our discretion should market conditions dictate. You are advised that transactions in the account, account reallocations and rebalancing may trigger a taxable event for you, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

Wrap account clients should be aware that due to the smaller typical size of these accounts HMS may be limited as to the diversification and choices available from the above portfolios. In certain cases alternative individual holdings may be used instead on an entire model. HMS will always act in the client's best interests.

Services Limited to Specific Types of Investments

HMS generally limits its investment advice seven different investment models that use a mix of domestic and foreign equities, fixed income securities, mutual funds, exchange traded funds and other suitable investment vehicles. HMS may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

Through discussions, interviews and/or client questionnaires, we assist you in determining your investment goals and identifying your risk tolerance levels. We work with you to develop a detailed client profile to determine an appropriate investment model for you. In addition to direct portfolio management, we will consult with you on assets not managed by us. Your entire investment portfolio will be analyzed at least annually, and we will evaluate the appropriateness of the portion managed by HMS in light of the entire portfolio allocation.

Needs and Restrictions

In managing your investment portfolio, we consider your:

- ☐ financial situation,
- ☐ risk tolerance,
- ☐ investment horizon,
- ☐ liquidity needs,
- ☐ tax considerations,
- ☐ investment objectives, and
- ☐ any other issues important to your state of affairs.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

Wrap Fee Programs

A wrap fee programs is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and any other administrative fees (other than IRA and/or qualified plan custodial fees). HMS managed the investments in the wrap fee program. HMS manages those wrap fee accounts differently than non-wrap fee accounts. This management style differs from HMS's usual separate account program in that smaller account values will dictate smaller allocations and diversifications from other clients with larger accounts. A portion of the fees paid to the wrap account program will be given to HMS as a management fee.

Amounts Under Management

HMS has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$129,500,000	\$449,000	10/31/2013

Methods of Analysis and Investment Strategies

We select specific investments for your portfolios through the use of fundamental analysis. Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

We select securities based upon a combination of quantitative, fundamental and technical factors. We use information from public sources, such as financial reports and industry and financial periodicals, as well as technical and charting analysis prepared by independent sources.

Our investment strategies may include long-term and short-term purchases and sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

Our investment strategies may include long-term and short-term purchases and sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Risks of Specific Securities Utilized

The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). **Precious Metal ETFs** (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Voting Client Proxies

We have adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in your best interest. Proxy statements increasingly contain controversial issues involving shareholder rights and corporate governance, among others, which deserve careful review and consideration.

We do not vote proxies unless you specifically request in writing that we do so.

When we do vote proxies for clients, we generally vote with management on routine matters related to the operation of the company and not expected to have significant economic impact on the company or shareholders. In instances where material conflicts of interest may exist, we will resolve any such conflict by voting any such proxies in the best interest of the clients. In doing so, we will follow the guidelines and factors set forth in our proxy voting procedures.

We will work with your custodian to ensure receipt of proxies. However, if the custodian is not able to facilitate this procedure, you will be notified that we will not be voting the proxies.

You may receive a record of how proxy statements were voted upon request. Also, you may receive a complete copy of our Proxy Voting Policy & Procedures upon request.

Item 7: Client Information Provided to Portfolio Managers

HMS is the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by HMS. As that information changes and is updated, HMS will have immediate access to that information once collected.

Item 8: Client Contact with Portfolio Managers

HMS places no restrictions on client ability to contact its portfolio managers. HMS's representative, Dana Moore can be contacted during regular business hours and contact information is on the cover page of Dana Moore's Form ADV Part 2B brochure supplement.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

In June of 2009 Angela Helbig was named by a client in a complaint while she was employed at SunTrust Investment Services, Inc. The complaint was denied 4 days later by the firm and no subsequent actions were taken. Specific details of this filing can be found on the SEC's Investment Adviser Public Disclosure site at www.adviserinfo.sec.gov.

Other than as listed immediately above, we have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

Administrative Proceedings

There are no administrative proceedings to report.

Self-regulatory Organization (SR) Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

Neither HMS nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither HMS nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

One of our IARs, Brian Dunston will maintain his insurance license and various appointments in order to facilitate dealing and servicing some of our clients who currently hold various insurance policies and investments. At this time HMS does not allow the sale of insurance products by any firm personnel, therefore there is no conflict of interest from the sale of these products or services. No one else at the firm has any other financial industry affiliations or activities.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

HMS does not utilize nor select other advisors or third party managers. All assets are managed by HMS management.

B. Code of Ethics, Client Referrals and Financial Information

Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of HMS may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of HMS to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. HMS will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Investment Management accounts are reviewed on a periodic basis as needed. The reviews focus on consistency of your portfolio investments with your investment objectives and risk tolerances. In addition, your investment constraints are considered and tested with your portfolio holdings.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

HMS does not receive any economic benefit, directly or indirectly from any third party for advice rendered to HMS clients.

Compensation to Non – Advisory Personnel for Client Referrals

HMS does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Balance Sheet

HMS does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither HMS nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

HMS has not been the subject of a bankruptcy petition in the last ten years.