

Part 2A of Form ADV: Firm Brochure
First National Capital Markets

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This brochure provides information about the qualifications and business practices of First National Capital Markets. If you have any questions about the contents of this brochure, please contact us at 800-989-2999 or dhampton@fnni.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 First National Capital Markets is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 115920.

Item 2 Material Changes

This section describes the material changes to First National Capital Markets, Inc. (FNCM) Part 2A of Form ADV ("Firm Brochure") since its last annual update amendment on February 27, 2015.

Item 4: Advisory Business – Page 4

Effective June 22, 2015 FNCM will no longer provide investment advisory and financial planning products to individual customers. The firm will continue to provide investment management services via the models as described in Item 8 under the Methods of Analysis on page 7 of this brochure.

The firm has updated its assets under management (AUM) to reflect the investment management assets in the Assets Under Management section on page 5 of this brochure.

Item 5: Fees and Compensation – Pages 5 – 6

Services provided by FNCM are now only for Investment Management, and Advisory Services are now provided through Raymond James Financial Services Advisors (RJFSA). Please see Section 5 for details. Please refer to the RJFSA Outside Manager Advisory Client Agreement for details on their Advisory Fees

Item 9: Disciplinary Information – Pages 8 – 9

FNCM participated in the SEC's Municipal Continuing Disclosure Cooperative (MCDC) Initiative. On June 18, 2015 FNCM was notified that the SEC had accepted an offer of settlement with FNCM that instituted administrative and cease-and-desist proceedings pursuant to Section 8a of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934. FNCM agreed to cease and desist from committing or causing any violations and any future violations of 17(a)(2) of the securities act. The Firm also paid a civil money penalty in the amount of \$100,000.00 and will retain an independent consultant to conduct a review of the Firm's policies and procedures as they relate to municipal securities underwriting due diligence.

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Item 4 Advisory Business

First National Capital Markets is a SEC-registered investment adviser with its principal place of business located in Nebraska. First National Capital Markets began conducting advisory business in 2010 and is a wholly owned subsidiary of First National Investment Banking, LLC.

Listed below is the firm's principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company).

- First National Investment Banking, Inc., Direct Owner

First National Capital Markets offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual investment objective of the client.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income).

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding models containing the following securities:

- Exchange-listed securities
- Bonds
- Certificates of deposit
- Mutual fund shares
- Exchange Traded Funds

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

ASSETS UNDER MANAGEMENT

As of 05/4/2014, we were actively managing \$139,000,000 in client assets all of which are managed on a discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Management Services are 0.20% and based upon a percentage of assets under management.

Our fees are billed in advance at the beginning of each calendar quarter based upon the market value of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Discretionary Investment Management Agreement.

A minimum of \$25,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances.

Limited Negotiability of Management Fees: Although First National Capital Markets has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to employees, family members and friends of associated persons of our firm.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason. Investment management fees are billed in advance. If you terminate your account prior to the billing period, your account will be refunded any pre-paid management fees, based on the actual number of days under management.

Mutual Fund Fees: All fees paid to First National Capital Markets for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s).

Please refer to Item 12 the "Brokerage Practices" section of this Form ADV for additional information.

ERISA Accounts: First National Capital Markets is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, First National Capital Markets may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset First National Capital Markets' advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may or may not be available from other registered or unregistered investment advisers for similar or lower fees.

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

First National Capital Markets does not charge performance-based fees.

Item 7 Types of Clients

First National Capital Markets provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- State or municipal government entities

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

First National Capital Markets uses models provided by First National Bank of Omaha, an affiliate of First National Capital Markets. First National Bank of Omaha utilizes the following methods of analysis in formulating investment advice and/or managing client assets:

Charting: In this type of technical analysis, charts of market and security activity are reviewed in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis: This is an attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: Past market movements are analyzed and that analysis is applied to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Quantitative Analysis: Mathematical models are used in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis: Non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement are subjectively evaluated and used to predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation: Rather than focusing primarily on securities selection, an attempt is made to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Risks for all forms of analysis: All securities analysis methods rely on the assumption that the companies whose securities are purchased and sold, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases: We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and could result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Risk of Loss: Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

FNCM participated in the SEC's Municipal Continuing Disclosure Cooperative (MCDC) Initiative. On June 18, 2015 FNCM was notified that the SEC had accepted an offer of settlement with FNCM that instituted administrative and cease-and-desist proceedings pursuant to Section 8a of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934. FNCM agreed to cease and desist from committing or causing any violations and any future violations of 17(a)(2) of the securities act. The Firm also paid a civil money penalty in the amount of \$100,000.00 and will retain an independent consultant to conduct a review of the Firm's policies and procedures as they relate to municipal securities underwriting due diligence.

Item 10 Other Financial Industry Activities and Affiliations

FIRM Registrations:

In addition to First National Capital Markets being a registered investment adviser, our firm is a FINRA member broker-dealer. A list of affiliated broker-dealers is specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

MANAGEMENT PERSONNEL Registrations:

Management personnel of First National Capital Markets are separately licensed as registered representatives of First National Capital Markets. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While First National Capital Markets and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

We are a registered investment adviser and an affiliate of First National Bank of Omaha, a national commercial bank that offers a broad spectrum of banking products and financial services to consumers, small businesses and commercial clients. As an affiliate of First National Bank, our firm is under common ownership and control with several financial institutions, including the following with which we have a material business relationship (referred to collectively as the "Related Companies"):

- Tributary Capital Management, LLC, a registered investment adviser.
- First National Bank of Omaha DBA Insurance Services, a licensed insurance agency.

Where appropriate, First National Capital Markets and our employees may recommend the various investment and investment-related services of the related companies to our advisory clients. The related companies and their employees may also recommend the advisory services of our firm to their clients. The services provided by the related companies are separate and distinct from our advisory services, and are provided for separate and additional compensation. There may also be arrangements between First National Capital Markets and these related companies where First National Capital Markets and/or the related companies and their employees receive payment in exchange for client referrals. No First National Capital Markets client is obligated to use the services of any of the related companies.

As stated above, the management persons and other employees of First National Capital Markets are registered representatives of First National Capital Markets, a FINRA member broker-dealer and First National Bank of Omaha DBA Investment Services a licensed insurance agency. These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives and/or insurance agents, these individuals are able to effect securities transactions and/or purchase insurance and insurance-related investment products for First National Capital Markets' advisory clients, for which these individuals will receive separate and additional compensation.

Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Clients should be aware that the receipt of additional compensation by First National Capital Markets and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. First National Capital Markets endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's management fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

First National Capital Markets and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and record keeping provisions.

First National Capital Markets' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (a) making decisions in the best interest of advisory clients and (b) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

First National Capital Markets or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest.

No principal or employee of our firm may put his or her own interest above the interest of an advisory client. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to fncm@fnni.com, or by calling us at 800-989-2999.

We have established procedures for the maintenance of all required books and records. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered

investment advisory practices. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

For discretionary clients, First National Capital Markets requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to those clients for these transactions.

First National Capital Markets does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Transactions implemented by First National Capital Markets for client accounts can be processed independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as block trading and is used when First National Capital Markets believes such action may prove beneficial to clients. When First National Capital Markets aggregates client orders, including securities in which our Firm or personnel may invest, the allocation of securities among client accounts will be done on an equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Transactions will be averaged as to price and will be allocated among the firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. First National Capital Markets does not receive any additional compensation or payment as a result of aggregation.

In the case where the full order is not received, First National Capital Markets may allocate trades among several clients where appropriate or necessary. Allocation of partial fills will be prorated among participating client accounts, on the basis of order size, subject to certain exceptions. Each client that participates in a block trade will participate at the average share price for the order on a given business day, with transaction costs prorated based on each client's participation in the transaction; however, there may be occasions when clients may pay different commission rates on block trades due to minimum charges per account imposed by either the broker effecting the transaction or the client's custodian.

Item 13 Review of Accounts

**INVESTMENT SUPERVISORY SERVICES ("ISS")
INDIVIDUAL PORTFOLIO MANAGEMENT**

Accounts are generally reviewed annually, but may be reviewed more frequently such as quarterly depending on the complexity of the portfolio or as agreed to by First National Capital Markets and the client. Account review is a routine firm function, but it can be triggered by unexpected performance, shifting market conditions, or changing client preferences or circumstances. Investment strategies are implemented to serve each client's investment objectives. All reviews include an evaluation of the appropriateness of the investments relative to the investment objectives and policies of each client's account. There are no fixed limits on the number of accounts that may be assigned to each advisory representative.

Customers receive brokerage account statements directly from Raymond James Financial Services, Inc. at least quarterly.

Item 14 Client Referrals and Other Compensation

It is First National Capital Markets' policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is First National Capital Markets' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian (Raymond James) is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian calculates the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a Discretionary Investment Management Agreement with our firm.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, the firm is required to provide a copy of our firm's balance sheet. We are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. First National Capital Markets has no additional financial circumstances to report.

First National Capital Markets has not been the subject of a bankruptcy petition at any time during the past ten years.