

MidAtlantic Capital Management, Inc.

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**Form ADV Part 2A: Appendix 1
WRAP FEE PROGRAM BROCHURE**

This wrap fee program brochure provides information about the qualifications and business practices of MidAtlantic Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (804) 272-9200 or info@midatlantic-capital.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.

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

Additional information about MidAtlantic Capital Management, Inc. is 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 116524.

Item 2: Summary of Material Changes

This is the initial version of MidAtlantic Capital Management, Inc.'s ("MidAtlantic") Wrap Fee Program Brochure. We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Brochures within 120 days of the close of our fiscal year. We will also provide you with other interim disclosures about material disclosures as necessary.

Any questions may be directed to John DePew, MidAtlantic's President and Chief Compliance Officer, at (804) 272-9200.

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Item 4: Services, Fees and Compensation

Services

MidAtlantic Capital Management, Inc. ("MidAtlantic"), is a privately held investment advisory firm registered with the Securities and Exchange Commission. Based in Richmond, VA, MidAtlantic provides customized portfolio management and co-fiduciary services to families, individual investors, trusts, endowments, pension and profit sharing plans, estates, charitable organizations and business entities. Founded in 1993, MidAtlantic serves as a fiduciary to each investor and each investment decision is made in the best interest of the investor.

Wrap Fee Program Description

The MidAtlantic Capital Management, Inc. Wrap Fee Program (the "Program") is a fee-only investment management program sponsored by MidAtlantic.

A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which may include portfolio management or advice concerning the selection of other investment advisers, and the execution of client transactions.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services and fees offered by our firm, clients should refer to our Form ADV Part 2: Firm Brochure.

You may obtain a copy of our Firm Brochure by contacting us at *MidAtlantic Capital Management, Inc.*, (804) 272-9200 (phone), info@midatlantic-capital.com (email), or www.midatlantic-capital.com (website).

Asset Allocation Program

The Program offers a diversified portfolio, professional advice and guidance, ongoing due diligence of the investments in the portfolio, tax management, and rebalancing of the client's portfolio to maintain the desired asset allocation, all for a single, asset-based fee.

Each portfolio is customized to each investor's goals, risk tolerance, time horizon, and specific situation. Mutual funds and Exchange Traded Funds (ETFs) are utilized as primary portfolio components, and individual securities (stocks and bonds) can also be incorporated into the customized asset allocation.

The services we provide for the Program include the following:

- Assist the client to determine an appropriate investment goal, including identifying the client's financial objectives, risk tolerance, liquidity requirements and time horizons
- Establish a customized Investment Policy Statement (IPS) which serves as the framework for the ongoing management of the account

- Implement the asset allocation strategy based on criteria established in the Investment Policy Statement
- Provide professional investment management of the client's assets
- Distribution of quarterly account statements
- Performance, investment and reinvestment review

We manage these advisory accounts on a discretionary basis based on the investment strategy outlined in the Investment Policy Statement. MidAtlantic Capital Management, Inc. receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought and sold. This discretionary authority is outlined in the Investment Advisory Services Agreement. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining the amount allocated to each security, MidAtlantic observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to MidAtlantic in writing.

MidAtlantic believes that communicating with our clients openly, clearly and on a regular basis keeps them well informed and assures that we are responsive to their immediate and future needs. MidAtlantic is always available to discuss the account or any concerns our clients may have.

Program Fees

The annualized fees for this program are charged as a percentage of the value of the client's portfolio, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Amounts up to \$250,000	1.35%
Next \$250,001 to \$500,000	1.00%
Next \$500,001 to \$1,000,000	0.92%
Next \$1,000,001 to \$2,000,000	0.80%
Amounts above \$2,000,000	0.72%

Please note that in certain circumstances the fee schedule shown above may be negotiable.

Program fees are charged quarterly in advance. If management begins after the start of a quarter, Program fees will be prorated accordingly. When authorized by the client, fees will be debited from the account in accordance with the terms set forth in the Investment Advisory Services Agreement.

The Program fees pay for our firm's advisory services to clients under the Program, administrative expenses of the Program, custody and brokerage charges for clients' assets custodied by National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity").

MidAtlantic recommends Fidelity as a “qualified custodian” for clients’ accounts, with each client signing a separate agreement with Fidelity. In recommending a custodian, MidAtlantic considers the range and quality of the products the custodian offers, the technical support provided, execution quality, commission rates, the financial responsibility and responsiveness of the custodian to both MidAtlantic and its clients.

Fidelity’s institutional platform services include brokerage, custody, and other related services. These service that assist MidAtlantic in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help MidAtlantic manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom MidAtlantic may contract directly. MidAtlantic receives these benefits as a result of its clients’ relationships with Fidelity, but has no formal soft dollar arrangements and receives no compensation from Fidelity. These benefits provided by Fidelity might assist MidAtlantic with its administration of client accounts, and thus slightly help its profitability, creating a potential conflict of interest with clients. MidAtlantic believes this is not a material conflict since the services provided by Fidelity are comparable to services provided by other custodians within the industry.

MidAtlantic is independently operated and owned and is not affiliated with Fidelity.

The Program fees do not cover brokerage to the extent trades are conducted through brokers or dealers other than National Financial Services LLC and Fidelity Brokerage Services LLC and custody charges if client assets are custodied anywhere other than Fidelity. The Program fees do not include expenses of mutual funds and electronically traded funds such as fund management fees charged to each fund's investors, mark-ups, mark-downs, or spreads paid to market makers, and/or odd-lot differential fees.

Other Fees and Expenses

Clients may incur charges for other account services provided not directly related to the execution and clearing of transactions, including, but not limited to, wire transfer fees, interest charges on margin loans, exchange fees, and fees for transfers of securities.

Additional Information about Program Fees

Under the Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee, the Program Fee. Participation in the Program may cost the client more or less than purchasing such services separately. The number of transactions made in the client’s accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a

separate fee for advisory services. The Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Termination of the Advisory Relationship

A client agreement may be canceled at any time, by either party, for any reason upon written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees

All fees paid to MidAtlantic 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. 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.

Exchange-Traded Funds

Shares of ETFs held in client accounts are bought and sold on an exchange and not, like mutual funds, directly from the fund itself. The price of ETF shares fluctuates in accordance with changes in the net asset value (NAV) per share, as well as in response to market supply and demand. Accordingly, ETF shares may trade at a price which differs from NAV per share of the ETF.

Additional Compensation

MidAtlantic does not accept any form of compensation from investment product providers or financial institutions.

Item 5: Account Requirements and Types of Clients

Minimum Account Size

As a condition for starting and maintaining a relationship, MidAtlantic generally imposes a minimum portfolio size of \$250,000. MidAtlantic, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including pre-existing relationships, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, and account retention. MidAtlantic may aggregate the portfolios of family members to meet the minimum portfolio size.

Program participants include families, individual investors, trusts, endowments, pension and profit sharing plans, estates, charitable organizations and business entities.

Item 6: Portfolio Manager Selection and Evaluation

Portfolio Manager Selection

As previously disclosed, MidAtlantic Capital Management, Inc. is the sole investment manager to Program accounts. As such, all participating clients' assets are managed directly by advisory personnel of our firm. MidAtlantic's executive management and all individuals that render investment advisory services on behalf of MidAtlantic must have earned a college degree and have substantive investment-related experience. In addition, all such individuals have attained all required investment-related licenses and/or designations.

John DePew, President, and Robert Wrenn, Vice President, determine the general investment advice given to Program participants. John DePew founded MidAtlantic in 1993 and has acted as portfolio manager to the firm's client accounts since that time. Robert Wrenn joined MidAtlantic in January 2006. Clients can refer to Form ADV, Part 2B: Brochure Supplement to obtain educational and employment history for Mr. DePew and Mr. Wrenn. Please contact John DePew, Chief Compliance Officer of MidAtlantic Capital Management, Inc., (804) 272-9200 or jdepew@midatlantic-capital.com if you have not received a copy of these Brochure Supplements.

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Mutual Fund and ETF Analysis

We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis

We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk

assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Fundamental Analysis

We 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 a good 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

We analyze past market movements and apply that analysis 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

We use mathematical models 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

We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

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

Risks for all Forms of Analysis

Our investment analysis methods rely on the assumption that the securities we utilize within client portfolios, 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.

Risk of Loss

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Voting Client Securities

MidAtlantic Capital Management, Inc. may be directed to vote proxies related to securities held by our clients for which we serve as the investment adviser. The authority to vote the proxies of certain clients is established in the investment advisory contract or comparable documents.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting MidAtlantic Capital Management, Inc. by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Clients can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. Clients can also instruct us on how to cast their vote in a particular proxy contest by contacting us at (804) 272-9200 or info@midatlantic-capital.com.

Item 7: Client Information Provided to Portfolio Managers

Individuals affiliated with our firm are responsible for developing an initial financial profile of the prospective client. Prior to opening an account, we assist in determining a participant's profile for the Program by obtaining from the participant appropriate information (i.e., investment objectives, risk tolerance, time horizon, and any reasonable restrictions the client wishes to impose upon the management of the account). Initial investment strategy is jointly determined based on an assessment of the information provided by the client.

While we provide the client with periodic reminders, it remains the client's responsibility to advise us of any changes to the information previously provided that might impact the ongoing suitability of any prior determined investment strategy and/or objectives. We will promptly communicate any reported changes to the client's portfolio manager.

MidAtlantic Capital Management, Inc.'s investment adviser representative will directly contact each wrap fee program client at least annually to verify that there has been no change in the client's financial circumstances and/or investment objectives, and determine whether the client wishes to impose any reasonable restrictions on the management of the account(s). Any such changes or requests are communicated in writing to the client's portfolio manager, who is responsible for implementing appropriate adjustments to the client's portfolio.

Item 8: Client Contact with Portfolio Managers

There are no restrictions on a client's ability to contact and consult with MidAtlantic and/or their investment advisor representative.

Item 9: Additional Information

Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MidAtlantic Capital Management, Inc. or the integrity of MidAtlantic's management.

There have never been any disciplinary actions or events pertaining to MidAtlantic Capital Management, Inc., its management, or staff members.

Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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.

MidAtlantic Capital Management, Inc. 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 recordkeeping provisions.

MidAtlantic's 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.

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 info@midatlantic-capital.com, or by calling us at 804-272-9200.

MidAtlantic and individuals associated with our firm are prohibited from engaging in principal transactions and agency cross transactions.

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

for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

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.

Review of Accounts

Client accounts are reviewed and monitored on an ongoing basis but no less frequently than quarterly. The triggering factors in account activity include circumstances where MidAtlantic becomes aware of a change in a client's investment objective, a change in market conditions, re-balancing of assets to maintain proper asset allocation, tax-loss harvesting, deposits or withdrawals, or any other relevant event or circumstance.

MidAtlantic prepares quarterly investment reports in addition to the monthly statements clients receive from the qualified independent custodian (firm that holds client assets). These reports contain:

- Portfolio performance results over the last quarter, year-to-date, 12 months and appropriate time periods
- Performance results of appropriate benchmarks for the last quarter, year-to-date, 12 months and appropriate time periods
- Quarterly beginning and ending market values for each Portfolio component

Client Referrals and Other Compensation

It is MidAtlantic Capital Management, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is MidAtlantic's 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.

Financial Information

MidAtlantic Capital Management, Inc. does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Additionally, MidAtlantic has never been the subject of a bankruptcy proceeding.