

**Capitol Financial Consultants, Inc.
8180 Greensboro Drive, Suite 1150
McLean, VA 22102**

March 24, 2017

This Brochure provides information about the qualifications and business practices of Capitol Financial Consultants, Inc. (CFC). If you have any questions about the contents of this Brochure, please contact us at (703) 821-2000 or by facsimile at (703) 821-2007. 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.

CFC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

Item 2. Material Changes

There are no Material Changes to report. We will provide you with an updated Brochure as necessary based on changes or new information, at any time.

Currently, our Brochure may be requested by contacting Joel E. Stillman, Chief Compliance Officer at (703) 821-2000 or by facsimile at (703) 821-2007.

Additional information about CFC is available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any affiliated persons who are registered, or are required to be registered, as investment adviser representatives of CFC

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Item 4. Advisory Business

The Registered Investment Adviser was established in 1987 under the name of Capitol Financial Consultants, Inc. The company is currently owned by Joel E. Stillman.

CFC provides financial planning, investment advice, and investment supervisory services. Advice to clients includes financial planning, portfolio analysis, retirement planning, insurance analyses, business planning, pension design, education planning, estate planning, charitable gifting techniques, and investment counseling to individuals, businesses and personal trusts. CFC provides tax return preparation, bookkeeping, accounting and bill paying services to clients as additional ancillary services in support of its primary financial planning and investment supervisory services.

Financial planning and investment management are tailored to the needs of individual clients and may be comprised of several client consultations which focus on a detailed analysis of the overall financial position of a client, including cash flow, risk management, estate planning, retirement planning, and investment analysis. Specific recommendations are made in writing. CFC does allow clients to impose certain restrictions on investing in certain securities or types of securities if the client does so when completing their investor profile and/or account instructions or in writing at a subsequent time.

The recommendations are of a general nature and may include recommendations concerning insurance or investing or not investing in various types of securities such as money market funds, government securities, stocks, bonds, mutual funds, and various limited partnership programs, as well as, certificates of deposit. Security analysis methods

include charting, fundamental, technical and cyclical, and sources of information may include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses or filings with the SEC and company press releases. Investment strategies used to implement any investment advice may include long term purchases (securities held more than one year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, option writing including covered and uncovered options, or spreading strategies. CFC offers advice on domestic and foreign equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, U.S. government securities, options contracts on securities and commodities, futures contracts on tangibles and intangibles, and interests in limited partnerships.

CFC manages client assets on a non-discretionary and discretionary basis. As of 12/31/2016 CFC managed \$96,492,371 on a non-discretionary basis and zero dollars on a discretionary basis.

Item 5. Fees and Compensation

CFC is compensated for its services through fees that are based on either a percentage of capital at work plus income, a percentage of assets under supervision, a flat fee, an hourly rate, or a combination of these methods.

The fee will be based on the needs of the client, the complexity of each financial situation, and the complexity and size of the investment portfolio. The fees for ongoing service are specified in the Financial Advisory Contract (FA), the Asset Management Contract (IA), Flat Fee Contract (FF), or the Hourly Consulting Agreement (HA) delivered to the client and signed by the client. There is no minimum fee for these services.

Fees are normally either debited from an approved money market account or paid by check. We provide clients an invoice showing the amount of each fee. Other methods of fee payment may be accepted.

COMPREHENSIVE FINANCIAL PLANNING FEES (FA)

Dollar Amount of "Gross Income" and "Capital at Work"	Percentage Fee
First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Remaining balance greater than \$3,000,000	0.50%
A deposit of \$500 is received upon execution and at each anniversary of the financial planning contract and the balance is due upon completion of the comprehensive plan	

ASSET MANAGEMENT FEES (IA)

Dollar Amount of Investable Assets (IA)	Percentage Fee
First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Remaining balance greater than \$3,000,000	0.50%
Ongoing fees will be assessed quarterly in arrears	

FLAT FEE (FF):

The Flat Fee charged for planning and related services will vary depending on the complexity of the client's financial situation and the planning services to be provided. A deposit of \$500 is received upon execution and at each anniversary of the financial planning contract and the balance is due upon completion of the project. This fee is negotiated and agreed to prior to the commencement of the engagement.

HOURLY FINANCIAL CONSULTING (HA):

The Hourly Rate for financial consulting and planning services is \$225.00. Hourly Consulting clients are provided an invoice detailing the services provided and the calculation of the amount due.

Payment for ongoing Asset Management services is collected quarterly. Payment for Comprehensive Financial Planning, Hourly Consulting and/or Flat Fee Financial Planning services are typically due upon completion of the planning services but may be collected in installments over a period of time as negotiated by the client and indicated in their contract.

Methods of payment other than specified may be negotiated. All fees are made payable to, "Capitol Financial Consultants, Inc."

We do not participate in management fees or custodian fees charged by mutual funds, retirement plan custodians, or non affiliated investment managers, and such fees are separate from fees described under the Agreement.

A client may terminate a contract in writing within 5 business days of execution for a full refund. Thereafter, that portion of the deposit and balance of any fees that are attributable to reasonable start-up expenses and hours spent on actual asset management and/or financial planning services rendered is non-refundable.

As a courtesy to existing clients who may have entered into agreements with the firm under previous fee schedules, and to accommodate clients with unique circumstances, fees may be based on different hourly rates or otherwise negotiated. Fees based on assets for certain clients may be negotiated based on service requirements and complexity. Regular payment of the ongoing quarterly fee is required to maintain uninterrupted services under the applicable agreement.

CFC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties such as custodial fees, deferred sales charges, odd lot differentials, transfer taxes, wire transfer and electronic fund transfer fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in each fund's prospectus and delivered to the client by the custodian. Such charges, fees and commissions are exclusive of and in addition to CFC fees and are discussed further in Item 12 "Brokerage Practices".

Some CFC employees are licensed registered representatives of Capitol Securities Management, Inc. (CSM—see Item 10 below). As such, these registered representatives may receive a commission for the client's purchase of securities if purchased through CSM. Additionally, as registered representatives of CSM, associated persons of CFC may receive 12b-1 servicing fees from various mutual fund companies. This may create a conflict of interest for the advisor by providing an incentive to recommend investments based on compensation received rather than on a client's needs.

There is no obligation to purchase securities through CSM and any commissions paid are no more than would be paid elsewhere for the same products except in the case of individual stock or bond trades in which the commission may be higher or lower than can be obtained elsewhere. CSM is currently used exclusively for trade execution, but CFC can utilize other brokers on an exception basis.

Item 6. Performance Based Fees and Side By Side Management

CFC does not charge any performance based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7. Types of Clients

CFC provides portfolio management services to individuals, high net worth individuals, trusts, estates, charitable organizations or trusts, and small businesses.

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

Every type of investment, including mutual funds, involves risk. Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. The risk of investment loss is borne entirely by the client.

A fund's investment objective and its holdings are influential factors in determining how risky a fund is. Reading the prospectus will help you to understand the risk associated with that particular fund.

Some of the risks involved in investing in securities are:

- **Call Risk** The possibility that falling interest rates will cause a bond issuer to redeem, or Call, its high yielding bond before the bond's maturity date.

- **Country Risk** The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Credit Risk** The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.
- **Currency Risk** The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange rate risk.
- **Income Risk** The possibility that a fixed income fund's dividends will decline as a result of falling interest rates.
- **Industry Risk** The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation adjusted returns.
- **Interest Rate Risk** The possibility that a bond fund will decline in value because of an increase in interest rates.
- **Manager Risk** The possibility that a mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk** The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Generally speaking, risk and potential return are related. While an investment with higher risk may have the potential for higher return, it may also have a greater potential for losses, increased volatility or negative returns, particularly in response to above normal challenges related to economic or political pressures or other events.

CFC works with each client to develop an investment strategy that suits their financial goals and tolerance for risk. We utilize in-house designed asset allocation models as a starting point to determine the appropriate portfolio for a client. We utilize fundamental analysis to determine the quality of investments as well as interviews with managers, reports from managers, meetings with managers or knowledgeable representatives of those managers and other research materials provided by those managers. We analyze current market conditions, economic, political and geopolitical trends and forecasts.

We utilize a primarily buy and hold strategy with adjustments in allocation targets based on current conditions or anticipated developments. We may sell investments when management changes, prospectus objectives change, or the fund's relative performance is poor or the economic climate for an investment sector changes. We also may buy or sell funds when the portfolio needs to be rebalanced to adhere to the client's investment policy or cash accumulation requirements.

Our methods of analysis and investment strategies rely to a great extent on the availability and relevance of information provided primarily by unaffiliated sources and our ability to access, aggregate and correctly interpret this information. Our relative success or failure in determining the importance of the information reviewed, the ability to obtain and apply comprehensive information pertaining to the economic, political and market trends noted above and our ability to implement appropriate strategies based on this process in a timely manner represent the most significant risks inherent in our process.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CFC or the integrity of CFC's management. CFC has no information applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

SOME OF THE EMPLOYEES OF CFC ARE REGISTERED REPRESENTATIVES OF CAPITOL SECURITIES MANAGEMENT, INC. (CSM), A REGISTERED BROKER DEALER.

The preponderance of our time is spent providing the investment supervision and financial planning services related to investment advice to our clients as described in this Brochure. To better serve our client's needs in the areas of life, disability, and other forms of insurance, some of the associated persons of CFC hold insurance licenses in the state of Virginia and may hold such licenses in other states. CFC may recommend the purchase of life insurance products to its clients. If clients choose to buy insurance products through us in this capacity, we may receive commissions as a result of those sales. Any such commissions received will be fully disclosed to the client. Less than 5% of our time is spent evaluating insurance needs and obtaining appropriate coverage.

OTHER FINANCIAL INDUSTRY ACTIVITIES

The principal and some associated persons of CFC are registered representatives of Capitol Securities Management, Inc. (CSM). CSM is a broker/dealer and member of the Financial Industry Regulatory Authority (FINRA). Under the rules and regulations of FINRA, CSM has obligations to maintain records and perform other functions regarding certain aspects of the investment advisory activities of the registered representatives. These obligations require CSM to coordinate with and have the cooperation of the account custodian. Additionally, a principal of CFC is engaged in the following general financial industry business activities:

Joel E. Stillman: 1) Principal owner, president, secretary, director and investment adviser representative of Sterling Wealth Management, Inc., a State of Virginia registered investment adviser. 2) President, principal, owner and director of JOJES, Inc.

These relationships do not create a material conflict of interest on the part of CFC or any of its management persons.

Item 11. Code of Ethics

As a fiduciary, CFC has an affirmative duty to render continuous, unbiased investment advice, and, at all times, to act in the client's best interest. To maintain this ethical responsibility to clients, CFC has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all officers and employees in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards. These standards are rooted in the most elementary maxim--Do the right thing!

CFC's Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just, and good by promoting:

- Honest and ethical conduct
- Full, fair, and accurate disclosure
- Compliance with applicable rules and regulations
- Reporting of any violation to the Code
- Accountability

To help clients understand CFC's ethical culture and standards, how the Company controls sensitive information, and what steps have been taken to prevent personnel from abusing their inside position, a copy of CFC's Code of Ethics is available for review upon request.

Employees of CFC may buy and sell securities that are recommended to clients. Given the nature of the type of securities recommended by CFC to its clients, employee transactions are very unlikely to affect the market. CFC maintains personal transaction records of its associated persons, will protect against insider trading, and will strictly enforce the rules and regulations of the Investment Advisors Act of 1940.

CFC has discretionary authority on some client accounts. Discretion is exercised only within the limits imposed by the client's written agreement with CFC.

Item 12. Brokerage Practices

CUSTODIANS AND BROKERS WE USE

CFC does not maintain custody of your assets. Your assets generally must be maintained in an account with a qualified custodian, generally a broker dealer or a bank. CFC recommends that clients establish brokerage accounts with qualified custodians. CSM, the broker-dealer with whom certain principals and advisors of CFC are registered, maintains a clearing agreement with Pershing, LLC that affords clients of CFC access to Pershing's clearing, execution, reporting and related services. CFC is not otherwise directly affiliated with Pershing, LLC.

CFC typically recommends CSM/Pershing as custodian for client assets. Pershing LLC is a subsidiary of BNY Mellon, the nation's oldest continuously operating bank, and one of the world's leading providers of securities services. Pershing has approximately \$800 billion in assets held in custody.

For certain assets CFC may recommend other custodians for your accounts. All of the recommended custodians provide CFC with access to institutional trading and operations services, which are typically not available to retail investors.

Clients may select a broker or custodian of their own. In the event the client selects a broker/custodian other than one recommended by CFC, CFC may not be able to achieve the most favorable execution of your transactions and you may pay more for these services than if they were acquired through CFC-recommended brokers.

HOW WE SELECT BROKERS/CUSTODIANS

While not all advisers request that their clients select a particular broker/custodian, in recommending a broker to you we seek to select a custodian who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Transaction costs
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- Breadth of available investment products
- Availability of tools that assist us in making investment decisions
- Quality of service
- Competitiveness of the price of those products
- Reputation, financial strength, and stability
- Prior service to us and our other clients

Client accounts held at Pershing are accessed and trades are executed through our broker dealer CSM. Accounts are generally not charged a separate fee for custody. Pershing and CSM are compensated in some cases by charging you a service fee or other charge on transactions in your accounts. Pershing's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

SERVICES THAT BENEFIT YOU

Pershing offers brokerage services which include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might otherwise not have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit you and your account.

SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU

Pershing makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. We would not have access to these same products and services if we did not have client assets held with Pershing. These include:

- Investment research
- Access to client account data (such as duplicate trade confirmations and account statements)
- Facilitated trade execution and allocate aggregated trade orders for multiple client accounts
- Pricing and other market information
- Facilitated payment of our fees from our clients' accounts
- Assistance with back office functions, recordkeeping, and client reporting

SERVICES THAT GENERALLY BENEFIT ONLY US

Pershing offers other services intended to help us manage and develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefit providers, human capital consultants and insurance providers

Pershing provides some of these services themselves. In other cases, they arrange for third party vendors to provide the services to us. Fees may be discounted or waived on these services or payment may be made by Pershing. There is the additional benefit to CFC that it does not have to separately produce or pay for this research, product or service. There may be other benefits such as occasional business entertainment of our personnel.

OUR INTEREST IN THESE SERVICES

The services are available through Pershing are available to us as long as we continue to use CSM as our broker dealer. We believe that the choice of Pershing as custodian is in the best interests of our clients regardless of the services that benefit CFC. Our selection is primarily supported by the scope, quality and price of Pershing's services. However, the availability of these services on advantageous terms may create a conflict of interest in our recommendation of Pershing as your custodian.

CFC utilizes various software and systems to interface with mutual fund providers, custodians, and broker/dealers in order to more efficiently implement and track client transactions. Such hardware and systems have intrinsic value to CFC, and CFC may be inclined to direct certain client transactions to those providers which offer such enhanced client services for such software and services. In all cases, the clients' needs will come first.

CFC does not aggregate the purchase or sale of securities for client accounts. Transactions are executed on a per account/per client basis, which may result in individual client transactions incurring higher (buy) or lower (sell) prices than might occur if such orders were aggregated with other purchasers or sellers.

Item 13. Review of Accounts

Client accounts are reviewed at least quarterly when quarterly consolidated account statements are prepared. Factors reviewed include performance, expenses, management, total return and overall allocation. Reviews are performed by Joel E. Stillman, Stephen R. Nohowel, and/or Timothy E. Strait. Each reviewer is familiar with the investment objectives of the client/account being reviewed.

In addition to the periodic official account statements provided by the qualified custodian, asset management clients who have entered into an agreement for continuous and ongoing monitoring of their portfolios will be provided consolidated quarterly statements showing the share amount and the current market value.

Financial plans for financial planning clients are reviewed and updated at least annually as part of the periodic consultation performed directly with clients.

Item 14. Client Referrals and Other Compensation

CFC does not compensate any party for client referrals and does not receive any compensation for referring clients to any other party.

Item 15. Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct the custodian to deduct our advisory fees from your account. Pershing and/or other qualified custodians we may choose to use maintain actual custody of your accounts. You will receive account statements directly from the custodians at least quarterly. They will be sent to the email or postal mailing address you provided to the custodian. CFC urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For some clients CFC may provide bill paying and/or other payment services. These services require CFC to have access to the checking accounts of these clients. In these cases CFC is determined to have custody of these client assets in these limited circumstances.

Item 16. Investment Discretion

CFC occasionally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, 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 amounts, CFC observes the investment policies, limitations and restrictions of the clients for which it advises. While CFC allows for a client to place certain restrictions on its trading activities (e.g.; do not buy a particular security, do not sell a particular security, etc.), such investment guidelines and restrictions must be provided to CFC by the client when completing their investor profile and account instructions or in writing at a subsequent time.

CFC obtains a written authorization from each client and for each account wherein CFC is granted limited trading discretion.

Item 17. Voting Client Securities

As a matter of firm policy and practice, CFC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. CFC may provide advice to clients regarding the clients' voting of proxies.

Item 18. Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about CFC's financial condition. CFC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

DISCLOSURE STATEMENT RECEIPT

PURSUANT TO RULE 206(4)-3
UNDER THE INVESTMENT ADVISORS ACT OF 1940

FORM ADV PART 2A-DISCLOSURE STATEMENT

The undersigned hereby acknowledges receipt of the Registered Investment Advisory Disclosure Statement in connection with the execution of a letter of agreement with Capitol Financial Consultants, Inc.

Name of Advisor: Capitol Financial Consultants, Inc.

Address of Advisor: 8180 Greensboro Drive, Suite 1150
McLean, Virginia 22102

Telephone: (703)821-2000

Name of Financial Planner: _____

The above named Financial Planner acted as a representative for Capitol Financial Consultants, Inc.

Date: _____ Signature: _____