Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

DISCLOSURE STATEMENT/ADV PART II
2012

THIS INFORMATION REGARDING MARK CAPITAL MANAGEMENT, INC. HAS NOT BEEN PASSED UPON OR APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE CALIFORNIA DEPARTMENT OF CORPORATIONS. NEITHER OF THESE ENTITIES HAS PASSED UPON OR APPROVED THE QUALIFICATIONS OR BUSINESS PRACTICES OF THE COMPANY, ITS EMPLOYEES, OR ASSOCIATED PERSONS. WE DELIVER THIS DISCLOSURE STATEMENT ANNUALLY OR MORE OFTEN IF NECESSARY TO EACH OF OUR CLIENTS.

Mark Capital Management, Inc. - MCM --is a Registered Investment Advisor with the Securities and Exchange Commission (File # 801-42152) and has made a notice filing with the California Department of Corporations (File # 927-0288). This Disclosure Statement contains information relating to MCM, its employees and associates, and the nature of its business activities.

This Disclosure Statement/ADV Part II is delivered in accordance with Part 249 of Chapter II of Title 17 of the Code of Federal Regulations under the Securities and Exchange Act of 1934 as amended and the Investment Advisors Act of 1940, in particular, Section 275.204-3 of these regulations.

If you are an existing client, this document has been delivered to meet requirements of annual delivery under the regulations.

Item 2 Material Changes

MCM has undergone no material changes, other than customary fluctuations in amounts of funds under management, since our last filing. As of July 1,2012, MCM is required to be registered with the Department of Corporations, State of California, and to withdraw direct registration with the SEC.

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Item 4 Advisory Business

I. The Advisory Company, its officers and sales consultants:

A. MCM is a California corporation wholly owned by Donald W. Sprague and Marshall Patrick (Pat) Smith. MCM is currently registered as an investment advisor with the State of California.

B. Donald W. Sprague was born in 1958 and graduated with a degree in Economics from the University of California at Berkeley in 1981. He started in the financial services industry in 1982, and worked with a number of insurance and securities firms, including a tenure at Charles Schwab & Co. in the 1990s. In 1998, he left Schwab to form his own investment advisory firm, and was joined by Pat Smith a year later, forming the company that would become Smith & Sprague, Registered Investment Advisors.

C. Pat Smith was born in 1952 and graduated with a degree in German Literature from Baylor University in 1975. He has worked continuously in the financial services industry since 1979, and was employed with Charles Schwab & Co. from 1991 to 1999, where he was Fresno Branch Manager. He left Schwab in 1999, and joined Don Sprague to form the company that became Smith & Sprague. Smith and Sprague purchased Mark Capital Management in 2006, and the newly merged business continues to operate under that name.

II. MCM's Advisory Services:

A. Mark Capital Management, Inc. ("MCM") provides ongoing financial advisory services to clients under an Asset Management Contract. Under this contract, MCM's duties are to conduct a thorough analysis of the client's financial objectives with respect to the client's present financial position, investments, estate plans and risk tolerance.

MCM offers guidance intended to address the achievement of those objectives, with an emphasis on capital preservation and growth. Such guidance is communicated to the client via telephone conversations or face-to-face meetings. No written plans are provided. These services are advisory in nature. The client has the power, and is invited to impose any restrictions he or she may desire as to the nature and identity of investments and types of investments that are employed in the client's portfolio.

Execution of financial transactions in registered stocks, bonds, mutual funds, annuities and other financial instruments will be effected by MCM and its associates pursuant to the client's goals and objectives, as communicated verbally to MCM.

B. MCM does not participate or offer wrap fee programs.

C. As of June 25, 2012, approximately 90% of MCM's accounts -- or $56,457,390.00-- are managed on a discretionary basis, while 10% --or $6,273,043.00 -- are managed on a non-discretionary basis.

Item 5 Fees and Compensation

FEES:

1. MCM's fees for these services are charged per a formula published in the Asset Management Contract and in this Disclosure Statement (see below). Fees are billed quarterly in arrears. Payment of fees will be assessed directly from the client's account at the custodian firm, per written agreement, unless client makes alternative arrangements.

Fees will be calculated as follows:
Client agrees to pay MCM fees for managing Client account(s) at an annual rate of:
1% for the first $500,000.00 of assets under management, and
0.8% for assets exceeding $500,000.00 but less than $2,000,000.00, and
0.5% for assets exceeding $2,000,000.00.

2. MCM management services are also available on an hourly basis for a fee of $150.00 per hour.
3. MCM will not require the prepayment of more than $500 in fees more than six months in advance. Because of this policy, MCM is not required to include its most recent balance sheet with this disclosure statement.
4. There is no set-up fee charged for doing business with MCM. If extensive research or document preparation is required outside of direct account-related issues, MCM may require an additional fee based on its hourly consultation rate, per agreement in advance with the client.
5. MCM does not require a minimum account size.
6. Clients using this service may also pay management fees indirectly to the mutual fund managers for the management of any mutual funds held in their portfolios.
7. Commissions or transaction fees incurred by trading mutual funds, stocks, bonds and other instruments via a broker-dealer, such as Charles Schwab & Co., will be paid by the client. Such fees are solely the revenue of the charging broker-dealer, and none of those revenues are paid or "trailed" to MCM. MCM is a fee-based advisor, and does not charge or receive transaction fees or commissions for any trade executed in a client account.
8. Our services may be terminated by the client or MCM upon written notice to the other party. Clients will be charged management fees, as per the contract, up to the termination date, including any extra expenses incurred on the client's behalf.
9. The advisory agreements/contracts between MCM and the client are non-transferable by either party.
10. The client/prospective client is advised that lower fees for comparable services may be available from other sources.

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

MCM currently does not participate in any performance-based fee arrangements, or side-by-side investment management with other advisors or managers.

Item 7 Types of *Clients*

CLIENTELE

MCM acts as advisor to individuals, businesses, estate trustees, trustees of employee benefit plans, as well as trustees and participants of company 401(k) plans.

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

A. TYPES OF INVESTMENT INSTRUMENTS:

MCM offers advice on the following types of securities: exchange-listed and over-the-counter equity securities (stocks, stock options, unit trusts and exchange-traded funds), warrants, corporate bonds, commercial paper, certificates of deposits ("CDs"), municipal bonds, variable annuities (through broker dealers), mutual funds, U.S. government securities, and partnership interests. MCM and its associated persons are not general partners in any partnership in which clients are solicited to invest.

B. METHODS OF ANALYSIS:

MCM relies on both fundamental and technical analysis for determining suitable investment instruments and securities for client portfolios. MCM analyzes information from a variety of reputable sources that are respected and utilized industry-wide, but MCM cannot guarantee the validity of such information and Client agrees not to hold MCM liable for actions taken based on erroneous information from such sources.

C. INVESTMENT STRATEGIES:

MCM's investment strategies include investing for capital gains and asset growth, income from dividends and interest, capital preservation techniques, income and estate tax reduction, and protection of assets and income from inflationary risks, where such strategies coincide with the Client's financial objectives and risk tolerance. These strategies may include utilizing both long-term and short-term investments.

D. RISK OF LOSS:

Investments managed by MCM have an inherent risk of losing value commensurate with moves in the financial markets and economic changes in companies and in the economy as a whole. MCM's management is designed to weigh potential gains and losses vis-a-vis each client's financial needs and tolerance for risk, with the objective of mitigating any such losses, but MCM cannot guarantee profits or the absence of loss in any investments.

Item 9 Disciplinary Information

Neither MCM nor any of its officers or employees are currently subject to any disciplinary edicts, judgements or restrictions by the SEC, NASD or any state regulators. No current MCM employees or officers have any record of such edicts, judgements or restrictions.

Additional "SOFT MONEY" Consideration:

MCM receives, free of charge, the following services from Charles Schwab and First Mercantile Trust: administrative assistance; newsletters that address regulatory and industry matters and the ability to access a daily electronic link to all MCM client accounts held at the respective broker/dealers. These broker/dealers also provide research on mutual funds, stocks and managed money funds that may be utilized as part of our own research process. MCM is also a subscriber to research and market analysis by The Applied Finance Group, Ltd. (AFG), a nationally respected equities research company, and may, occasionally, contract with AFG's spokesmen and researchers to conduct client and prospect seminars.

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

A. Front-Running and Shadowing Prohibited.

At times principals or associated persons of MCM may invest in the same securities that are recommended to clients. While this may represent a potential conflict of interest, MCM and its associated persons observe legal and ethical restrictions, and are prohibited from front-running or shadowing client trades. Front-running or shadowing is defined as any attempt by an associated person or MCM to purchase or sell a security of his/her/their own account or related family account within 24 hours prior to or within 24 hours after a similar recommendation has been made to clients, with the intent of using the client's trades to manipulate the market in favor of the associated person's trade(s). The firm's policy is that clients' trades must come before personal trades by owners, associated persons and staff, both on purchases and sales. Further, in cases of bulk purchases and sales, MCM and its associated persons are prohibited from "cherry-picking" trade executions to obtain prices more favorable for their own accounts than those allocated to client accounts. In the execution of bulk orders, <u>any</u> case where MCM and its associated persons can be shown to have received a more favorable execution than any client(s) will be solely the result of random assignment by the trading broker/dealer or custodian.

B. The firm has adopted a Code of Ethics incorporating the trading policies stated above. All owners, associated persons and staff must have approval of the firm's controlling officers prior to any securities purchases or sales in their own or immediate families' accounts.

C. Officers and employees of MCM are forbidden to co-mingle funds or assets with that of our clients at any time.

UTILIZATION OF BROKER/DEALERS, RECORD-KEEPERS:

For asset management services, MCM may recommend the use of various broker/dealers or, in the case of 401(k) accounts, record-keeping firms, including Charles Schwab & Co., Inc., First Mercantile Trust Co., ASPire Financial Services, Retirement Planning Consultants, Price & Co. and Paychex, Inc. Such recommendations will be based on the ability of the broker/dealers to deliver inexpensive transaction costs, quality and timeliness of executions, and the ability of record-keepers to deliver superior administrative service support. MCM acknowledges its duty of best execution and accurate accounting for all client accounts.

Item 13 Review of Accounts

A. Managed Accounts are continuously monitored, and trades are implemented as necessary. Accounts are also reviewed regularly for their performance keyed to individual client goals and objectives. Account reviews are executed by licensed investment advisors or associated persons of MCM. Currently, these reviewers include Don Sprague and Pat Smith, who are assigned 200+ accounts each for review. Reviews are conducted a) quarterly, at a minimum, and b) if triggered by a market or business event that has a material effect on securities in client accounts. Reviews cover securities vis a vis their performance, suitability, risk parameters and clients' financial objectives.

B. In addition to any monthly statements provided by broker/dealers or banks, MCM will provide a quarterly report of all managed accounts. These reports will include a snapshot of assets invested and their performance as of the end of the most recent quarter.

C. Mutual Funds in managed 401k plans are reviewed regularly by the above reviewers, and also in annual meetings with the respective 401k plan trustees.

Item 14 *Client* Referrals and Other Compensation

MCM does not compensate clients for referrals of other clients. MCM may share compensation with other appropriately registered professionals for referral or sharing of clients, as per industry standards, though MCM currently has no such arrangements with any other professionals.

Item 15 *Custody*

CUSTODY OF CLIENT ASSETS:

At no time will MCM take custody of client assets, or co-mingle MCM assets with client assets. Client's securities may be custodied at any authorized bank, trust company or broker/dealer of the client's choice. Any custodial service fees charged by any such entity will be in addition to the fees charged by MCM. *Any custodian of client assets or accounts, e.g. Charles Schwab & Co. or First Mercantile Trust Co. or other financial companies, will be contracted to supply client with periodic statements, either monthly or quarterly.* ***Clients are urged to compare these statements with the quarterly statements issued by Mark Capital.*** *Any apparent discrepancies that arise between these statements should be brought to the attention of Mark Capital for explanation or resolution.*

Item 16 Investment Discretion

INVESTMENT OR BROKERAGE DISCRETION :

Considering market conditions and adherence to sound financial strategies and tactics, MCM may be granted either full discretion or limited trading authority to purchase and sell securities within the appropriate risk levels as established with the client.

Item 17 Voting *Client* Securities

Voting Client Securities

When authorized in writing by the client, MCM may vote proxies for individual securities and/or funds when shareholder elections are held.

Item 18 Financial Information

MCM's EARNINGS:

A. Approximately 90% of MCM's advisory fees are earned from asset management services. The remaining 10% of fees are earned from offering general advisory services.

B. MCM does not require or solicit payment of more than $500.00 per client six months or more in advance.

C.MCM has no current financial condition that could be expected to impair our contractual commitments to our clients.

D. No MCM advisors have been the subject of a bankruptcy petition in the last 10 years (or before).

Item 19 Requirements for State-Registered Advisers

MCM is an investment advisor registered with the SEC, and is currently in transition--per new securities laws--in registering with the State of California's Department of Corporations. This change in registration with a governing body is due to MCM's amount of assets under management (i.e., less than $100,000,000.00 in assets under management).

The officers, advisors and employees of MCM go to great lengths to ensure against any potential conflicts of interest with their clients. In cases in which an inherent conflict may exist -- such as in the ownership by MCM employees of the same securities that are owned by clients -- or any other conflict that may arise, it is MCM's expressed policy that client issues and trades be handled prior to or at least simultaneously with the handling of the issue that concerns the MCM employee.

19.A. Executive Officers and Education -- please see Item 4(1) above.

19.B. **OTHER BUSINESS ACTIVITIES/FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS**

Pat Smith: is also CEO of Brave New Genre, Inc., a venture publishing company that provides columns and articles pertaining to residential builders and local auto dealers to the Fresno Bee, and publishes books. Pat conducts this business in non-market hours.

19.C. Performance-Based Fees -- MCM does not participate in or offer performance-based fee arrangements.

19.D. Judgements and Awards -- No MCM advisor has been party to any civil suit, arbitration or other investment-related legal proceeding, or otherwise.

19.E. No MCM officers have any financial relationships with any issuers of publicly traded securities.

19.F MCM has disclosed all material conflicts of interest under section 260.238(k) of the California Code of Regulations regarding the firm, its representatives and its employees which could be reasonably expected to impair the rendering of unbiased and objective advice.

19.G. As of June 30,2012, MCM's advisers include the company's two principals, Don Sprague and Marshall P. Smith (the advisers). The firm currently employs no Investment Adviser Representatives.