



Capital Investment Counsel, Inc.

100 E. Six Forks Road, Ste. 200
Raleigh, North Carolina 27609

(919) 831-2370

www.Capital-Invest.com

April 27, 2020

This Brochure provides information about the qualifications and business practices of Capital Investment Counsel, Inc. If you have any questions about the contents of this Brochure, please contact us at (919) 831-2370. 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.

Capital Investment Counsel, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Capital Investment Counsel, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Disclosure Brochure Material Changes section, dated April 27, 2020, replaces the April 2, 2019 version, previously circulated. The material changes are identified below.

ITEM 4.E. - ADVISORY BUSINESS – ASSETS UNDER MANAGEMENT

As of January 31, 2020, Capital Investment Counsel had a total of \$382,566.919 in assets under management, all of which were managed on a discretionary basis.

Our Disclosure Brochure may be requested, at no charge, by contacting our Compliance Department at (919) 831-2370. Our Brochure is also available on our website, www.capital-invest.com.

Item 3 –Table of Contents

Item 2 – Material Changes.....	ii
Item 3 –Table of Contents	iii
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	10
Item 10 – Other Financial Industry Activities and Affiliations	10
Item 11 – Code of Ethics	12
Item 12 – Brokerage Practices	13
Item 13 – Review of Accounts	15
Item 14 – Client Referrals and Other Compensation	16
Item 15 – Custody.....	16
Item 16 – Investment Discretion.....	16
Item 17 – Voting Client Securities	17
Item 18 – Financial Information.....	17
FORM ADV 2B – BROCHURE SUPPLEMENT	18

Item 4 – Advisory Business

4.A. Advisory Firm Description

Capital Investment Counsel, Inc. (“Counsel”) was founded in 1984 by Richard K. Bryant and E. O. “Bobby” Edgerton, Jr. Counsel provides professional investment counseling services to individual investors, pension and profit-sharing plans, corporations, trusts, and estates. The firm is owned by R. Bryant Family Partners, Ltd., a partnership managed by Mr. Bryant.

4.B. Types of Advisory Services

Counsel is an asset management firm dedicated to serving the specific needs of our clients through individually-tailored portfolios in the equity and fixed-income markets, on a discretionary basis. We do not manage money through portfolio “models”. Instead, we focus on selecting individual positions in publicly-traded companies of all market capitalizations and fixed income securities, while focusing on a disciplined process designed to manage risk for the investor.

Counsel has assembled an experienced money management team to support and complement the “Counsel Style” of investing -- a method which focuses on investing in companies we believe are financially strong and are out-of-favor and appear to be near historically low valuations. Bobby Edgerton, co-founder of the firm, established this investment philosophy over thirty years ago. The directive of the owner has been to create a team combining great synergy with continuity of style and philosophy.

Counsel may co-advise separately managed accounts for clients introduced by its affiliate, Capital Investment Advisory Services, LLC (CIAS). The accounts are managed in the same manner as other Counsel accounts, through individually-tailored portfolios in the equity and fixed income markets, on a discretionary basis.

In addition to asset management services, Counsel offers financial planning services. Counsel may provide such services to individuals, families and other clients, regarding the management of their financial resources, based upon an analysis of client’s current situation, goals, and objectives.

4.C. Client Investment Objectives/Restrictions

By offering individualized, separately managed accounts, we are able to analyze a client’s pertinent information and objectives to manage their assets. The basis for the analysis, and resulting determination of the investment objectives, may be gathered from discussions with the client and/or solicitor, as well as information provided to establish the account. The account is then managed in accordance with those objectives. Clients may impose investment restrictions on specific securities or types of securities.

4.D. Wrap-Fee Programs

Counsel terminated its wrap fee program effective April 30, 2014.

4.E. Assets Under Management as of 01/31/2020:

Discretionary basis: \$382,566,919; 816 accounts

Non-discretionary basis: \$0

Item 5 – Fees and Compensation

5.A. Adviser Compensation

Advisory Services

Counsel's fees are described generally below and detailed in each client's advisory agreement. Fees for services may be negotiated with each client on an individual basis. Counsel may waive or reduce the fees charged to a particular client, including proprietary accounts and accounts of employees, principals, shareholders or affiliates.

Fee Schedule

1.75% - On first \$500,000

1.50% - From \$500,001 to \$1,500,000

1.25% - From \$1,500,001 to \$3,000,000

Negotiable – Accounts above \$3,000,000

In addition to the management fee, Clients will pay trading costs or commissions, which may be paid to an affiliated broker of Counsel. Please refer to Item 10 and Item 12 for additional information about this.

Accounts co-managed with CIAS will adhere to the CIAS fee schedule.

Financial Planning Services

The fee for financial planning services are negotiable and may be dependent upon the nature, scope and complexity of each client's circumstances, as well as whether advisory services are also provided to the client.

Counsel's financial planning fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses, incurred by the client. However, Counsel will not receive any portion of these commissions, fees, and costs.

5.B. Direct Billing of Advisory Fees

Investment advisory fees are billed in advance, on a quarterly basis, in accordance with the investment advisory agreement. Billing cycles are based on the open date of the account and not necessarily tied to calendar quarters. Accounts are subject to a minimum annual fee of \$500, which may be waived at the discretion of management. Fees are typically calculated based upon the fair market value of the client's assets under management, as of the last business day of the quarter to be billed. The resulting amount, divided by four, shall be due our firm for the next quarterly period. Certain accounts may have other calculations and/or billing cycles. We request, with appropriate authorization, such fees be paid via our firm invoicing the custodian and the custodian debiting the client's accounts and remitting such fees to our firm; however, we do permit payments by check. Due to the invoicing of client accounts for investment advisory fees via the custodian, effective May 1, 2014, invoices will not be sent to clients, unless specifically requested. Clients electing to pay their investment advisory fees directly, will continue to receive invoices from Counsel.

Relative to accounts co-advised with CIAS, clients will be assessed an annual fee by CIAS, on behalf of both Counsel and CIAS, based on the value of the assets under management. The fee will be pro-rated from account inception and billed on a quarterly basis.

5.C. Other Non-Advisory Fees

Clients may incur certain charges imposed by custodians, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. A client's portfolio may include positions in mutual funds or exchange traded funds, which also charge internal management fees, as disclosed in the funds' prospectuses.

Item 12 further describes the factors that Counsel considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

5.D. Required Advance Payment of Fees

In the event a client wishes to terminate their relationship with Counsel, the client should provide a 30-day prior written notification of their desire to terminate the arrangement. In the event an advisory contract is terminated prior to the conclusion of a billing period, a *pro rata* portion of any pre-paid fees will be refunded to the client.

5.E. Compensation for Sale of Securities or Other Investment Products

Investment Adviser Representatives of Counsel may also be registered with Capital Investment Brokerage and/or Capital Investment Group. In their capacity as a registered representative, an Investment Adviser Representative may receive a commission or remuneration in the execution of transactions through the affiliated broker/dealers. A conflict of interest may occur in an instance in which mutual fund positions are maintained

in a client account through one of Counsel's affiliated broker/dealers. As a general rule, Counsel does not recommend the purchase of mutual funds for client accounts, but may maintain mutual fund assets that are transferred into a client account. Counsel may elect to continue holding these assets for adherence to client objectives, tax purposes, client mandate or some combination of these reasons. In such cases, an Investment Adviser Representative, or a registered representative of a related broker/dealer acting as a solicitor, may also receive 12b-1 or service fees from the mutual fund company, in addition to assessing the advisory fee on the position(s), as a portion of the assets under management.

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

Counsel does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client's account).

Item 7 – Types of Clients

Counsel provides portfolio management services to individuals, high net worth individuals, pension and profit-sharing plans, corporations, trusts, and estates.

Counsel's minimum account value is \$100,000. We reserve the right to waive the requirement.

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

8.A. Methods of Analysis and Investment Strategies

We utilize our "5 Point" Investment Philosophy featuring Tax Advantaged Investing and Multiplication of Stocks and Dividends:

1. by placing major emphasis on cash rich, financially strong companies selling at deep discounts historically, when selecting our portfolio positions. Since we are contrarian and patient by nature, our portfolio turnover (buys and sells) is very low, thus keeping expenses low for our clients;
2. by reinvesting dividends and interest during the year in order to "dollar cost average" back into the markets;
3. by emphasizing the importance of savings or additional contributions to the portfolio. This additional funding further helps with "dollar cost averaging";
4. by striving to minimize tax liability by focusing on long-term capital gains, thus keeping your portfolio tax efficient and;

5. in cases in which a current portfolio position has increased significantly beyond the business' intrinsic value, we may elect to "multiply" the position by selling it and reinvesting the proceeds in two, three or four positions for further diversification.

Our stock selections are complemented with bond holdings, as necessary, in accordance with the investment objectives of the portfolio.

We offer four general types of portfolios for investors: growth, growth and income, balanced, and income. However, any of these may be customized to meet the investment objectives of the client.

8.B. Material Risks of Investment Strategies or Methods of Analysis

There can be no guarantee of success of the strategies offered by Counsel. Investment portfolios may be adversely affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of security pricing and the liquidity of an investment. The strategies used by Counsel may involve the following risks:

Management Risk – Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole or our intrinsic value approach may fail to produce the intended results. Our estimate of intrinsic value may be wrong or even if our estimate of intrinsic value is correct, it may take a long period of time before the price and intrinsic value converge.

Market Risk – Market risk refers to the possibility that the value of securities may decline due to daily fluctuations in the markets. Security pricing changes daily, as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies may decline regardless of their long-term prospects.

Sector Focus Risk – The portfolios may be heavily invested in certain sectors, which may cause the value of its shares to be especially sensitive to factors and economic risks that specifically affect those sectors and may cause the value of the portfolio to fluctuate more widely than a more broadly diversified benchmark.

Accuracy of Public Information – Counsel selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available by the issuers or through sources other than the issuers. Although Counsel evaluates this information and data and ordinarily seeks

independent corroboration as appropriate and reasonably available, Counsel is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investing in securities involves risk of loss that clients should be prepared to bear.

8.C. Security Recommendation Risks

Risks Related to Equity Investments

Regardless of any one company's particular prospects, a declining stock market may produce a downturn in prices for all equity securities, which could also result in losses. Other investment strategy risk factors could include:

Small and Mid-Cap Company Risk – Investments in small and mid-cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, small and mid-cap companies may be more vulnerable to economic, market and industry changes. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger capitalization companies.

Competition – Equity securities selected by Counsel typically have significant market competitors and there is no guarantee that a portfolio security will perform better than its competitors and could be subject to risks competing with other companies with regard to product lines, technology advancements and/or management styles of the competing companies.

Foreign Securities Risk – While not a primary investment strategy utilized by Counsel, investments in foreign securities may be volatile and can decline significantly in response to foreign issuer political, regulatory, market or economic developments. Foreign securities are also subject to interest rate and currency exchange rate risks.

Risks Related to Fixed Income Investments

Credit Risk – There is a risk that issuers and counterparties will not make payments on the securities they issue. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security which may affect liquidity and our ability to sell the security.

Interest rate risk – Interest rate risk is the chance that bond prices overall will decline over short or even long periods because of rising interest rates. Prices and yields on bonds are dependent on a variety of factors, such as the financial condition

of the issuer, general conditions of the bond market, and the size of a particular offering, the maturity of the obligation and the rating of the issue.

Investment in these types of securities involves risk and the loss of capital. These strategies may not be suitable for all investors. Past performance is not indicative of future results.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts, regarding any legal or disciplinary events, which would be material to your evaluation of them or the integrity of their management. Counsel has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

10.A. Registration of Licensed Representatives

Some of Counsel’s management persons are registered as a registered representative of a broker-dealer.

Richard K. Bryant, President of Counsel, divides his efforts among his positions as Chief Executive Officer of Capital Investment Group, Inc.; Chief Executive Officer of Capital Investment Brokerage, Inc.; Managing Member of Capital Investment Advisory Services, LLC, and; Vice President of Capital Advisers, Inc. He is also a Registered Representative of Capital Investment Brokerage and Capital Investment Group.

Ronald L. King, Chief Compliance Officer for Counsel, Inc., also serves as Chief Compliance Officer for Capital Investment Group, Inc., Capital Investment Brokerage, Inc., and Capital Investment Advisory Services, LLC. He is also a Registered Representative of Capital Investment Brokerage and Capital Investment Group.

Con T. McDonald is an Investment Adviser Representative for Counsel; Assistant Vice President, Registered Representative, and shareholder of Capital Investment Brokerage; Registered Representative, Vice President, and shareholder of Capital Investment Group; President of Physicians Financial Services, Inc., a Registered Investment Adviser; and, President of The Wealth Group, Ltd., a Registered Investment Adviser.

W. Harold “Hal” Eddins, Jr. is a Vice President, Investment Adviser Representative, and shareholder of Counsel; Vice President, Registered Representative, and shareholder of Capital Investment Brokerage; Assistant Vice President, Registered Representative; and, shareholder of Capital Investment Group, and Investment Adviser Representative of Capital Investment Advisory Services, LLC.

Kurt A. Dressler is a Vice President, Investment Adviser Representative, and shareholder of Counsel; Registered Representative and shareholder of Capital Investment Brokerage; shareholder of Capital Investment Group; and Investment Adviser Representative of Capital Investment Advisory Services, LLC.

Richard S. Battle is an Investment Adviser Representative of Counsel, Registered Representative and shareholder of Capital Investment Brokerage; and, Registered Representative and shareholder of Capital Investment Group.

10.B. No Other Registrations

Counsel's management persons are not registered, nor do any management persons have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

10.C. Material Relationships or Arrangements

Counsel is affiliated with two brokerage firms (Capital Investment Group, Inc. and Capital Investment Brokerage, Inc.), and two investment advisory firms (Capital Investment Advisory Services, LLC, and Capital Advisers, Inc.). All entities share common ownership and are considered part of Capital Investment Companies. Other than common ownership, we do not have any business relationships, third party management agreements, etc. with Capital Advisers, Inc. Richard K. Bryant is an officer of the brokerage firms. All shareholders, including employees of Counsel, Capital Investment Group, and Capital Investment Brokerage may receive dividends from the companies periodically.

Arrangements are available for clients and prospective clients to use either of our affiliated companies, Capital Investment Group, Inc. and Capital Investment Brokerage, Inc., as the broker/dealer to handle their transactions. In this capacity, the Advisers may receive compensation in the form of brokerage commissions for managed and non-managed accounts. The affiliated brokerage could pose a potential conflict of interest. In order to mitigate this conflict, brokerage practices are reviewed regularly with regard to best execution and consideration is given to the possibility of using or recommending brokers other than the affiliates. With regard to mitigating conflicts related to security selections for client accounts, recommendations for the purchase and sale of securities are generally known by its affiliated broker/dealers as a result of their involvement in trading. When possible, and in the best interest of clients, personal securities transactions are bunched for execution and allocated immediately after execution, or placed after client trading has concluded.

10.D. Recommendation of Other Investment Advisers

While Counsel may recommend, or direct client assets to be invested through, other advisers, no additional compensation is received by Counsel or its Investment Adviser Representatives other than management fees, as disclosed in the advisory agreement or other disclosure documents.

Item 11 – Code of Ethics

11.A. Code of Ethics Document

Counsel has adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1. A basic tenet of Counsel's Code of Ethics is that the interests of clients are always placed first. The Code of Ethics includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. You may obtain a copy of our Code of Ethics by contacting the firm's Compliance Department at (919) 831-2370.

11.B. Recommendations of Securities and Material Financial Interests

As a matter of policy, Counsel does not engage in agency cross transactions. Any exceptions to this policy must be approved in advance by the Chief Compliance Officer or his or her designee.

When bond trades are deemed an appropriate investment in Client Accounts, Counsel may receive better pricing by purchasing a single bond and then allocating it amongst Client Accounts. The process may involve the security passing through an agency account, where no mark up in pricing is allowed.

Counsel, including any of its affiliates, does not serve as a general partner to a partnership which solicits client investments, nor does Counsel, or any affiliates serve as investment adviser to an investment company which is recommended to Counsel's clients.

11.C. Personal Trading

Counsel has adopted a Code of Ethics to ensure that personal investing activities by Counsel's employees are consistent with Counsel's fiduciary duty to its clients. The Code of Ethics includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. The Code of Ethics provides for, among other things:

1. the review and reporting of personal securities transactions by access persons;
2. prompt reporting of any violation of the Code;
3. recordkeeping and supervisory aspects pertaining to the Code;
4. confidentiality of client information, and;
5. general standards of ethical business.

11.D. Timing of Personal Trading

Counsel may recommend securities in which its Investment Adviser Representatives may have positions. This is not done to influence stock or bond prices, but to demonstrate that Advisers do not buy stocks and bonds for clients they would not willingly buy for themselves. The personal trading activity of all employees is reviewed by the compliance department.

Counsel employees may buy or sell securities at or around the same time as the same securities are bought or sold in client accounts. In order to mitigate any conflicts of interest, trades for the accounts of Advisers may be included in aggregated or “bunch” trades, with client accounts, and allocated among all accounts. The personal trading activity of all employees is reviewed by the compliance department to identify potential improprieties. The Code of Ethics requires Investment Adviser Representatives to place the interests of clients ahead of personal interests and are expected to act accordingly when placing personal trades.

Item 12 – Brokerage Practices

12.A. Selection of Broker/Dealers

Typically, Counsel will recommend that a client utilize one of our affiliated broker/dealers, Capital Investment Group, Inc. or Capital Investment Brokerage, Inc., due to the efficiency of trading and account information systems. A client can request to utilize the broker/dealer of their choice.

Commissions for trading through an affiliated broker/dealer generate revenue or cover costs for the affiliate. Commission rates may be negotiable.

Generally, Counsel is retained, with respect to individual accounts, on a discretionary basis and is authorized to make the following determinations in accordance with the client’s specified investment objectives without client consultation or consent before a transaction is effected:

1. which securities to buy or sell;
2. the total amount of securities to buy or sell;
3. the commission rates at which securities transactions for client accounts are affected, and;
4. the prices at which securities are to be bought or sold, which may include transaction costs.

Counsel’s objective in broker/dealer selection for portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts’ portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other

costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant.

Although Counsel generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Counsel believes that paying fair and reasonable commissions to broker-dealers, in return for quality execution services and useful research, benefits clients. Moreover, transactions that involve specialized services on the part of the broker-dealer will usually result in higher commissions or other compensation to the broker-dealer than would be the case with transactions requiring more routine services.

The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, and other assistance to Counsel in providing investment management to clients. Recognizing the values of these factors, Counsel may pay a brokerage commission in excess of what another broker, might have charged for effecting the same transaction. Counsel regularly evaluates the placement of brokerage and the reasonableness of commissions paid. In this connection, Counsel makes a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services received, viewed in terms of either the specific transaction or Counsel's overall responsibility to its clients. However, the extent to which commission rates or net prices charged by brokers reflects the value of these services often cannot be readily determined. Although Counsel generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent.

1. **Research and Other Soft Dollar Benefits** – Counsel does not participate in soft dollar practices and the decision to recommend one of our affiliated broker/dealers is not based on any research received from them for directing executions or maintaining assets at the broker/dealer.
2. **Brokerage for Client Referrals** – Counsel does not direct trade execution to broker/dealers in exchange for client referrals received from them.
3. **Directed Brokerage** – Counsel will accept direction from clients as to which broker dealer will be used. Clients, who, in whole or in part, direct Counsel to use a particular broker-dealer to execute transactions for their accounts should be aware that, in so doing, they may adversely affect Counsel's ability to provide best execution.

12.B. Aggregation of Orders

Bunched trades may be utilized for efficiency, in order entry and execution. In a bunched order, all transactions are executed in a very short amount of time. This may result in very small price differences received by clients. The commission rates charged by the executing broker/dealer may be higher than those obtained in the marketplace on like transactions. Counsel seeks to aggregate trade orders in a manner that is consistent with its duty to: (1) seek best execution of client orders, (2) treat all clients fairly, and (3) not systematically

advantage or disadvantage any single client. Counsel may include proprietary accounts in such aggregate trades subject to its duty of seeking best execution and to its Code of Ethics.

Counsel trading personnel are responsible for reviewing all accounts for which they order trades to determine that the transactions were entered correctly. When a trading error is discovered, Counsel follows established procedures to correct the error. Counsel will ensure that the appropriate corrective action (including any appropriate reimbursement) is taken promptly after discovery of the error and will document the error and its correction for inclusion in Counsel's books and records as required by applicable law.

Item 13 – Review of Accounts

13.A. Frequency and Nature of Review

Account reviews are handled by Richard K. Bryant (Chief Executive Officer), E. O. Edgerton, Jr. (Investment Adviser Representative), Con T. McDonald (Investment Adviser Representative), Richard S. Battle (Investment Adviser Representative), W. Harold Eddins (Investment Adviser Representative), and Kurt A. Dressler (Investment Adviser Representative). The above have no specific maximum number of accounts assigned to them. At a minimum, Investment Adviser Representatives are instructed to review portfolios quarterly, in accordance with a methodology selected by Counsel to ensure no clients are disadvantaged. Such reviews should consider whether portfolios are consistent with client objectives, investment guidelines, and other criteria.

13.B. Factors That May Trigger An Account Review Outside of Regular Review

The Investment Adviser Representative will review accounts, more frequently than quarterly, based on triggering events, such as changes in client objectives, financial conditions, assets under management.

13.C. Content and Frequency of Client Reports

At a minimum, written statements are furnished quarterly to clients by the custodian. This statement supplied by the custodian to client includes account holdings, transactions and fees paid. In addition, certain clients receive an internally-prepared, written quarterly performance and position report. Clients receiving statements directly from Counsel are urged to compare them to the statement received from the custodian, and report any discrepancies to Counsel.

Item 14 – Client Referrals and Other Compensation

14.A. Compensation from Non-Clients

Counsel does not currently receive any economic benefits from non-clients related to advisory services provided to clients, other than what has been disclosed in Item 5.E.

14.B. Referral Arrangements

Counsel may enter into agreements with solicitor agents who may be registered representatives, financial planners, or possess other qualifications for serving in the capacity of a solicitor agent for a fee. Frequently, such solicitor agents are registered representatives with our affiliated broker/dealers, Capital Investment Group or Capital Investment Brokerage. Solicitor agents receive referral fees on a quarterly basis for introducing a client to Counsel. Such fees paid to solicitor agents are part of Counsel's fee schedule and do not increase any fees or costs to the client. Counsel maintains a contract with each solicitor defining the roles, responsibilities, compensation, and terms of the solicitation arrangement.

Item 15 – Custody

Counsel does not maintain custody of client assets or securities. Counsel's clients maintain their assets and securities at qualified custodians.

Account Statements

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Counsel takes steps to ensure that the client's qualified custodian sends periodic account statements, at least quarterly directly to such clients. These statements from the custodian show all transactions in the client's account, including fees paid to Counsel.

At least quarterly, Counsel urges clients to carefully review and compare official custodial statements and records to the account statements that Counsel may provide to its clients. Information in Counsel statements may vary slightly from custodial statements, based on accounting procedures, reporting dates, interest accruals or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Generally, Counsel is retained, with respect to its client accounts, on a discretionary basis and is authorized to make the following determinations in accordance with the client's specific objectives without client consultation or consent prior to effecting a transaction:

1. which securities to buy or sell;
2. the total amount of securities to buy or sell;
3. the commission rates at which securities transactions for client accounts are affected, and;
4. the prices at which securities are to be bought or sold, which may include transaction costs.

Clients may choose to limit this discretion by notifying Counsel in writing of any restrictions or limitations they wish to impose on an account. Counsel assumes investment authority on the client account when the investment management agreement is signed.

Item 17 – Voting Client Securities

Counsel does not assume responsibility for proxy voting. Clients agree to assume this responsibility when signing an investment advisory agreement and will receive proxy materials directly from the custodian holding their account. You may contact Counsel at (919) 831-2370 if you have questions about a particular proxy solicitation.

Item 18 – Financial Information

18.A. Advance Payment of Fees

Counsel does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

18.B. Financial Condition

Registered investment advisers are required, in this item, to provide you with certain financial information or disclosures about their financial condition. As such, please note that Counsel has no financial commitments that impair its ability to meet contractual and fiduciary commitments to clients.

18.C. No Bankruptcy Proceedings

Counsel has not been the subject of a bankruptcy proceeding.



Capital Investment Counsel, Inc.

100 E. Six Forks Road, Ste. 200
Raleigh, North Carolina 27609

(919) 831-2370

www.Capital-Invest.com

FORM ADV 2B – BROCHURE SUPPLEMENT



RICHARD K. BRYANT

Capital Investment Counsel, Inc.

100 E. Six Forks Road; Ste. 200
Raleigh, North Carolina 27609

(919) 831-2370

April 27, 2017

This Brochure Supplement provides information about Richard K. Bryant, which is an addendum to the Capital Investment Counsel, Inc. Brochure. You should have received a copy of that Brochure. If you did not receive it, or if you have any questions about the contents of this supplement, please contact our Compliance Department at (919) 831-2370.

Item 2- Educational Background and Business Experience

Richard K. Bryant, Chief Executive Officer

Year of Birth: 1959

Education:

North Carolina State University, B.A. Business Management, 1977–1981

Business Background:

Capital Investment Counsel, Inc. President 10/2012 – Present	Raleigh, NC
Capital Investment Counsel, Inc. Vice President 08/1984 – 09/2012	Raleigh, NC
Capital Investment Group, Inc. Chief Executive Officer 01/1984 –Present	Raleigh, NC
Capital Investment Brokerage, Inc. Chief Executive Officer 02/1996 –Present	Raleigh, NC
Capital Advisers, Inc. Vice President 02/1995 – Present	Raleigh, NC
Capital Investment Advisory Services, LLC Managing Director 01/2004 – Present	Raleigh, NC

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events which would be material to your evaluation of each supervised person providing investment advice. No information is applicable to Mr. Bryant.

Item 4- Other Business Activities

Mr. Bryant, in addition to his position as President of Counsel, divides his efforts among his positions as Chief Executive Officer and securities principal of Capital Investment Group, Inc., Chief Executive Officer and securities principal of Capital Investment Brokerage, Inc., and Managing Member of Capital Investment Advisory Services, LLC.

Item 5- Additional Compensation

No reportable additional compensation.

Item 6 – Supervision

Mr. Bryant is a principal of Capital Investment Counsel, Inc. He can be reached at (919) 831-2370.



E. O. EDGERTON, JR.

Capital Investment Counsel, Inc.

100 E. Six Forks Road; Ste. 200
Raleigh, North Carolina 27609

(919) 831-2370

April 27, 2017

This Brochure Supplement provides information about E. O. Edgerton, Jr., which is an addendum to the Capital Investment Counsel, Inc. Brochure. You should have received a copy of that Brochure. If you did not receive it, or if you have any questions about the contents of this supplement, please contact our Compliance Department at (919) 831-2370.

Item 2- Educational Background and Business Experience

E. O. Edgerton, Jr., Investment Adviser Representative

Year of Birth: 1941

Education:

Wake Forest University, B.A. Business, 1960-1964

Business Background:

Capital Investment Counsel, Inc.	Raleigh, NC
Investment Adviser Representative	
08/1984 – Present	

Capital Investment Group, Inc.	Raleigh, NC
Vice President	
01/1984 – 11/2011	

Capital Investment Brokerage, Inc.	Raleigh, NC
Vice President	
02/1996 – 11/2011	

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events which would be material to your evaluation of each supervised person providing investment advice. No information is applicable to Mr. Edgerton.

Item 4- Other Business Activities

Mr. Edgerton currently has no outside business activities.

Item 5- Additional Compensation

No reportable additional compensation.

Item 6 - Supervision

Mr. Edgerton works with Mr. Bryant, who can be reached at (919) 831-2370.



CON T. MCDONALD

Capital Investment Counsel, Inc.

100 E. Six Forks Road; Ste. 200
Raleigh, North Carolina 27609

(919) 831-2370

August 17, 2015

This Brochure Supplement provides information about Con T. McDonald, which is an addendum to the Capital Investment Counsel, Inc. Brochure. You should have received a copy of that Brochure. If you did not receive it, or if you have any questions about the contents of this supplement, please contact our Compliance Department at (919) 831-2370.

Item 2- Educational Background and Business Experience

Con T. McDonald, Investment Adviser Representative

Year of Birth: 1955

Education:

University of North Carolina at Chapel Hill, B.S. with a Major in Accounting, 1974–1978

Mr. McDonald has been awarded the use of the Certified Financial Planner (CFP®) designation by the Certified Financial Planner Board of Standards, Inc.™

The CFP Designation requirements:

- 1) Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university).
- 2) Examination – Pass the comprehensive CFP® Certification Examination;
- 3) Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year);
- 4) Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*.

Business Background:

Capital Investment Counsel, Inc.	Raleigh, NC
Investment Advisor Representative	
07/1987 – Present	

Capital Investment Group, Inc.	Raleigh, NC
Vice President/Registered Representative	
07/1987 – Present	

Capital Investment Brokerage, Inc.	Raleigh, NC
Assistant Vice President/Registered Representative	
01/1997 – Present	

Physicians Financial Services, Inc.	Raleigh, NC
President and Chief Financial Officer	
07/1987 – Present	

The Wealth Group, Ltd
President and Chief Financial Officer
09/2010 – Present

Raleigh, NC

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events which would be material to your evaluation of each supervised person providing investment advice. No information is applicable to Mr. McDonald.

Item 4- Other Business Activities

In addition to his role as an Investment Advisor Representative with Counsel, Mr. McDonald is an Assistant Vice President, registered representative, and securities principal with Capital Investment Group, Inc. He is also a Vice President, registered representative, and securities principal of Capital Investment Brokerage, Inc. His status as a registered representative with Capital Investment Brokerage allows him to establish client brokerage accounts and act as the Investment Advisor Representative for Counsel on those accounts. He may receive commissions or fees, including 12b-1 or service fees from mutual funds, in his role as a registered representative. Both Capital Investment Brokerage and Capital Investment Group are under common ownership and control with Counsel.

Mr. McDonald is the President of Physicians Financial Services, Inc., a Registered Investment Adviser that serves the unique financial needs of the physician and accountant community. He also acts as President and Chief Financial Officer of The Wealth Group, Ltd., a Registered Investment Adviser with a focus on managing assets for individual investors, retirement plans, trusts, estates, IRAs and to also conduct tax planning for clients.

The recommendation of a Registered Investment Adviser firm, by Mr. McDonald to a client, is reliant on their specific financial needs and objectives.

Item 5- Additional Compensation

No reportable additional compensation.

Item 6 - Supervision

Mr. McDonald works with Mr. Bryant, who can be reached at (919) 831-2370.



W. HAROLD EDDINS, JR.

Capital Investment Counsel, Inc.

100 E. Six Forks Road; Ste. 200
Raleigh, North Carolina 27609

(919) 831-2370

August 17, 2015

This Brochure Supplement provides information about W. Harold Eddins, Jr., which is an addendum to the Capital Investment Counsel, Inc. Brochure. You should have received a copy of that Brochure. If you did not receive it, or if you have any questions about the contents of this supplement, please contact our Compliance Department at (919) 831-2370.

Item 2- Educational Background and Business Experience

W. Harold Eddins, Jr., Investment Adviser Representative

Year of Birth: 1964

Education:

Brevard College, 1983–1985

University of North Carolina at Chapel Hill, B.S., 1985-1987

Business Background:

Capital Investment Advisory Services
Investment Adviser Representative
12/2014 – Present
Raleigh, NC

Capital Investment Brokerage, Inc.
Vice President/Registered Representative
01/1997 – Present
Raleigh, NC

Capital Investment Counsel, Inc.
Vice President/Investment Adviser Representative
09/1987 – Present
Raleigh, NC

Capital Investment Group, Inc.
Assistant Vice President/Representative
09/1987 – Present
Raleigh, NC

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events which would be material to your evaluation of each supervised person providing investment advice. No information is applicable to Mr. Eddins.

Item 4- Other Business Activities

In addition to his role as an Investment Adviser Representative with Counsel, Mr. Eddins is Vice President, registered representative and securities principal with Capital Investment Brokerage, Assistant Vice President and securities principal with Capital Investment Group, Inc., and Investment Adviser Representative with Capital Investment Advisory Services. His status as a registered representative with Capital Investment Brokerage allows him to establish brokerage accounts and act as the Investment Adviser Representative for Counsel and Capital Investment Advisory Services, on those accounts. He may receive commissions or fees, including 12b-1 or service fees from mutual funds, in his role as a registered representative. Capital Investment Brokerage, Capital Investment Group, and Capital Investment Advisory Services, are under common ownership and control with Counsel.

Item 5- Additional Compensation

No reportable additional compensation.

Item 6 - Supervision

Mr. Eddins works with Mr. Bryant, who can be reached at (919) 831-2370.



KURT A. DRESSLER

Capital Investment Counsel, Inc.

100 E. Six Forks Road; Ste. 200
Raleigh, North Carolina 27609

(919) 831-2370

August 17, 2015

This Brochure Supplement provides information about Kurt A. Dressler, which is an addendum to the Capital Investment Counsel, Inc. Brochure. You should have received a copy of that Brochure. If you did not receive it, or if you have any questions about the contents of this supplement, please contact our Compliance Department at (919) 831-2370.

Item 2- Educational Background and Business Experience

Kurt A. Dressler, Investment Adviser Representative

Year of Birth: 1969

Education:

Eastern Illinois University, B.S. Business Finance, 1987-1991

Business Background:

Capital Investment Counsel, Inc.	Raleigh, NC
Vice President/Investment Adviser Representative	
06/1996 – Present	
Capital Investment Brokerage, Inc.	Raleigh, NC
Registered Representative	
04/1997 – Present	
Capital Investment Advisory Services	Raleigh, NC
Investment Adviser Representative	
12/2014 – Present	
Capital Investment Group, Inc.	Raleigh, NC
Assistant Vice President	
06/1996 – 04/1997	

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events which would be material to your evaluation of each supervised person providing investment advice. No information is applicable to Mr. Dressler.

Item 4- Other Business Activities

In addition to his role as an Investment Adviser Representative with Counsel, Mr. Dressler is a registered representative and securities principal with Capital Investment Brokerage, and Investment Adviser Representative with Capital Investment Advisory Services (CIAS). His status as a registered representative with Capital Investment Brokerage allows him to establish brokerage accounts and act as the Investment Adviser Representative for Counsel and Capital Investment Advisory Services, for those accounts. He may receive commissions or fees, including 12b-1 or service fees from mutual funds, in his role as a registered representative. Capital Investment Brokerage, Capital Investment Group, and Capital Investment Advisory Services, are under common ownership and control with Counsel.

Item 5- Additional Compensation

No reportable additional compensation.

Item 6 - Supervision

Mr. Dressler works with Mr. Bryant, who can be reached at (919) 831-2370.



RICHARD S. BATTLE

Capital Investment Counsel, Inc.

100 E. Six Forks Road; Ste. 200
Raleigh, North Carolina 27609

(919) 831-2370

August 17, 2015

This Brochure Supplement provides information about Richard S. Battle, which is an addendum to the Capital Investment Counsel, Inc. Brochure. You should have received a copy of that Brochure. Please contact our Compliance Department if you did not receive Capital Investment Counsel, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Item 2- Educational Background and Business Experience

Richard S. Battle, Investment Adviser Representative

Year of Birth: 1959

Education:

University of North Carolina at Chapel Hill, B.S., 1977–1981

Business Background:

Capital Investment Counsel, Inc.	Raleigh, NC
Investment Adviser Representative	
04/1993 – Present	

Capital Investment Group, Inc.	Raleigh, NC
Representative	
04/1993 – 04/1997	
11/2010 - Present	

Capital Investment Brokerage, Inc.	Raleigh, NC
Representative	
04/1997 – Present	

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events which would be material to your evaluation of each supervised person providing investment advice. No information is applicable to Mr. Battle.

Item 4- Other Business Activities

In addition to his role as an Investment Adviser Representative with Counsel, Mr. Battle is a registered representative and securities principal with Capital Investment Brokerage and Capital Investment Group, Inc. His status as a registered representative with Capital Investment Brokerage allows him to establish brokerage accounts and act as the Investment Adviser Representative for Counsel on those accounts. He may receive commissions or fees, including 12b-1 or service fees from mutual funds, in his role as a registered representative. Both Capital Investment Brokerage and Capital Investment Group are under common ownership and control with Counsel.

Item 5- Additional Compensation

No reportable additional compensation.

Item 6 - Supervision

Mr. Battle works with Mr. Bryant, who can be reached at (919) 831-2370.