Capital Financial Group Inc.

Part 2A of Form ADV

The Brochure

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This Brochure provides information about the qualifications and business practices of "Capital Financial Group Inc." If you have any questions about the contents of this Brochure, please contact us at 330-668-6991 and/or richard@professormoney.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated April 2011 is a new document prepared according to the SEC's new requirements and rules. Capital Financial Group Inc. business activities have not changed materially since the time of our last update. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

Currently, our Brochure may be requested by contacting Richard D. Peterson at 330-668-6991 or at richard@professormoney.com.

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Advisory Business

Capital Financial Group Inc. offers customized investment management services to individuals, high-net-worth individuals and associated Trusts, Pensions, and Estates. Each portfolio is developed and based on the clients' investment objectives, time horizon, and risk tolerance. The majority of securities that are recommended to achieve these goals are no-load mutual funds, both domestic and international, but may include the recommendation of other securities to achieve these goals including stocks, exchange traded funds, closed end funds, insurance products and other investments. Clients agree to an individualized portfolio investment allocation, and can impose reasonable restrictions on Capital Financial Group Inc. management of their accounts. Capital Financial Group Inc. was founded in 1990 and is owned by Richard D. Peterson. As of February 7th, 2011 Capital Financial Group Inc. managed $30 million ($15,400,000 on a discretionary basis and $14,600,000 on a non-discretionary basis) on behalf of 469 accounts. Capital Financial Group Inc. does not use wrap fee accounts.

Capital Financial Group Inc. also provides for a fee financial plans for clients. These plans generally include, but are not limited too, review of cash flows, analysis of client risk tolerance, asset allocation analysis, retirement and other savings goals, and analysis of current allocations. The fee for this service is generally $6000 or less, or $300 per hour, and is negotiable. Clients deposit one-half the planning fee upon execution of the planning agreement, and pay the balance by check upon delivery of the plan. The client will receive their money back if the client notifies the advisor of the termination of the planning agreement within five days of its execution.

Fees and Compensation

The standard fee schedule is as follows.

Assets under management:	The Annual Fee is:
Amounts of $50,000 or less	2.25%
Amounts between $50,000 and $100,000	2.00%
Amounts between $100,000 and $250,000	1.75%
Amounts between $250,000 and $500,000	1.50%
Amounts between $500,000 and $1,000,000	1.25%
Amounts between $1 Million and $5 Million	1.00%
Amounts between $5 Million and $10 Million	.75%

The specific manner in which fees are charged by Capital Financial Group Inc. is established in a client's written agreement with Capital Financial Group Inc. Capital Financial Group Inc. will generally bill its fees on a quarterly basis. Clients will be billed in arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Capital Financial Group Inc. to directly debit fees from client accounts. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. All fees are subject to negotiation.

Capital Financial Group Inc's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Capital Financial Group Inc's fee, and Capital Financial Group Inc. shall not receive any portion of these commissions, fees, and costs.

Performance-Based Fees and Side-By-Side Management

Capital Financial Group Inc. does not charge performance fees. Some investment advisors experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. These conflicts of interest are not applicable at Capital Financial Group Inc.

Types of Clients

Capital Financial Group Inc. provides portfolio management services to individuals, high net worth individuals and associated trusts, estates, and pensions.

Methods of Analysis, Investment Strategies and Risk of Loss

Capital Financial Group Inc. President, Richard D. Peterson, conducts analysis on all securities that are recommended for client accounts. This analysis varies depending on the security in question. For mutual funds and ETF's the analysis generally includes a review of:

- The fund's manager or team;
- The fund's exposure to sectors
- The fund's historical risk and return characteristics;
- The fund's fee structure; and
- Any other factors considered relevant.

Investments are evaluated independently, as well as in the context of clients' existing holdings and asset class exposure. Capital Financial Group Inc. primarily invests for relatively long time horizons, generally more than several years. However, market developments could cause Capital Financial Group Inc. to sell securities more quickly.

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

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 Capital Financial Group Inc. or the integrity of Capital Financial Group Inc. management. Capital Financial Group Inc. has not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Capital Financial Group Inc. principals and associated persons are also licensed insurance agents for the sale of insurance products, specifically; life insurance, long term care insurance, and fixed annuities, which may generate a commission to them and / or other agents. These additional insurance products are used to enhance and protect the clients financial well being and do not pose any material conflict of interest.

Code of Ethics

Capital Financial Group Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Capital Financial Group Inc. must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of Capital Financial Group Inc. code of ethics is available upon request.

Capital Financial Group Inc. employees are generally permitted to trade alongside clients' accounts as long as they receive the average price that is applicable to clients and pay their share of any transaction costs. However, no employees are allowed to participate in partially filled orders until all clients' orders have been filled. The Chief Compliance Officer monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

Brokerage Practices

Capital Financial Group Inc. generally recommends that clients arrange for their assets to be held with Fidelity Investments (Fidelity). Capital Financial Group Inc. has managed client assets at Fidelity for many years and has found Fidelity to offer quality services at competitive prices.

Capital Financial Group Inc. has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides Capital Financial Group Inc. with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist Capital Financial Group Inc. in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help Capital Financial Group Inc. manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Capital Financial Group Inc. may contract directly.

Capital Financial Group Inc. is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Fidelity is providing Capital Financial Group Inc. with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

Review of Accounts

Capital Financial Group Inc. President and owner Richard D. Peterson reviews client accounts on an ongoing basis. Changes in expected return, expected risk, or relative standing of an investment and the relationship of each of the assets can trigger a reallocation or replacement of an investment in the portfolio.

Clients receive statements directly from Capital Financial Group Inc. preferred custodian Fidelity Investments on a monthly basis and provides 24/7 web access to their accounts. Clients also receive supplemental reports from Capital Financial Group Inc. at the clients' annual review meeting, or as requested.

Client Referrals and Other Compensation

Capital Financial Group Inc. does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients. Capital Financial Group Inc. may at times provide a small compensation to a client or individual for the referral of an individual to Capital Financial Group Inc.

Custody

All clients' accounts are held in custody by an unaffiliated, qualified custodian. Capital Financial Group Inc. can access many clients' accounts through its ability to debit advisory fees. However, Capital Financial Group Inc. does not act as the qualified custodian of client assets. All activity initiated by Capital Financial Group Inc. will be reflected in statements from the independent, qualified custodian. Account custodian sends statements directly to the account owners on a monthly basis. Clients should carefully review these statements, and should compare theses statements to any account information provided by Capital Financial Group Inc.

Investment Discretion

Capital Financial Group Inc. usually 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, Capital Financial Group Inc. observes the investment policies, limitations and restrictions of the clients for which it advises.

Voting Client Securities

As a matter of firm policy and practice, Capital Financial Group Inc. 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. Capital Financial Group Inc. may provide advice to clients regarding the clients' voting of proxies.

Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Capital Financial Group Inc.'s financial condition. Capital Financial Group Inc. 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.

Requirements for State-Registered Advisers

Principal and owner of Capital Financial Group Inc. is Richard D. Peterson. He is a graduate of Malone University with a Bachelor of Arts degree in business management. He has 1 year of study from the College for Financial Planning (CFP), 2 years of study from the Life underwriters Training Council. He received his certification from The Society of Certified Senior Advisors as a CSA. He has studied and passed numerous exams through FINRA including his series 6, series 7, and his series 65. He has NOT been involved in any arbitration events, bankruptcies, or lawsuits.