

Joseph Capital Management, LLC
A Fee-Only Investment Advisory Firm

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This brochure provides information about the qualifications and business practices of Joseph Capital Management, LLC, a fee-only investment advisory firm ("Joseph").

If you have any questions about the content of this brochure, please contact Ron A. Rhoades, Chief Compliance Officer, who is responsible for Joseph's legal and regulatory requirements, at the phone numbers listed above or by e-mail at rrhoades@josephcapital.com.

Additional SEC disclosures can be found in Part 1 of Form ADV, which can be located on the internet through www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Joseph is 116156.

Additional information about Joseph and our advisory team members can be found on the Internet at our web site, www.JosephCapital.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

This brochure was updated on January 19, 2009.

Thank you.

Ron A. Rhoades, JD, CFP®
Chief Compliance Officer
Joseph Capital Management, LLC

Material Changes Since Our Last SEC Disclosure Document Filing

Since March 31, 2008, the last day of filing of this Form ADV, Part II document with the U.S. Securities and Exchange Commission ("SEC"), we have substantially modified this SEC Disclosure Document, also called the Form ADV, Part II narrative (and herein referred to as the "brochure.") Only the material changes since the last update of this brochure are set forth on this page. These material changes include:

- (1) Format and Order, Generally. The format of this brochure, and order of presentation of information, have been substantially modified to reflect the proposed amendments to Form ADV, Part II narrative, as set forth in the SEC's Proposed Rule release dated March 3, 2008.
- (2) Advisory Programs for Individuals: Service Offering and Fee Changes. The investment advisory, wealth management, and financial planning programs of Joseph have substantially changed. Different levels of services, and different fee structures for those services, are set forth herein. These new programs apply to all new clients to our firm.
- (3) Advisory Programs for Trusts. Joseph now offers an investment advisory program for the trustees of irrevocable trusts.
- (4) Advisory Programs for Retirement Plan Sponsors. Joseph now offers investment advisory and consulting programs for employers who sponsor qualified retirement plans.
- (5) Advisory Programs for Institutional Investors. Joseph now offers a program for foundations, educational institutions, and other institutional investors.
- (6) Affiliate RIA Program. Joseph plans to offer services to affiliate RIA firms during 2009.
- (7) No Solicitors. Joseph no longer seeks to utilize "solicitors" as a source of new clients, nor does Joseph refer clients to other firms in return for compensation.
- (8) Information Concerning Our Advisors. We include with this document information on each of our investment advisory team members as of the date of filing of this brochure. Previously only information about our three Directors was included.
- (9) Additional Disclosures. While we believe that our disclosures of material facts concerning our firm and any conflicts of interest were substantial in the past version of our Form ADV, Part II, there are several additional disclosures of facts regarding our firm or investment or business practices which are set forth in this brochure.

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(*The CPA designation is regulated by the State of Florida. CFP® denotes Certified Financial Planner certification, awarded by the CFP Board of Standards, Inc. The CFTA is a professional certification from the ABA Institute of Certified Bankers. JD denotes Juris Doctor, a law degree.)

A. About Joseph Capital Management, LLC, Generally

Our Firm's History. Joseph Capital Management, LLC ("Joseph") was formed in late 2001 by certified public accountants and an estate planning attorney who desired their clients to receive truly objective investment advice. In recent years, the principals of the firm have devoted the vast majority of their business efforts toward the goal of construction of a world-class investment advisory firm, dedicated to the fiduciary principal that the client's best interests should remain paramount at all times.

Our Principals. The owners of Joseph Capital Management, LLC are John J. Ceparano, CPA*, M.Tax., Ron A. Rhoades, JD, CFP®, and Michael J. Tringali, CPA/PFS*, CFP®. Ownership occurs via two intermediate holding companies, Joseph Holdings LLC and Rhoades Holdings LLC, which are in turned owned by the principals.

Our Executive Committee. Our Executive Committee undertakes major decisions of a strategic and administrative nature for the firm. The Executive Committee includes our three principals and our Director of Client Services, Mary Ann Ceparano.

Our Investment Committee. Our Investment Committee establishes the overall investment strategies employed by the firm and reviews custodial and certain other arrangements as well as particular investments. The Investment Committee members include Ron A. Rhoades (Chair), John J. Ceparano, and Michael J. Tringali.

Descriptions of the educational background and employment history of these individuals, and all of Joseph's advisory personnel, are included in this brochure.

Amount of Assets Upon Which Investment Advice Is Provided. As of December 31, 2008, Joseph provided advice on approximately \$70,000,000 of financial assets for approximately 105 family groups. Family groups may consist of more than one client (i.e., client and spouse, plus one or more adult or minor children). These statistics include assets upon which advice is given for Joseph's team members (and former team members) and their families.

B. Our Investment Philosophies and Strategies.

Generally. Joseph draws upon expansive academic research, investment information, and its own proprietary analysis to provide innovative and comprehensive fiduciary wealth management and investment advisory services. Joseph periodically monitors clients' portfolios, recommends a strategic asset allocation, recommends specific investments, and suggests changes when appropriate. Joseph also suggests trading in clients' portfolios utilizing a disciplined approach to rebalancing (in order to maintain asset class exposures within desired risk tolerances, subject to variances permitted for tax planning or other reasons). Joseph manages mutual fund and fixed income portfolios on either a discretionary or non-discretionary basis.

Methods of Analysis. In designing investment plans for clients, Joseph will rely on information supplied by the client and the client's other professional advisors pertaining to the client's financial situation, objectives, time horizon and risk tolerance. This information becomes the basis for the strategic asset allocation plan which Joseph believes best meets the client's long term stated goals. The investment plan (or policy) which sets forth the strategic asset allocation provides for investments in those asset classes which Joseph believes (based on historical data and Joseph's proprietary analysis) will possess attractive combinations of return, risk, and correlation over the long term.

Joseph adheres to the findings of a great deal of academic research, which states that strategic asset allocation is determinative of the majority of the expected long-term gross returns of investor's portfolios. Furthermore, Joseph's selection of asset classes is driven by research into global asset classes by such academics as Professor Eugene Fama, Sr. of the University of Chicago Booth Graduate School of Business and the Center for Research in Security Prices, Professor Kenneth French of Dartmouth College, and many other academics and researchers. In connection therewith, Joseph's investment advice is based upon long-term investment strategies incorporating the principles of Modern Portfolio Theory. Joseph emphasizes the utilization of several different asset classes as part of an investor's portfolio, as this has been shown to effect a reduction in portfolio volatility (i.e., the standard deviation of returns) over long periods of time. Joseph allocates and diversifies the client's assets among various asset classes and then among individual investments, following the investment policy agreed to by the client. Joseph's investment approach is firmly rooted in the belief that markets are efficient and that investors' returns are determined principally by asset allocation decisions. Joseph focuses on developing globally diversified portfolios, principally through the use of passively managed stock mutual funds that are generally available only to institutional investors and clients of a network of selected investment advisers.

Investment policy and overall portfolio weightings (as between equities and fixed income investments) are formulated based upon each client's needs and desires, tolerance and need to assume various risks, and investment time horizon. The portfolios of some clients then follow model portfolios designed by Joseph to fit the overall weightings of equities (stocks, stock mutual funds) and fixed income investments (notes, bonds, bond funds, CDs, etc.) in an investor's portfolio. For other clients, the investment portfolios are highly customized to meet the needs, desires, and risk tolerance of each client, as well as Joseph's perception of the client's understanding of the fundamental forces affecting risk and return in the capital markets. In addition, a client's initial strategic asset allocation may be influenced by Joseph's own evaluation of the relative valuation levels of various asset classes and the investment time horizon of that client.

Sources of Information. Joseph's security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, general economic and market and financial information, due diligence reviews, and specific investment analyses that clients may request. Joseph's main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, academic white papers, periodicals, as well as prospectuses, statements of additional information, and other issuer-prepared information. Joseph's Investment Committee members and Joseph's other advisors also attend investment and financial planning conferences.

Joseph also receives research from consultants, including financial economists affiliated with Dimensional Funds Advisors (DFA) and other firms. DFA provides historical market analysis, risk/return analysis, and continuing education services to Joseph. Joseph may utilize various computer software programs from third parties in an attempt to better model the historical and/or expected returns of designed portfolios and/or to better assist clients in achieving their goals.

Joseph may also utilize historical valuation levels of various asset classes (as measured by p/b, p/e, p/c and/or p/s data) to estimate the long-term (15-year) expected returns of various assets classes, as a means of aiding investment and financial planning decision-making.

Types of Investments. Joseph will typically create a portfolio of no-load stock and bond mutual funds. Joseph primarily recommends portfolios consisting of passively managed mutual funds offered by Dimensional Funds Advisors (DFA). DFA mutual funds offer broad diversification and most are structured for low turnover, so as to substantially lessen the often-substantial transaction costs incurred by funds and ETFs as they trade securities within the fund. Consequently, the DFA fund expenses are believed to be generally lower than the total fees and expenses incurred by many other mutual funds (including many ETFs and index funds).

Some investment portfolios may also include individual fixed income investments (bonds, C.D.'s, etc.). For clients with a substantial fixed income allocation, Joseph generally recommends a combination of bond funds and individual fixed income investments, with actual investments dependent upon Joseph's views of the risk/return relationship for various forms of fixed income investments or bond funds. Joseph will typically request discretionary authority from clients to manage individual fixed income assets, as such may be necessary to enable Joseph to purchase or sell such assets in a timely manner at quoted prices. For clients with \$1,000,000 or greater in total assets under advisement, Joseph will generally offer customized fixed income portfolios. For clients with lesser amounts of assets under advisement, low cost bond mutual funds, primarily from DFA and Vanguard, may be used for allocated amounts. All individual fixed income securities recommended by Joseph will be investment-grade at the time of recommendation.

Client portfolios may also include some individual equity securities, but these are generally part of clients' investment holdings prior to working with Joseph. However, clients with significant amounts to devote to investing in equities (\$15m, generally) may also participate in a separate account program, which includes individual stocks using a highly diversified approach. This separate account program utilizes Dimensional Funds Advisors as the separate account manager.

Joseph may recommend public real estate investment trusts (REITS) and commodities index or passive mutual funds or ETFs for certain clients who desire to include real estate or commodities in their asset allocation strategy.

Joseph will also evaluate insurance products such as annuities and various types of life insurance products. Joseph may recommend clients to invest in low-cost, no-load variable or fixed annuities when appropriate to the tax situation of the client. More often, this occurs when a client possesses an existing high-cost variable annuity, and a rollover of the annuity is indicated for tax planning purposes (rather than

redemption), in order to seek to lower the total fees and costs paid by the client and/or provide different investment choices. Joseph may also recommend no-load immediate lifetime annuities to some clients.

Joseph evaluates new clients' existing investments in light of the desired investment policy objectives, and works with new clients to develop a plan to transition from a client's existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationships. Joseph then monitors each client's portfolio holdings and strategic asset allocation, taking into account the cash flow needs of the client. Joseph holds regular review meetings with clients regarding their investment assets under advisement and, where appropriate and offered under the program in which the client is enrolled, other planning issues.

Risk of Loss, Generally. Investing in securities involves a risk of loss that clients should be prepared to bear. Joseph's investment recommendations seek to limit risk through broad global diversification in equities (through broadly diversified stock mutual funds and/or separate account management programs) and investment in high quality fixed income securities or diversified bond funds.

While Joseph's investment recommendations seek to limit losses through broad diversification among equity securities and other means, Joseph's investment methodology will still subject to the client to short-term declines in the value of their portfolios, which can at times be dramatic. Joseph believes that the best method to limit declines in an investor's portfolio is to decrease exposure of the client to overall stock market forces, while increasing fixed income allocations. Joseph believes there exists a high probability in most market environments of a long-term (15-year or greater) outperformance of small cap and value stocks, relative to large cap and growth stocks, and hence the equity portion of an investor's portfolio may be "tilted" toward small cap and value stocks. In turn, the normally greater expected returns of the equity portion of the portfolio will typically permit the overall allocation to equities (stocks, stock mutual funds) to be reduced, and the allocation to fixed income investments increased. Joseph believes this is the best manner to temper the shorter-term volatility of the stock market, especially for clients who derive cash flow from their portfolios (such as during retirement years).

Given the long-term nature of the expected equity premium (i.e., the addition expected return for investing in the overall stock market, relative to less "risky" U.S. Treasury bills), and the long-term nature of the expected value and small cap premia, Joseph's investment philosophy is designed for investors who desire a buy and hold strategy with an investment time horizon of a minimum of ten years, and preferably longer. Even then, investing is inherently uncertain as to future returns. While Joseph believes the equity, value and small cap premia are highly likely to occur in the future, over long periods of time, there can be no assurance that they will occur over any given time period.

Risk of Loss, Certain Higher-Risk Securities. Certain securities which Joseph recommends, such as U.S. small cap value (and mid-small cap value) stock mutual funds, U.S. small cap and micro cap mutual funds, and high-yield bond funds, possess higher levels of volatility. Joseph employs these securities as part of an overall strategic asset allocation for a client, and when such is done Joseph possesses a reasonable belief that the risk-return relationship for these securities will likely be beneficial for the investor, over the long term.

Please also note that while all Certificates of Deposit (CDs) purchased for our clients are FDIC-insured, the pricing of certain of these CDs, which trade in the secondary market, can vary; accordingly, due to price declines and/or transaction costs associated with trading, these CDs could lose value if redeemed prior to maturity. CDs are recommended by Joseph with the intent to hold them to maturity.

Cash Balances in Client Accounts

Generally. Cash in clients' investment accounts are typically swept into the bank or money market mutual fund accounts of the institutions (TD AMERITRADE INSTITUTIONAL or FIDELITY INVESTMENTS INSTITUTIONAL SERVICES). Joseph discusses with each client, during the time of review conferences and at other times, upcoming cash flow needs and seeks to plan accordingly to meet those needs. While it is not the practice to encourage clients to maintain a large amount of cash in their accounts, such may be undertaken at the request of the client, in anticipation of the redemption of a security at which time investments will be undertaken, or for other good reasons. Upon request of a client, Joseph will invest cash balances for temporary purposes.

Cash Reserve Accounts. Should the client desire a "cash reserve account," Joseph will assist the client to establish a separate, non-managed cash reserve account, which is not monitored thereafter by Joseph, typically either with Vanguard (using one of its money market funds) or with an online bank (offering FDIC-insured money market funds, up to certain limits), for such purposes. Joseph then seeks to review with the client whether any funds are needed to restore cash reserves during the time of review conferences.

Account Reviews. Client portfolios are reviewed for purposes of ascertaining whether rebalancing may be indicated on an annual, semi-annual, quarterly or monthly basis, in accordance with the program in which the client is enrolled and the agreement with the client. Generally, reviews are conducted by the Private Wealth Advisors, Sr. Private Wealth Advisors, and Directors of Joseph. Assistance may be provided to the foregoing by the Financial Services Coordinators of Joseph. Financial planning decisions are reviewed as previously set forth in the description of each program. Client accounts may be reviewed upon a significant movement in the valuation of an asset class since the time of the last periodic review, in the judgment of Joseph's Directors. Generally, a movement in valuation of greater than 10% is required to trigger such a review.

Reports on Client Accounts. Joseph and its custodians provides written reports to clients on a semi-annual, quarterly, or monthly basis, in accordance with the program in which the client is enrolled and the agreement with the client, or the custodian's policies. Generally, written reports include:

- Client account statements are provided monthly and directly by custodians TD AMERITRADE INSTITUTIONAL and/or FIDELITY INVESTMENTS INSTITUTIONAL SERVICES, by either mail or e-mail, and either monthly, quarterly, or annual statements from client's other custodians.
- Joseph provides a consolidated view of assets under advisement with semi-annual or quarterly reports, which generally include a statement of holdings by asset class, a portfolio rebalancing analysis (actual vs. targets), and consolidated performance reporting over various periods;
- Joseph also provides clients with access to various consolidated reports online, updated each business day, for assets under advisement; and
- Joseph provides realized capital gains and losses reports to most clients each January, for purposes of tax filings relating to gains and losses in taxable accounts.

C. Joseph's Advisory Programs for Individuals and Their Families, Generally

Joseph Capital Management, LLC offers three programs to new clients of the firm.

- ♦ *The Joseph Gold Investment Advisory Program* is generally available for clients with less than \$1,000,000 in assets under advisement, but may be offered to other clients of the firm. The program provides ongoing investment advisory services as well as assistance with certain key financial planning decisions, such as funding of qualified retirement plan accounts and retirement income planning.

- ♦ *The Joseph Platinum Wealth Management Program* is generally for clients with greater than \$1,000,000 in assets under advisement. The program provides ongoing investment advisory services and provides additional wealth management services to clients based upon their unique circumstances and needs. Such wealth management services may include risk management counsel, comprehensive financial planning, tax planning, estate planning, income planning, retirement income planning, college planning, establishment of and counsel with regard to retirement plans, and assistance with assets outside of our direct management.

- ♦ *The Joseph Silver Financial Planning Program* offers discrete financial planning and/or investment advisory services to clients whose special circumstances indicate that they are not appropriate for the other programs. This program is not available to all prospective clients of the firm, but is determined on a case-by-case basis by the firm's advisors.

Each of these programs is further described in the pages which follow.

The Joseph Gold Investment Advisory Program. The Joseph Gold Investment Advisory Program provides the following services:

- Ongoing investment advisory services, which includes a review of client portfolios for the purposes of rebalancing. These reviews occur at the intervals set forth in the table below, and additionally at the discretion of Joseph upon major change in values of an asset class within the portfolio;
- Client review conferences annually or semi-annually or quarterly (depending upon amount of assets under advisement – see table below), during which discussions may occur regarding: (1) the client's personal situation, progress toward the attainment of the client's lifetime financial goals, and needs and desires; (2) funding or defunding of qualified retirement plans and IRA accounts; (3) exercise or non-exercise of qualified and nonqualified stock options owned by the client; (4) tax loss harvesting, when available and appropriate; (5) the client's cash flow needs; and (6) review of the investment policy statement, and investment vehicles, with recommended changes as may be appropriate from time to time. Additional conferences or telephone conferences may be requested by clients.
- Reports to clients, which include:
 - Client account statements are provided monthly and directly by custodians TD AMERITRADE INSTITUTIONAL and/or FIDELITY INVESTMENTS INSTITUTIONAL SERVICES, by either mail or e-mail, and either monthly, quarterly, or annual statements from client's other custodians;
 - Joseph provides a consolidated view of assets under advisement with semi-annual or quarterly reports, which includes a statement of holdings by asset class, a portfolio rebalancing analysis (actual vs. targets), and consolidated performance report over various periods;
 - Joseph also provides clients with access to various consolidated reports online, updated each business day, for assets under advisement; and
 - Joseph provides realized capital gains and losses reports to clients each January, for purposes of tax filings.

The annual fee for the services set forth above will be charged as a percentage of assets under advisement, according to the schedule below. Billing generally occurs either semi-annually or quarterly.

Amount of Assets Under Advisement	Annual Fee	Are Model or Customized Portfolios Typically Utilized?	Frequency of Portfolio Reviews for Rebalancing Purposes	Frequency of Client Conferences
\$100,000 to \$167,000*	\$2,500 (minimum annual fee)	Model portfolios are generally employed for clients.	Annually	Annually
\$167,001 to \$400,000*	1.5% (minimum of \$2,500; maximum of \$5,200)			
\$400,000 to \$1,000,000	\$5,200 plus 0.8% of assets exceeding \$400,000		Semi-annually	Semi-annually
\$1,000,000 to \$3,000,000	\$10,000 plus 0.8% of assets exceeding \$1,000,000	Customized portfolios are generally employed for clients.	Monthly	Quarterly or semi-annually, as desired by client
\$3,000,000 to \$5,000,000	\$26,000 plus 0.6% of assets exceeding \$3,000,000			
Over \$5,000,000	38,000 plus 0.4% of assets exceeding \$5,000,000			

All fees and minimums are subject to negotiation. See "General Information on Joseph's Services and Fees - Applicable to All Programs," later in this brochure, for additional important information. (*Where the total balance of all of a client's assets under advisement are less than \$400,000, clients are accepted on a case-by-case basis.)

The Joseph Platinum Wealth Management Program. The Joseph Platinum Wealth Management Program provides the following services:

- All of the services set forth in Joseph's Gold Investment Advisory Program; plus
- Tax loss harvesting may occur at any time during the year, in the discretion of Joseph;
- Conferences with Joseph's advisor(s) occur either semi-annually or (if desired by client) quarterly; additional conferences and telephone conferences are available upon request;
- All portfolios are reviewed monthly for purposes of determining whether rebalancing of the portfolio might be indicated;
- In addition to the subject matter discussions indicated for the Joseph Gold Investment Advisory Program, additional advisory services are provided as follows:
 - *Bi-Annual Estate Plan Reviews.* If the client desires, a bi-annual estate plan review may be undertaken, with the advisor accompanying the client (personally or via teleconference) to the client's private legal counsel for this purpose. Joseph is not a law firm and does not practice law, but will seek to identify planning issues which can be discussed with legal counsel and will seek to coordinate investment management with estate planning decisions.
 - *Bi-Annual Insurance Needs Reviews.* If the client desires, a bi-annual insurance needs analysis may be undertaken, by insurance and/or legal advisors under contract with Joseph or through non-affiliate insurance providers. This needs analysis provides a review of the client's existing insurance, or insurance needs, with respect to disability, long-term care, life, property/casualty, liability, and/or private health care (including Medicare supplemental and/or Medicare Part D prescription drug benefit coverage options) insurance coverage. Joseph does not sell any insurance products, but through its consultants will provide recommendations on shopping for same, or Joseph may recommend the client to one or more nonaffiliated insurance providers.
 - *Annual Tax Planning.* Clients are strongly encouraged to undertake annual tax planning with the certified public accountant of their choosing. Joseph's advisors will suggest various tax planning ideas which may be addressed during those reviews, and if requested, will join the client (via teleconference, unless all located in the same local area) to the tax planning review.
- *Wealth Management Team Formation.* For clients with \$3,000,000 or greater in assets under advisement, if the client desires, Joseph will seek to conduct an annual or bi-annual "Wealth Management Team" conference and/or web conference and/or teleconference with the client's private legal counsel and certified public accountant, for purposes of holistic, integrated planning needs identification, analysis, prioritization, and coordination. (The fees of the client's other professional advisors are generally billed directly to the client, and paid by the client.)

The annual fee for the services set forth above will be charged as a percentage of assets under advisement, according to the schedule below. Billing normally occurs quarterly, based upon the amount of assets under advisement at the beginning of each period.

Amount of Assets Under Advisement	Annual Fee
\$1,000,000 to \$3,000,000	\$10,000 (minimum fee) plus 0.8% of assets exceeding \$1,000,000
\$3,000,000 to \$5,000,000	\$26,000 plus 0.6% of assets exceeding \$3,000,000
Over \$5,000,000	\$38,000 plus 0.4% of assets exceeding \$5,000,000

*All fees and minimums are subject to negotiation. See "General Information on Joseph's Services and Fees - Applicable to All Programs," later in this brochure, for additional important information.

The Joseph Silver Financial Planning Program. Joseph provides select clients financial planning and investment advisory services for a fixed fee or on the basis of hourly fees. Generally, such clients are accepted by Joseph on a case-by-case basis.

Financial plans may encompass all or some of the following areas of concern to a client: (1) estate planning; (2) retirement income planning; (3) education planning; (4) retirement needs analysis; (5) risk management counsel; (6) other financial and tax planning decisions; and/or (7) advice on assets outside of our ongoing management.

Information for formulation of the financial plan is obtained through one or more personal interviews, which generally includes a discussion of the client's financial status, attitudes toward money, future lifetime goals, and obtaining copies of pertinent investment and insurance information. A written financial plan may be prepared and provided; however, in some instances there is no written document.

Fees may be charged on an hourly or fixed fee (project) basis. Once determined, the exact fee arrangement is set forth in writing.

- Hourly fees generally range as follows:
 - \$250 to \$500 per hour for Joseph's Directors (Private Wealth Managers);
 - \$175 to \$400 per hour for Joseph's Sr. Private Wealth Advisors;
 - \$125 to \$175 per hour for Joseph's Private Wealth Advisors;
 - \$125 to \$275 per hour for Joseph's Private Wealth Counselors; and
 - \$90 per hour for Joseph's Financial Services Coordinator(s) and Account Transfers Coordinator(s).
- Fixed fees are determined based upon an estimate of the time required to perform the requested service, the complexity of the issues to be addressed and the expertise required, and the value of Joseph's advice and services. A fixed fee is then quoted for the services requested, and the exact scope of services and fee arrangement are set forth in writing. Total fixed fees for project-related work may vary from \$250 to \$100,000, given the precise needs and circumstances of the client and the comprehensiveness of the planning and expertise applied to same.

All fees are subject to negotiation. See "General Information on Joseph's Services and Fees - Applicable to All Programs," later in this brochure, for additional important information.

Expenses incurred in connection with financial planning activities or the implementation of recommendations, such as travel costs, overnight delivery charges, postage, etc., are billed separately as specified in the client services agreement.

Retainers are normally sought in advance of performance of the work, or at various stages of the planning process, with the remaining balance (if any) billed upon completion of the project or plan. Should a contract for services be terminated prior to all of the services being delivered, Joseph bills for the work provided to date, with any unused retainer refunded to the client.

D. The Joseph Advisory Program for Retirement Plans

Joseph will provide advisory services to sponsors of retirement plans using the third-party administration services of certain retirement plan service providers (RPSPs).

For such clients, Joseph and/or the RPSP will analyze the retirement plan's current investment platform. Should Joseph believe that Joseph and the RPSP's services will add value, Joseph will assist the plan sponsor in crafting an investment policy statement defining the types of investments to be offered and any restrictions which may be imposed. Joseph will then provide investment options to achieve the plan's objectives, which may include "target retirement funds" and other mutual funds. Joseph will also periodically provide participant educational meetings, monitor the performance of the plan's investment vehicles, and will meet with the plan sponsor periodically to review the plan's investment policy statement and investment options.

The annual fee for plan services, including those charged by the RPSP, is generally charged as a percentage of assets within the plan. The annual fee will be based upon a number of factors, including the total assets contained within the plan, the number of participants, the number of locations at which employee educational events may be scheduled, and the method of employee education and enrollment. Generally, the annual fee for plan services (including the general services of the RPSP) will not exceed 2% per year.

The RPSP may charge additional fees in connection with certain transactions requested by plan participants, such as loans from qualified retirement plans, account termination fees, etc.

All fees are subject to negotiation. See "General Information on Joseph's Services and Fees - Applicable to All Programs," later in this brochure, for additional important information.

E. The Joseph Advisory Program for Trustees of Irrevocable Trusts

Joseph provides an investment advisory program for the trustees of irrevocable trusts. The services are similar to those provided in the Joseph Gold Investment Advisory Program, except that the focus of client review conferences (with the trustee and, if the trustee desires, one or more trust beneficiaries) is redirected to ascertaining and updating the needs analysis of the trust beneficiaries in order to adhere to the dictates of the Prudent Investor Rule, the terms of the trust document, and the diverse needs of trust beneficiaries (both current and future). Duplicate account and portfolio reporting may be delivered to trust beneficiaries, as directed by the trustee.

Joseph's Director of Research works with Joseph's advisors and the trustee to seek to insure that the trustee's delegation of investment discretion to Joseph is proper under the Prudent Investor Rule, and that the trustee's and Joseph's fiduciary obligations are met with regard to the investment portfolio, and the agreed-upon investment policy remains appropriate for the trust and its beneficiaries.

The fees and account minimums are the same as set forth in the Joseph Gold Investment Advisory Program.

F. The Joseph Institutional Management Program (for Foundations and Other Institutions)

Joseph may provide institutional clients (both for-profit and not-for-profit institutions) with investment advisory services. Following acceptance of Joseph's agreement for investment advisory services, Joseph develops a custom investment policy statement in consultations with the officers, directors, and/or investment committee members for the institution. The dictates of the applicable Prudent Investor Rule, Management of Institutional Funds Act, Prudent Management of Institutional Funds Act, and other statutory requirements or institutional restrictions are taken into account in the design and management of the investment portfolio(s).

Reporting on institutional accounts is provided at such times as Joseph and the institution may agree. One or more of Joseph's advisors may confer with the institution's officers, directors, and/or investment committee members on such frequency as Joseph and the institution may agree.

Joseph generally charges institutional clients under the following fee schedule, with billing occurring quarterly:

Amount of Assets Under Management	Annual Fee
Over \$20,000,000	\$40,000 plus 0.05% of assets exceeding \$20,000,000
\$17,500,001 to \$20,000,000	\$38,000 plus 0.08% of assets under management exceeding \$17,500,000
\$15,000,001 to \$17,500,000	\$36,000 plus 0.08% of assets under management exceeding \$15,000,000
\$12,500,001 to \$15,000,000	\$33,500 plus 0.1% of assets under management exceeding \$12,500,000
\$10,000,001 to \$12,500,000	\$31,000 plus 0.1% of assets under management exceeding \$10,000,000
\$ 7,500,001 to \$10,000,000	\$28,500 plus 0.1% of assets under management exceeding \$7,500,000
\$ 5,000,001 to \$ 7,500,000	\$26,000 plus 0.1% of assets under management exceeding \$5,000,000
\$ 1,000,000 to \$5,000,000	\$10,000 (minimum fee) plus 0.4% of assets under management exceeding \$1,000,000

There is a minimum level of assets of \$1,000,000 for the Joseph Institutional Management Program. There is no maximum. All fees are subject to negotiation. See "General Information on Joseph's Services and Fees – Applicable to All Programs," later in this brochure, for additional important information.

G. For Existing Clients, Former Investment Advisory Programs In Which Services Are Still Provided.

In the past Joseph has offered a variety of investment advisory and financial planning programs for clients, with varying levels of services provided within each program and varying fees. Generally, the percentage assets under advisement fees for such programs do not exceed 1.5%. Some former clients are charged minimum fees (which may be higher than a 1.5% effective rate), and for other former clients minimum fees and assets under advisement minimums have been waived. These programs still continue, but are not offered to new clients of the firm. Joseph plans to seek to transition existing clients from these prior programs to the programs set forth in this brochure in early 2010 or later.

H. Sub-Advisory Program Provided for Affiliate RIA Firms

Commencing in early 2009, Joseph plans to establish one or more affiliate registered investment adviser (RIA) firms. Joseph would possess a majority interest in such affiliate RIA firms. The minority interest would be owned by a professional services firm (i.e., law firm, CPA firm, entertainment management company, etc.) or by individuals. The goal of the affiliate RIA firm will be to expand the fiduciary investment advisory services of the type which Joseph provides into target markets (either geographically, or as to particular niches, or utilizing specific sources of influence), in order to bring value-added services from trusted, professional advisors to a broader segment of the investment public.

In connection with this program, Joseph will provide, under a contract with the affiliate RIA firm, investment advisory services to the clients of the affiliate RIA firm. Generally, all of the investment advisory services will be provided by Joseph and Joseph's advisors and other team members, although certain financial, estate, and tax planning services may be provided by the affiliate RIA firm itself. The affiliate RIA firm will pay to Joseph a portion of the fees received from the client, generally determined either as a percentage of the fee charged by the affiliate RIA firm to the client or as a flat fee (which flat fee may vary depending upon the expenses Joseph incurs in connection with the delivery of investment advisory and financial planning services). Fees charged by Joseph to the affiliate firm for institutional clients and for comprehensive planning services may be higher, depending upon the scope of services to be provided and the involvement by Joseph's advisors in connection therewith.

The minority interest owner(s) of the affiliate RIA firm will be required to make an initial capital contribution thereto. Fees received from clients of the affiliate RIA firm will be utilized to pay Joseph for its services, pay for other legal, filing, accounting, marketing and other expenses the affiliate RIA firm may incur, and net profits will then be generated to Joseph and the minority interest owner(s) in accordance with their percentage ownership of the affiliate RIA firm.

The services offered under an affiliate RIA firm are anticipated to be identical to the service offerings provided by Joseph as set forth in this brochure. Disclosure of the arrangement between the affiliate firm and Joseph will be made in both the Form ADV, Part II brochure of the affiliate RIA firm, as well as in any client services agreement between the affiliate RIA firm and its clients.

I. General Information on Joseph's Services and Fees **(Applicable to All Programs)**

Forms of Discretion Accepted. Joseph accepts limited forms of discretion over clients' accounts, as follows, with the consent of the client. Clients' grant of discretion is evidenced in the client services agreement (or addendums thereto) signed by each client, and is further evidenced to the custodians through a limited power of attorney contained in the account establishment form signed by the client or a separate limited power of attorney document signed by the client.

Please note that Joseph prefers to contact clients in advance of trades, but the limited forms of discretion set forth below are believed by us to better enable our firm to serve our clients. Moreover, Joseph seeks to undertake a minimal amount of trading in client accounts, in order to keep transaction fees, other expenses, and tax consequences associated with trading to minimal levels.

Fixed income trading discretion - for nearly all client accounts. With client consent, Joseph will accept discretion to purchase and sell individual fixed income securities. Only investment-grade individual fixed income securities will be purchased using this discretion. The purpose of this discretion is to enable Joseph to undertake purchases and sales in a timely manner when they are available at quoted prices.

Rebalancing in the event of a major asset class valuation fall - for most client accounts. With client consent, Joseph will accept discretion to undertake sales of fixed income securities (usually bond funds) and purchases of stock mutual funds or stock exchange-traded funds on the same day, when in the judgment of Joseph a dramatic fall in the values of an asset class, or equities in general, have occurred which may affect a substantial number of Joseph's clients.

Trades are generally undertaken by prioritizing clients accounts based upon the amount of assets under advisement at the time of the last quarter; it is possible that not all client accounts in which trades should be undertaken will be attended to on the day of, or day following, a major stock market or asset class decline in value. Not all client accounts will need trading on such a day, however.

On such days Joseph's Directors, Sr. Private Wealth Advisors, and Private Wealth Advisors will not typically possess the time to discuss planned trades with each client in advance, due to the large number of trades to be undertaken.

Clients who do not provide Joseph with this type of limited discretion will typically not see trading in their accounts on the day of a major rebalancing effort. Please note that Joseph's advisors will not typically possess the ability to receive or return calls from clients on the day of a major rebalancing effort.

While trades are planned based upon an advisor's judgment of the likely value of asset classes at the end of trading on the exchanges (i.e., typically 4:00pm, the time when trades in mutual funds are executed by custodians under SEC rules), it is possible that late-session movements in the values of asset classes may occur, which may cause either a substantial under-purchase or over-purchase of stock mutual funds or stock ETFs in a client's account, relative to the desired target for a particular asset class.

Within a reasonable period of time following the exercise of discretion by Joseph's advisors to undertake such sales and purchases for rebalancing purposes, a team member will attempt to contact the client to discuss any trades which have taken place.

While it is hoped that the number of occurrences in which this type of limited discretion is exercised is limited, and will occur on average less than once each year, during the Fall of 2008 Joseph experienced five days in which this type of discretion was exercised, due to high volatility in the stock market.

Limited discretion to rebalance in accordance with investment policy – for some client accounts. With client consent, Joseph will accept from clients discretion to deploy cash additions (or cash arising from the redemption of maturity of securities) in a client's portfolio in accordance with the client's investment policy statement. In addition, Joseph will accept from such clients the discretion to rebalance the client's portfolio back closer to its desired targets. Clients typically grant such authority to Joseph for rebalancing purposes when the client's business affairs or travels are such that the client is likely to be unavailable to Joseph to confer, prior to entering the trade.

Client Restrictions on Investments Selected for Portfolios. Clients may place restrictions upon the investments to be held in an investment portfolio. Because of Joseph's utilization of broadly diversified stock mutual funds, Joseph's ability to avoid investments in a specific company or industry in accordance with a client's wishes may be limited.

Types of Reports Provided to Clients. Quarterly or semi-annual reports are provided by Joseph to its clients. Generally, these reports include a consolidated view of the client's accounts grouped by asset classes, a comparison of the client's actual asset class weightings to their desired targets, and a performance report showing the overall performance of the account since inception and over various time periods. Other reports may be provided from time to time, including a realized gains and losses report (typically provided in January, for the prior calendar year, for taxable accounts). In addition, clients may be provided online access to a consolidated view of the assets under advisement through PortfolioServices (a financial account aggregation and reporting firm), which provides updates to client holdings nearly each business day. For client accounts held at TD AMERITRADE INSTITUTIONAL and FIDELITY INVESTMENTS INSTITUTIONAL SERVICES, clients can be provided online access to their accounts through the web portals of these custodians. All clients receive monthly, quarterly, or annual reports of their account holdings, directly from the custodians.

In addition, Joseph provides clients with newsletters, occasional white papers, article reprints, and other educational materials. These materials are designed to provide further education for investors regarding economic or market events, recommended investments, and portfolio strategies.

Our Billing Practices, Deduction of Fees from Client Accounts.

Aggregation of Client Accounts. Individual accounts for *immediate* family members (husband, wife and dependent children) are aggregated, and the fee is charged based on the total value of all family members' accounts.

Billing Occurs in Advance; Valuation of Assets. Clients will be invoiced in advance at the beginning of each calendar quarter, or semi-annually. Billing amounts are based upon the value (market value or fair market value in the absence of market value) of the client's account(s) (including both securities and cash) at the end of the previous quarter. Valuations are derived from recognized and independent pricing sources. Joseph will never hold funds greater than \$500 for more than six months in advance of completion of the engagement

When Authorized, Deduction of Fees from Client Accounts. Clients may choose whether to have their fees billed directly or deducted from client accounts. In certain situations, such as for some qualified retirement plan accounts and traditional IRA accounts, it may be advantageous to the client from a tax perspective to have the portion of Joseph's fees attributable to such accounts directly deducted from such account. Where fees are to be deducted from a client's account, Joseph will request authority from clients to receive quarterly payments directly from the client's account(s) held by an independent qualified custodian, such as TD AMERITRADE INSTITUTIONAL or FIDELITY INVESTMENTS INSTITUTIONAL SERVICES. Clients may provide written limited authorization to Joseph to withdraw fees from account(s). Joseph will send to the client an invoice showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. Clients should verify the accuracy of the fee calculations in such invoices. Clients will receive custodial statements showing the advisory fees debited from their account(s).

No Sharing of Account Appreciation; No Performance Fees. All fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

Account and Fee Minimums. Joseph has a minimum level of assets under advisement for its Joseph Gold Investment Advisory Program of \$100,000, and a minimum level of assets under advisement for its Joseph Platinum Wealth Management Program and Joseph Institutional Management Programs of \$1,000,000. Other programs offered by Joseph have account minimums as set forth previously.

Joseph has a minimum fee for the Joseph Gold Investment Advisory Program of \$2,500. Joseph has a minimum fee of \$10,000 for the Joseph Platinum Wealth Management Program and the Joseph Institutional Wealth Management Program.

Negotiated Fees and Account, Fee Minimums. All of Joseph's fees, account minimums, and fee minimums are subject to negotiation. Joseph's Directors also possess the ability to waive account minimums and fee minimums in order to serve clients in need of the assistance of Joseph's services who otherwise cannot afford Joseph's services.

Fees of Mutual Funds, Other Products, and Custodians. All fees paid to Joseph for investment advisory and financial planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders or the transaction fees charged by the custodian(s). Mutual fund expenses are described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. A client could invest in mutual funds directly, without the services of Joseph. In that case, the client would not receive the services provided by Joseph which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. DFA funds also may not be available to the client directly. Mutual fund transaction fees charged by our recommended custodians, TD AMERITRADE INSTITUTIONAL and FIDELITY INVESTMENTS INSTITUTIONAL SERVICES, generally vary from \$24 to \$35 for each purchase and sale transaction. Accordingly, the client should review both the fees charged by the funds, the transaction fees charged by the custodian, as well as the fees charged by Joseph to fully understand the total amount of fees to be paid by the client.

Cancellation and Termination of Advisory Agreements. Clients may cancel an agreement without penalty by providing written notice of such cancellation to Joseph within five (5) business days of the date of signing the agreement with Joseph. Thereafter, either party may terminate the agreement without penalty upon thirty (30) days notice in writing to the other party. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, with the refund calculations based *pro rata* to the date of termination (i.e., the date which is 30 days after notice of termination is received or given). Termination of an agreement will not affect: (a) the validity of any action previously taken by Joseph under the agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (c) a client's obligation to pay advisor fees (prorated through the date of termination). On the termination of the agreement, Joseph will have no obligation to recommend or take any action with regard to the securities, cash, or other investments in a client's account.

Our Policy on Class Actions, Bankruptcies and Other Legal Proceedings. Clients should note that Joseph will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Joseph to transmit copies of class action notices to the client or a third party. Upon such direction, Joseph will make commercially reasonable efforts to forward such notices in a timely manner.

Our Proxy Voting Policies. As a matter of firm policy and practice, Joseph does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Generally, clients will receive their proxies or other solicitations directly from the custodian or transfer agent. However, clients may call or e-mail their advisor with questions regarding a particular proxy or other solicitation, and Joseph may provide advice to clients regarding clients' voting of proxies or such solicitations, upon request of a client or clients or in unusual circumstances.

No Custody of Securities by Joseph. It is Joseph's policy to not accept custody of a client's securities.

No Block Trading ("Bunching" of Client Orders). Joseph does not block trades of clients with those of other clients. As a result, Joseph may not achieve better pricing as to the transaction costs associated with either fixed income or mutual fund or equity trades. Joseph does not block trades, as it believes that each transaction should be planned out to take into account the tax consequences of the transaction, and this often involves the sale of specific tax lots; this limits the ability of Joseph to undertake block transactions for its clients with any frequency. Since Joseph endeavors to keep mutual fund trades in client accounts to low levels, and since Joseph has negotiated with its primary custodians transaction fees which Joseph believes to be fairly low, the cost detriment to clients from not bunching trades is believed to not be substantial.

Our Trade Error Policy. In all circumstances involving trade errors caused by Joseph, where clients incur losses as a result, clients are "made whole" by Joseph. Joseph does not possess an account to offset trade error gains against losses, and any trade error gains should benefit the client.

J. Our Code of Ethics. Joseph Capital Management, LLC has adopted a Code of Ethics, to which all investment advisor representatives and employees are bound to adhere. The key component of our Code of Ethics states:

Joseph Capital Management, LLC and its investment advisor representatives and employees shall always:

- Act in the best interests of each and every client;
- Act with integrity and dignity when dealing with clients, prospects, team members, and others;
- Strive to maintain and continually enhance our high degree of professional education regarding Modern Portfolio Theory, strategic asset allocation, and financial, tax, estate, and risk management planning; and
- Seek at all times to preserve our firm's independence and to maintain our complete objectivity with respect to our advisory services and each recommendation made to our clients.

Joseph has adopted a detailed Code of Ethics expressing the firm's commitment to ethical conduct. Joseph's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Joseph's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Joseph may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of Joseph that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Joseph requires that anyone associated with this advisory practice with access to advisory recommendations (before or at the time they are entered into) ("access persons") to provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer or his or her designee. Joseph also requires access persons to receive approval from the Chief Compliance Officer or his designee prior to investing in any initial public offerings or private placements.

Joseph's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. Joseph requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline. Joseph will provide a complete copy of its Code of Ethics to any client upon request.

K. About Conflicts of Interest, Generally.

A Candid Discussion of Conflicts of Interest (and Disclosure of Additional Compensation Received by Us.)

While we take our fiduciary duties seriously, there are certain conflicts of interest which nearly all investment advisers face. In this and in following sections we discuss these conflicts.

Proper Management of Conflicts of Interest Relating to the Fees We Receive from You. The vast majority of our clients pay Joseph fees based upon a percentage of the assets we advise upon. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation (does not accept commission-based compensation of any nature, nor does Joseph accept 12b-1 fees). Asset-advised-upon percentage method of compensation can still at times lead to conflicts of interest between our firm and our client as to the advice we provide. For example, conflicts of interest may arise relating to the following financial decisions in life: incur or pay down debt; gift funds to charities or to individuals; purchases of a (larger) home or cars or other non-investment assets; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; investment in private equity investments (private real estate ventures, closely held businesses, etc.), and the amount of funds to place in non-managed cash reserve accounts. We have adopted internal policies to properly manage these and other potential conflicts of interest. Our goal is that our advice to you remains at all times in your best interests, disregarding any impact of the decision to be undertaken upon our firm.

Proper Management of Conflicts of Interest between Clients. Joseph seeks to avoid situations in which one client's interest may conflict with the interest of another of its clients. One circumstance which could arise, however, is a sudden sharp downturn in the values of one or more stock asset classes, thereby triggering (under adopted investment policies with the vast majority of Joseph's clients) the need to rebalance the investment portfolios following the close of any business (trading) day. In this instance Joseph seeks to rebalance each client's investment portfolio on a timely basis, keeping in mind that most mutual fund trades occur at the end of a trading day. In ascertaining which client portfolios to attend to first, Joseph ranks clients by the amount of assets under advisement as of the last quarterly period for which Joseph has accumulated complete records, from higher to lower.

We Seek to Avoid Material Conflicts of Interest. To seek to avoid material conflicts of interest, generally neither Joseph Capital Management, LLC nor its investment adviser representatives nor its team members receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies. However, some additional services and non-direct monetary or other forms of compensation are offered and provided to Joseph as a result of its relationships with custodian(s) and/or providers of mutual fund products. For example, Joseph's investment advisors and employees may be invited to attend educational conferences and/or entertainment events sponsored by such brokerage firms or custodians or mutual fund companies. Other services may be provided as outlined below. Joseph believes that the services and benefits actually provided to it by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations made to clients of Joseph. However, in the interest of full disclosure of any potential conflicts of interest, we discuss the possible conflicts herein.

Although Joseph Capital Management, LLC believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to manage appropriate any material conflicts of interest that may remain, clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest.

L. About Our Relationships with Custodians.

Non-Participation in Client Referral Programs of Custodians. Joseph Capital Management, LLC will continue to avoid certain relationships with custodians (brokerage firms, etc.) and investment product providers which it believes might materially hamper its independence in its providing advice to its clients or result in clients paying higher mutual fund management, administrative, or other product-related fees and costs. For this and other reasons, Joseph does not participate in the client referral programs which may be sponsored by such custodians, nor does Joseph currently recommend to its clients any mutual funds or ETFs manufactured by affiliates of such custodians (although Joseph may in the future recommend such funds if Joseph, after a process of due diligence, concludes that such mutual funds are the best funds in that particular asset class or which otherwise will best meet the client's objectives).

Use of Custodians, Generally. Joseph utilizes the services of TD AMERITRADE INSTITUTIONAL and FIDELITY INVESTMENTS INSTITUTIONAL SERVICES. Each custodian respectively provides Joseph with access to institutional trading and custody services, which services are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis and at no charge to them. However, not all independent investment advisors recommend their clients to particular custodians.

Clients are permitted to direct Joseph to utilize particular brokers. However, if such brokers are utilized, Joseph may not possess access to certain mutual funds and other investments that are generally available only to institutional investors or would require a significantly higher minimum initial investment.

TD AMERITRADE INSTITUTIONAL. Joseph participates in the advisor services program (ASP) of TD AMERITRADE INSTITUTIONAL. While there is no direct linkage between the investment advice given and participation in the ASP program, economic benefits are received which would not be received if Joseph did not give investment advice to clients.

FIDELITY INVESTMENTS INSTITUTIONAL SERVICES. Joseph participates in the FIDELITY INVESTMENTS INSTITUTIONAL SERVICES – Fidelity Registered Investment Advisor Group (FIAG) program. While there is no direct linkage between the investment advice given and participation in the FIAG program, economic benefits are received which would not be received if Joseph did not give investment advice to clients.

Discussion of Benefits to Joseph, As To Both Custodians. The benefits provided by these custodians include assistance with practice management and assistance with the management of client accounts, including but not limited to: (a) receipt of duplicate client confirmations; (b) receipt of bundled duplicate statements; (c) access to a trading desk serving investment adviser firm participants exclusively, and providing research, pricing information, and other market data; (d) access to the investment advisor portion of their web sites which includes practice management articles, compliance updates, and other financial planning related information and research materials (including, for example, rating reports on individual companies from Standard and Poors' or other sources); (e) access to other vendors (such as insurance or compliance providers, or providers of research or other materials) on a discounted fee basis through discounts arranged by the custodians; (f) permitting Joseph to access an electronic communication network for client order entry and to access clients' account information and which may otherwise assist Joseph with its back-office functions, including recordkeeping and client reporting; and (g) conferences at which advisors and employees of Joseph may attend (with no registration fees) and receive education on issues such as practice management, marketing, investment theory, financial planning, business succession, regulatory compliance, and information technology.

Participation in the custodian's programs also provides access to certain mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors, such as the mutual funds of Dimensional Funds Advisors.

The benefits received through participation in the custodian's programs may depend upon the amount of transactions directed to, or amount of assets placed in custody with, TD AMERITRADE INSTITUTIONAL or FIDELITY INVESTMENTS INSTITUTIONAL SERVICES.

Generally, many of these services may be utilized to service all or a substantial number of Joseph's accounts. Educational, research, or other services provided by custodians (i.e., TD AMERITRADE INSTITUTIONAL, FIDELITY INVESTMENTS INSTITUTIONAL SERVICES, etc.) or mutual fund companies may benefit all of Joseph's clients, or may only benefit some clients.

While as a fiduciary Joseph endeavors to act in its clients' best interests, Joseph's requirement that clients maintain their assets in accounts at TD AMERITRADE INSTITUTIONAL or FIDELITY INVESTMENTS INSTITUTIONAL SERVICES may be based in part on the benefit to Joseph of the availability to Joseph of some of the foregoing products and services at no cost to Joseph and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest.

Joseph's clients may, therefore, pay higher transaction fees, commissions (for individual stock and ETF trades), and principal mark-ups and mark-downs (relating to purchases and sales on a principal, as opposed to an agency, basis), than those charged by other discount brokers. However, Joseph has negotiated fees with the custodians it recommends, and has selected these custodians for their generally low fees relative to another large custodian. Also, please note that Joseph prefers to recommend

custodians to its clients whom possess significant size and financial resources, for purposes of our perception of enhanced safety of clients' funds. For all of these reasons, the lowest cost custodian for clients may not be recommended to clients by Joseph.

M. About Our Relationships with Investment Product Providers.

Dimensional Funds Advisors. Following a stringent interview process, Joseph was granted access by Dimensional Funds Advisors (DFA) to its mutual funds at the time of Joseph's inception of operations. Dimensional Funds Advisors is a Santa Monica, California-based mutual fund company with over 35 funds and over \$110 billion of assets under management (as of 12/31/08).

While there is no direct linkage between the investment advice given and the approval of Joseph to access the mutual funds of Dimensional Funds Advisors, economic benefits are received which would not be received if Joseph did not give investment advice to clients. These benefits, which are also received by other Registered Investment Adviser firms granted access to the DFA funds, include: (a) attendance at seminars hosted by Dimensional Funds Advisors at which the investment products of Dimensional Funds Advisors are explained, academic instruction is given on asset allocation strategies, and financial planning and practice management instruction is given. Joseph pays all of the travel and hotel costs for members and staff attending these seminars. Dimensional Funds Advisors provides, at no charge to Joseph and the other attendees at such seminar, the speakers and facilities for the seminar, occasional luncheons or dinners, and the materials handed out at the seminar; (b) access to the "financial advisor" portion of the Dimensional Funds Advisors web site (www.dfaus.com), which contains additional academic research, practice management articles, newsletters, educational video presentations, software, and investment returns data; (c) use of the DFA Returns and DFA Allocation Evaluator software programs and accompanying data, which can be utilized to ascertain how different asset classes (as represented by various indices) and different mutual funds of Dimensional Funds Advisors have performed over time and which provide a method for calculation based upon historical results of rate of return and standard deviation for those asset classes and mutual funds; (d) various print materials (including article reprints and DFA brochures); (e) occasional practice management conferences and telephone conferences with Dimensional Funds Advisors' team members, including Regional Directors, research staff, and tax staff, to discuss specific issues relating to academic research relating to investment theory and/or relating to practice development (marketing) and management issues; (f) participation in a regional study group sponsored and hosted by Dimensional Funds Advisors; and (g) other services and benefits.

Joseph Capital Management, LLC is under no obligation to recommend the mutual funds of Dimensional Funds Advisors to Joseph's clients. Joseph recommends funds of Dimensional Funds Advisors or other mutual fund companies or other investment products only when Joseph believes they best suit the client's objectives. Joseph does not provide any payment to Dimensional Funds Advisors for the access provided to Joseph's clients. Dimensional Funds Advisors does not pay to Joseph any direct monetary compensation in order to recommend the funds of Dimensional Funds Advisors.

N. Book Purchases. Joseph Capital Management, LLC offers for sale one or more books, including its book, *The Science of Investing*. Investment advisory clients may receive one or more copies of the book(s) for free.

O. Other Business Activities; Speaking Engagements; Honorariums.

Michael J. Tringali, in his individual capacity, is also an officer and Certified Public Accountant of Michael J. Tringali, PA (hereinafter "MJTPA"), an accounting firm. MJTPA is currently inactive as an accounting firm but holds a commercial office which is held for lease. Mr. Tringali, in his individual capacity, is also President, Secretary and Director of the Tringali Company, Inc. (hereinafter "TTC"), a company that engages in network marketing in the nutritional field. TTC is not an advisory client of JCM. JCM advisory clients will not be solicited to invest in, or otherwise be involved with, TTC. Mr. Tringali, in his individual capacity, is also President, Secretary and Director of Crystal River Realty, Inc., a company involved in real estate brokerage activities (hereinafter referred to as "Realty Companies"). Realty Companies will never be an advisory client of JCM. No JCM advisory client is obligated to use any service of Realty Companies, and no Realty Companies client is obligated to use any advisory services of JCM. JCM advisory clients will not be solicited to invest in Realty Companies. Mr. Tringali, in his individual capacity, is an owner of Tringali Family Investment Properties, LLC (hereinafter "TFIP"), a real estate holding company. TFIP is not an advisory client of JCM. No advisory clients of JCM will be solicited to invest in TFIP. Mr. Tringali is also an officer and Certified Public Accountant of Joseph & Company Certified Public Accountants, Inc. (Joseph CPAs). Joseph CPAs is not an advisory client of JCM. JCM advisory clients will not be solicited to invest in, or otherwise be involved with, Joseph CPAs.

John J. Ceparano, in his individual capacity, is also an on officer and Certified Public Accountant of Business Blocks, Inc. (hereinafter "BBI"), an accounting firm and real estate holding company. BBI is currently inactive as an accounting firm. No JCM advisory clients will be solicited to invest or participate in BBI in its capacity as a real estate holding company. Mr. Ceparano is also an officer and Certified Public Accountant of Joseph & Company Certified Public Accountants, Inc. (Joseph CPAs). Joseph CPAs is not an advisory client of JCM. JCM advisory clients will not be solicited to invest in, or otherwise be involved with, Joseph CPAs.

Ron A. Rhoades, in his individual capacity, is also a principal and attorney for Ron A. Rhoades, P.A., a Florida law firm. JCM advisory clients may also be Amyx legal clients. No JCM advisory client is obligated to use any Amyx legal service, and no Ron A. Rhoades, P.A. legal client is obligated to use any JCM advisory service. JCM is not utilized to solicit clients for Ron A. Rhoades, P.A.. No referral fees are paid to either of these entities from the other respective entity. All legal fees charges by Ron A. Rhoades, P.A. are separate and distinct from all advisory fees charged by JCM.

Disclosures Applicable to All Principals. Mr. Tringali, Mr. Ceparano and Mr. Rhoades are the co-member/managers of Joseph Ventures, LLC, which holds real estate in Citrus County, Florida. No JCM advisory clients will be solicited to invest or participate in Joseph Ventures, LLC in its capacity as a real estate holding company.

Principals of JCM are also trustees and/or executors (i.e., Personal Representatives) for one or more trusts or estates. These trusts or estates are not advisory clients of JCM.

Principals and/or employees of JCM, in their individual capacities, are owners and/or principals of various real estate holding companies. No advisory client will be solicited to invest, or otherwise be involved in any of these real estate holding companies.

Principals and/or employees of JCM, in their individual capacities are members, directors and/or officers of non-profit organizations. No JCM advisory client will be solicited to invest, or otherwise be involved in, any of these non-profit organizations.

Joseph's Directors and/or advisors may be invited to speak at investment or financial planning industry, compliance, or securities law conferences on occasion. Speakers from Joseph may be offered an honorarium for speaking engagements, and/or may be reimbursed for certain travel expenses, and/or may have registration fees for attendance at the conference reduced or waived. Joseph does not believe the receipt of such honorariums, reimbursements, or other compensation directly influences the advice Joseph provides to its clients.

Mr. Ceparano may spend as much as 5% of his time with all of these related activities.

Mr. Rhoades may spend as much as 10% of his time with all of these related activities.

Mr. Tringali may spend as much as 10% of his time with all of these related activities.

P. Our Investment Advisory Team Members.

The educational backgrounds and employment histories of Joseph's Executive Committee and advisory personnel are described in the following pages.

Joseph requires each person with professional designations to complete annual continuing education requirements, if they are required to do so by reason of the professional designation or certification program.

All advisors must also possess a commitment to passive investing, incorporating the principles of Modern Portfolio Theory.



John J. Ceparano, CPA* (FL, NY), M.Tax., Co-Director of Tax and Financial Planning, Director of Business Development, Private Wealth Manager. (*The CPA designation is regulated by the State of Florida)

Educational Background. John Joseph Ceparano graduated with a BS in Accounting from St. John's University in 1985. John received his Master of Taxation degree from Florida Atlantic University in August 2005.

Employment History. John is Co-Director of Tax and Financial Planning for Joseph Capital Management, LLC. He is a member of the firm's Investment Committee. As our Director of Business Development, John has actively been involved in developing wealth management teams in New York City, Philadelphia, Washington DC, Raleigh, Atlanta, and Tampa to work with us to provide comprehensive planning. This is

an interview process to insure the team members, typically consisting of esteemed estate tax planning attorneys, CPAs, Certified Valuation Analysts, and other specialists, are well-versed in holistic planning and subscribe to a fiduciary standard. John is a CPA (Florida, New York) and served as President of Joseph & Company Certified Public Accountants, Inc. from 2000 through 2007, and prior to that as President of Business Blocks, Inc., an accounting and tax firm and now a real estate holding company, from 1993 to 2000. He was a Manager and CPA (New York) with Blau, Soloway & Goldstein from 1992 to 1993, and before that he was predominantly with Price Waterhouse from 1985 to 1992.

Personal Summary. John has over 20 years of experience in taxation, business consulting, financial counseling for successful closely-held business owners, and high net-worth individuals. After graduating with honors from St. John's University with a BS in accounting, John practiced with Price Waterhouse for a total of 6 years, rising to the position of Senior Tax Consultant. While at Price Waterhouse, he advised ultra-affluent clients on such matters as tax efficient investing and stock option exercise planning. John is also the co-author of *The Science of Investing: How to Apply Academic Research to Reduce Risks and Increase Investment Returns*. John also served as an adjunct faculty member with St. John's University and the University of Florida, where he taught classes in business management and finance. John has also recently served as an active Committee member on the Parent Council for North Carolina State University. John is currently an active member of the Tampa Bay Estate Planning Council.

John is an active member of the community. He served as Treasurer of the East Citrus Soccer League, and he is an active member of the Rotary Club of Central Citrus County. John is a member of the Blessed Trinity Church (Ocala, Florida) Endowment Fund Committee, which oversees strategic investment allocations and recipient awards. He is also the Chairman of the Trinity Catholic High School Finance Committee and a member of the Trinity Catholic School Board. In addition, John serves as the Chairman of the Trinity Catholic High School Finance Committee and an Executive Committee member of the Trinity Catholic High School Board. He is also a member of the Tampa Bay Estate Planning Council.



Mary Ann Ceparano, Director of Client Services; Director of Human Resources.

Educational Background. Mary Ann graduated from the College of Business Administration, St. John's University, with a Bachelor of Science in Accounting, in 1985.

Employment History. Mary Ann served as a Staff Accountant and then Senior Auditor with Price Waterhouse, New York, New York, from 1985 to 1989. She served as an Accounting Manager with Business Blocks, Inc. from 1993 to 2000, and then served as Director of Human Resources for Joseph & Company Certified Public Accountants, Inc. from 2000 through 2007. Since 2001 Mary Ann Ceparano has served as Director of Human Resources and Director of Client Services for Joseph Capital Management, LLC. She serves on Joseph's Executive Committee.

Personal Summary. While Mary Ann Ceparano is not a investment advisor with the firm, and does not provide investment advice, Mary Ann coordinates the delivery of back-office services in order to better aid the service to our clients. She is the mother of three teenage boys and a caregiver for her elderly mother. Mary Ann is an active member of her church and volunteers on a regular basis.

Ron A. Rhoades, JD, CFP®, Director of Research, Chief Compliance Officer, Private Wealth Manager.

Educational Background. Ron A. Rhoades was born in 1958. He graduated with a Bachelor of Science degree in Business Administration from Florida Southern College in 1983. He graduated with a Juris Doctor degree, with honors, from the University of Florida College of Law in 1985. Ron attained the Certified Financial Planner™ (CFP™) designation in early 2005. He has attended numerous continuing educational forums, symposia and seminars over the years.

Employment History. Mr. Rhoades is the Director of Research and Chief Compliance Officer for Joseph Capital Management, LLC from 2001 to present, where he serves as Chairman of the firm's Investment Committee. In addition, Ron A. Rhoades has over 22 years experience as an attorney, with 20 of those years substantially devoted to estate planning (with an emphasis on transfer tax planning and retirement plan distribution planning).



Personal Summary. Mr. Rhoades has been frequently quoted in publications, including *Fortune* and *Newsweek* magazines, *Financial Planning*, *Investment Advisor*, *On Wall Street*, *Investment News*, and *Compliance Reporter*. During 2005, Ron had articles published in *The Florida Bar Journal* and *Senior Consultant* relating to the fiduciary duties of professionals. In May 2005 and again in October 2007, Ron was an invited panelist at conferences of the North American Securities Administrators Association (NASAA) in Washington, D.C., and Seattle, respectively, where he addressed regulators on issues relating to the fiduciary duties of investment advisers. Ron was also the keynote speaker at the August 2008 NASAA Investment Adviser Conference in Kansas City.

In addition, Mr. Rhoades has spoken at various meetings of accountants and attorneys regarding retirement account distribution planning and Roth IRA conversion planning. Mr. Rhoades is the author of *Estate Planning for the Florida Resident: Questions and Answers* (a 250-page book), the co-author of *The Science of Investing: How To Apply Academic Research to Reduce Risks and Increase Investment Returns* (a 330-page book), and the author of *The Seven Secrets of Investing*. He is the author of numerous white papers and articles relating to investment management and portfolio construction.

During 2000, Mr. Rhoades spent several months as a Consultant to Prudential Financial, traveling extensively to its offices in New York and Newark, where he assisted in the design of new service offerings to retirees and assisted in the design and writing of training materials for use by financial advisors. Ron is a member of the Financial Planning Association (FPA), and served as Reporter for its Fiduciary Task Force (2007-8), as Reporter for its Professional Standards Task Force (2008), and as a member of its Government Relations Committee (2007-8). Mr. Rhoades is also a member of the National Association of Personal Financial Advisors (NAPFA) and currently serves on its Industry Issues Committee and Educational Advisory Task Force. Ron represented NAPFA at the *InvestmentNews Regulatory Roundtable* at the National Press Club in Washington, D.C., in February 2008, and in undertaking presentations to both federal and state securities regulators in Washington, D.C. in recent years on issues relating to the fiduciary duties of investment advisers and financial advisors.



Michael J. Tringali, CPA/PFS*, CFP®, Co-Director of Tax and Financial Planning, Private Wealth Manager.

Educational Background. Michael J. Tringali, CPA/PFS, CFP® was born in 1960. He graduated with a Bachelor's degree from the Whittemore School of Business and Economics at the University of New Hampshire in 1982. He attended Graduate Accounting classes at Nova University from 1989 through 1990.

Employment History. Mr. Tringali is Managing Director, Chairman of the Board, and Co-Director of Tax and Financial Planning for Joseph Capital Management, LLC from 2001 to Present. He is a member of the firm's Investment Committee. Mr. Tringali is also the co-author of *The Science of Investing: How To Apply Academic Research to Reduce Risks and Increase Investment Returns*.

Mr. Tringali was Vice President of Joseph & Company Certified Public Accountants, Inc. from 2000 through 2007. He was President of Michael J. Tringali, P.A., a certified public accounting firm, from 1992 through 2000.

Personal Summary. Michael J. Tringali has over 26 years of experience in the financial and accounting fields. His finance career began in 1982 with the international accounting firm Arthur Andersen & Co. in their tax department. Following his tenure with Arthur Andersen Mr. Tringali worked 5 years as the personal financial advisor to the co-founder of a Fortune 100 Company.

In addition to being a CPA, Mr. Tringali is also a Certified Financial Planner™ (CFP®), a Personal Financial Specialist (PFS) (awarded by the American Institute of Certified Public Accountants), and is a Level 2 Candidate in the Chartered Financial Analyst (CFA) Program. He is also licensed in Florida as a Real Estate Broker and a Community Association Manager.

Mr. Tringali is an active member of the local community. He is one of the founding directors and an honorable board member of the Boys & Girls Club of Citrus County, Inc. and is presently a member of the YMCA of the Suncoast Citrus County Steering Committee. Mr. Tringali serves as the sole trustee of both a local charitable remainder trust and a scholarship trust.



Joseph D. Coffey, Ph.D., Private Wealth Counselor.

Educational Background. Dr. Joe Coffey is a graduate of Purdue University with a B.S., and North Carolina State University with a M.S. and Ph.D. in Economics.

Employment History. Dr. Coffey served as V.P. of Economics and Planning at Southern States Cooperative, Inc. in Richmond, Va. Previously, he also served on the faculty of the University of California at Berkeley, and was head of the Department of Agricultural Economics at Virginia Polytechnic Institute. Dr. Coffey also served as an analyst on the Planning, Evaluating, and Programming Staff of the Office of the U.S. Secretary of Agriculture.

In 1963, Dr. Coffey served as an agricultural advisor with North Carolina State University Agricultural Mission in Lima, Peru. While in Peru, he also was assigned the position of visiting professor of social sciences at the Agrarian University. Dr. Coffey has traveled to Canada, Switzerland, Zimbabwe, Cameroon, Kenya, and Albania to serve as a guest lecturer or advisor. In 1981, he took part in a scientific mission to the People's Republic of China.

Personal Summary. As a trusted resource, Dr. Coffey has served on dozens of professional committees and has spoken to more than 500 national, international, state, and local groups. As an avid researcher, Dr. Coffey has written numerous published articles. In 1997, Purdue University presented Dr. Coffey with its Distinguished Alumnus Award. North Carolina State University, Virginia Tech, and the U.S. Department of Agriculture have also presented Dr. Coffey with awards.

Since moving to Citrus County, he has conducted classes in economics and investments at the Seniors' Institute of Central Florida Community College in Ocala, Top of the World Communities in Ocala, Prestige 55 at Ocala, and an Investments workshop at Crystal River Library. Dr. Coffey currently serves as an instructor for Central Florida Community College's Senior Institute, and he is leading another study group tour to China in October 2009.

Dr. Coffey is an avid runner and competed in the Boston Marathon in 2008.



Linda Horne, Private Wealth Advisor.

Educational Background. Linda attended college in Gainesville, FL and received an A.S. in Accounting. She is currently working toward a Bachelor of Science in Business with a concentration in Finance through Kaplan University.

Employment History. Linda has always worked in the banking and financial industries. Linda joined Joseph Capital Management, LLC in 2005, and advanced quickly from a Financial Services Coordinator to her Private Wealth Advisor role with the firm. Linda is currently developing the firm's practice in the Cumming / Atlanta Georgia market. In addition, Linda is instrumental in testing and recommending new software applications for the firm.

Personal Summary. Linda Horne grew up in a small Florida town. After residing in Florida for most of her life, she relocated to Cumming, Georgia, with her husband, Howard, and their son, Seth, in 2007. Linda enjoys being outdoors, learning and experiencing new things, being with family and friends, swimming, camping, and hiking.



Sara ("Sally") Long, CFTA, Sr. Private Wealth Advisor.

Educational Background. Sally Long graduated with a B.S. in Finance and a B.S. in Management from the University of South Florida in 1985. She attended the Cannon Financial Institute Trust Schools at UNC Charlotte and Myrtle Beach, S.C., and earned the Certified Trust & Financial Advisor designation from the Institute of Certified Bankers in 2001. Sally will be taking the test to become an investment adviser representative, with anticipated registration as such in early 2009.

Employment History. Ms. Long is a Sr. Private Wealth Advisor for Joseph Capital Management, LLC. She previously served as Vice President for SunTrust Bank from 1996 – 2008, most recently as Trust Advisor in the Private Wealth Management Group. While at SunTrust, Sally was also a Commercial Loan Officer and Retail Branch Manager. Sally worked for Barnett Bank from 1985-1996

in various roles including Human Resources Officer, Training Director, and upon completing the Management Associate program, Mortgage Loan Officer and Middle Market Corporate Relationship Manager.

Personal Summary. Sally Long has over 23 years of experience in financial services in the Florida Nature Coast area. She has participated in multiple banking business lines, including retail, mortgage, commercial, and wealth management. Sally specializes in advising wealthy client families in the area of estate planning, investment services, and personal finances. She has an in-depth working knowledge of trust and fiduciary administration. She has routinely attended Continuing Education programs, including *The Estate Planning Teleconference Series* featuring Roy M. Adams and the Florida Trust School.

Ms. Long is an active member of the community. She serves as Vice Chairman for Hospice of Citrus County and is part of its Finance Committee. Sally is a member of the Rotary Club of Inverness. She is a member of the St. Margaret's Episcopal Church (Inverness, Florida) Finance Committee. Sally is a graduate of Leadership Citrus Class 1996, and a past participant in the Citrus 20/20 and Jr. Achievement programs.



Eric Sobocinski, J.D., Sr. Private Wealth Advisor

A native of Smithtown, New York, Eric relocated to Chapel Hill, North Carolina, in 1995. That same year, Eric received his J.D. from Villanova University School of Law. He also received his B.A. in Psychology from Villanova University in 1991.

Eric has been in private law practice in North Carolina since 1996. He represents clients in the areas of estate planning, trust and estate administration, business succession planning, business transactions, and family charitable and philanthropic counseling. Eric also provides representation to professional athletes.

Eric is currently "Of Counsel" to the Durham, North Carolina, law firm of Walker, Lambe, Rhudy, & Costley, PLLC. He is also Vice President and Counsel to Turner-Gary Sports, Inc. of Chapel Hill, N.C.

From 2002 to 2006, Eric served as the Director of Advanced Planning for Northwestern Mutual Life in Raleigh. He has also

served as Vice President of Sales for Investors Trust Company in Chapel Hill. In both positions, Eric applied his legal background in providing wealth planning services to clients.

Eric frequently provides public presentations on the subjects of estate planning, financial planning, asset protection, retirement planning, sports law, and related topics. He is an active member of St. Thomas More Church in Chapel Hill, N.C., an avid sports fan, and enjoys coaching youth sports and traveling. He resides in Pittsboro, N.C. with his wife Kristen and their two children, Jackson and Georgia.

*For SEC and State Securities Regulators: Index (Cross-Reference) of the
"Items" Found in Instructions for Form ADV, Part II to the Content of this Brochure*

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As of January 18, 2009**JOSEPH CAPITAL MANAGEMENT, LLC****SEC FILE NUMBER: 801-60647****FORM ADV, PART II DISCLOSURE DOCUMENT ("BROCHURE")**

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OMB APPROVAL

OMB Number: 3235-0049

Expires: July 31, 2008

FORM ADV, Part II
Uniform Application for Investment Adviser Registration

Name of Investment Adviser: **Joseph Capital Management, LLC**

Address: **2450 N. Citrus Hills Blvd.
Hernando, FL 34442-5348**

Telephone numbers: **Local: (352) 746-4460
Toll-Free: 1-866-746-4460**

1 A. Advisory Services and Fees. For each type of service provided, state the approximate % of total advisory billings from that service.

Joseph Capital Management, LLC (JCM):

- | | |
|--|------------|
| 1. Provides investment supervisory services | 87% |
| 2. Manages investment advisory accounts not involving investment supervisory services | 8% |
| 3. Furnishes investment advice through consultations not included in either service described above . . . | 2% |
| 4. Issues periodicals about securities by subscription | 0% |
| 5. Issues special reports about securities not included in any service described above. | 0% |
| 6. Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | 0% |
| 7. On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . | 3% |
| 8. Provides a timing service | 0% |
| 9. Furnishes advice about securities in any manner not described above | 0% |

The narrative portion of this Form ADV, Part II (pages 1-37) describes, for each services indicated to be provided above, the services provided, JCM's basic fee schedule, how fees are charged, whether JCM's fees are negotiable, when compensation is payable, and, if compensation is payable before services are provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date.

1.B. Does JCM call any of the services it checked above financial planning or some similar term? **Yes.**

1.C. JCM offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| ✓ | 1. A percentage of assets under management |
| ✓ | 2. Hourly charges |
| ✓ | 3. Fixed fees (not including subscription fees) |
| — | 4. Subscription fees |
| — | 5. Commissions |
| ✓ | 6. Other (JCM on occasion sells books and/or white papers to the public which have been authored by its Directors) |

2. *Types of clients - JCM generally provides investment advice to: (check those that apply)*

- ☒ A. Individuals
- ☐ B. Banks or thrift institutions
- ☐ C. Investment companies
- ☒ D. Pension and profit sharing plans
- ☒ E. Trusts, estates, or charitable organizations
- ☒ F. Corporations or business entities other than those listed above
- ☐ G. Other

1. *Types of Investments. JCM offers advice on the following: (check those that apply)*

- ☒ A. Equity Securities
 - ☒ 1. Exchange-listed securities
 - ☒ 2. Securities traded over-the counter
 - ☒ 3. Foreign issuers
- ☒ B. Warrants
- ☒ C. Corporate debt securities (other than commercial paper)
- ☒ D. Commercial paper
- ☒ E. Certificates of deposit
- ☒ F. Municipal securities
- ☒ G. Investment company securities
 - ☒ 1. Variable life insurance
 - ☒ 2. Variable annuities
 - ☒ 3. Mutual fund shares
- ☒ H. United States government securities
- ☒ I. Options contracts on:
 - ☒ 1. Securities
 - ☐ 2. Commodities
- ☐ J. Futures contracts on:
 - 1. Tangibles
 - 2. Intangibles
- ☒ K. Interests in partnerships investing in:
 - ☒ 1. Real estate
 - ☒ 2. Oil and gas interests
 - ☒ 3. Other
- ☒ L. Other

4. *Methods of Analysis, Sources of Information, and Investment Strategies*A. *JCM's security analysis methods include: (check those that apply)*

- ☐ 1. Charting
- ☒ 2. Fundamental
- ☐ 3. Technical
- ☐ 4. Cyclical
- ☒ 5. Other (explain on Schedule F)

B. *The main sources of information JCM uses include: (check those that apply):*

- ☒ 1. Financial newspapers and magazines
- ☐ 2. Inspections of corporate activities
- ☒ 3. Research reports prepared by others
- ☒ 4. Corporate rating services
- ☐ 5. Timing services
- ☒ 6. Annual reports, prospectuses, filings with the Securities and Exchange Commission
- ☒ 7. Company press releases
- ☒ 8. Other (explain on Schedule F)

C. *The investment strategies used to implement any investment advice given to clients include: (check those that apply)*

- ☒ 1. Long term purchases (securities held at least a year)
- ☒ 2. Short term purchases (securities sold within a year)
- ☒ 3. Trading (securities sold within 30 days)
- ☒ 4. Short sales
- ☒ 5. Margin transactions
- ☒ 6. Option writing, including covered options, uncovered options or spreading strategies
- ☒ 7. Other (explain on Schedule F)

1. *Education and Business Standards. Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?* **Yes.**

See description in narrative portion of this ADV, Part II.

2. *Education and Business Background. For:*

- *each member of the investment committee or group that determines general investment advice to be given to clients, or*
- *if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)*
- *each principal executive officer of applicant or each person with similar status or performing similar functions.*

On Schedule F, give the: name, year of birth, formal education after high school, and business background for the preceding five years.

See description in narrative portion of this ADV, Part II.

7. Other Business Activities. (check those that apply)

- ☐ A. JCM is actively engaged in a business other than giving investment advice.
- ☐ B. JCM sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.) **JCM's principals are engaged in some other business activities, which are described in the narrative portion of this ADV, Part II.**

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients With a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input checked="" type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input checked="" type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input checked="" type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the Relationship and the arrangements.)

See description in narrative portion of this ADV, Part II.

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? **No**
- (If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.) **See description in narrative portion of this ADV, Part II.**

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? **Yes**
(If yes, describe on Schedule F.) **See description in narrative portion of this ADV, Part II.**

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services: Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Reviews. Clients' investment portfolios are reviewed under the following adopted policies and procedures:

Periodic Portfolio Reviews. The number of times we review a client's investment portfolio is generally determined by the amount of assets we manage for each client. See each program's service description for an indication of the frequency of review, which is generally either semi-annually, quarterly, or monthly.

Additional Reviews Upon Request. Clients may request additional analysis of their portfolios at any time, such as when cash needs arise, or when additional cash or securities are added to a client's investment portfolio. We shall respond to such requests within a reasonable period of time, subject to the restriction that we are unable to respond to specific requests on days when there is a major market change (see description, immediately below).

Procedures Upon Major Market Change. Upon a major fall in the valuation of the equities (stock) markets, or a specific asset class, an opportunity may be presented for rebalancing of a client's investment portfolio. In such event our resources may be limited given the number of relationships with our clients. In connection therewith, on days when all accounts are reviewed for purposes of rebalancing, we seek to undertake rebalancing efforts for clients, ranked in order of assets under advisement (from highest to lowest) for those accounts for which we have discretion to undertake rebalancing. Only those accounts for which we have discretion are rebalanced on such days.

Reviewers include Linda Horne, who does the majority of initial reviews, and who serves as Private Wealth Advisor with the firm, and Sally Long, Sr. Private Wealth Advisor. John J. Ceparano, Ron A. Rhoades, and Michael J. Tringali, all of whom are Directors of the firm, also undertake reviews, and are assisted by Financial Services Coordinators. Reviewers jointly review some accounts, while other accounts are reviewed by a single reviewer, as necessary and appropriate. In most instances accounts are usually not assigned to any one reviewer, but rather reviews are undertaken by Linda Horne or as the Director's schedules permit and utilizing a team approach.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Reports vary by client and are usually either semi-annual, quarterly or monthly. Reports usually contain a consolidated view of the client's accounts, a "Portfolio Rebalancing" analysis, and for most clients a performance summary for the portfolio over various time periods. Unrealized capital gains and loss reports and realized capital gains and loss reports may also be provided at various times (such as following the end of a year).

Joseph Capital Management, LLC possesses an **online account aggregation service** for daily viewing, in a centralized location, via the web, of investment advisory clients' consolidated account information (including as desired by a consolidated portfolio summary and a comparison of targeted versus actual percentages in each asset class, and other reports upon request). Investment advisory clients who possess web access will be provided this additional service, as desired by the client.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | |
|--|-----|
| (1) securities to be bought or sold? | Yes |
| (2) amount of the securities to be bought or sold? | Yes |
| (3) broker or dealer to be used? | No |
| (4) commission rates paid? | No |

B. Does applicant or a related person suggest brokers to clients? Yes

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- *the products, research and services*
- *whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services*
- *whether research is used to service all of applicant's accounts or just those accounts paying for it; and*
- *any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.*

See description in narrative portion of this ADV, Part II.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? Yes

B. directly or indirectly compensates any person for client referrals? Yes

(For each yes, describe the arrangements on Schedule F.)

See description in narrative portion of this ADV, Part II.

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- *has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or*
- *requires prepayment of more than \$500 in fees per client and 6 or more months in advance*

Has applicant provided a Schedule G balance sheet? **No, not required**

END OF FORM ADV, PART II.