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**This brochure provides information about the qualifications and business practices of Joseph S Sturniolo & Assoc. If you have any questions about the contents of this brochure, please contact us at 303-752-0590. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Joseph S Sturniolo & Assoc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) Registration of an Investment Advisor does not imply any level of skill or training.**

## **Item 2: Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission ("SEC") published "Amendments to Form ADV" which amended the disclosure document provided to clients as required by SEC and state rules. This disclosure brochure is a new document prepared according to new SEC rules. As such, this document is materially different in structure and requires certain new information that the previous Form ADV Part II and Schedule F for Joseph S Sturniolo & Assoc. (JSS) did not require. In the future, this item will discuss only specific material changes that are made to the disclosure brochure and provide readers with a summary of such changes. JSS will also reference the date of its last annual update of the brochure.

In the past, JSS has offered or delivered information about the firm's qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, the firm will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the firm's fiscal year end, December 31. This means that if there were any material changes over the past year clients will receive a summary of those changes no later than April 30. At that time, JSS will also offer a copy of its most current disclosure brochure and may also provide other ongoing disclosure information about material changes as necessary.

Clients and prospective clients can always receive the most current disclosure brochure for JSS at any time by contacting our office.

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#### **Item 4: Advisory Business**

Joseph S Sturniolo & Associates, Inc. ( "JSS" or "we" ) has been in business since 1995. JSS is a Corporation formed under the laws of the State of Colorado. The firm is owned by Joseph S. Sturniolo.

We utilize many different avenues to provide personalized investment advisory services to our clients. These services include financial planning and consulting services, referrals to third party money managers and asset management. The following are brief descriptions of our primary services. A detailed description is provided under Fees and Compensation so that clients and prospective clients ("clients" or "you") can review the services and description of fees more thoroughly.

##### **FINANCIAL PLANNING SERVICES (PLANS AND CONSULTATIONS)**

Financial planning can be described as helping clients determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

We offer advisory services in the form of comprehensive and modular (segmented) financial plans. These services do not involve actively managing client accounts. Instead, comprehensive planning services focus on a client's overall financial situation. Modular planning services and consultations focus on specific areas of client concern, like retirement planning or asset allocation advice, for example. These issue- specific planning services may not take all important financial issues into consideration.

##### **USE OF THIRD PARTY MONEY MANAGERS**

We also offer advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third party money managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

##### **ASSET MANAGEMENT SERVICES**

We offer investment management services providing clients with continuous and ongoing supervision over their accounts. This means that we will continuously monitor your account and make trades in that account when necessary, or at your request.

##### **SERVICES TAILORED TO CLIENTS NEEDS**

Our services are provided based on your specific needs. You are given the ability to impose written restrictions on your accounts, including specific investment selections and sectors. For this reason, it is important you understand that we perform advisory and/or brokerage services including investment reporting for various clients, and that we may give advice or take actions for other clients that differ from the advice given to you.

##### **WRAP FEE PROGRAM VERSUS PORTFOLIO MANAGEMENT PROGRAM**

In traditional management programs, advisory services are provided for a fee but transaction services are billed separately on a per transaction basis. In wrap fee programs, advisory services and transaction services are provided for one fee. We do not act as a portfolio manager of or sponsor a wrap fee program.

## **Item 5: Fees and Compensation**

In addition to the information provided in the Advisory Business section, this section provides details regarding our services along with descriptions of each service's fees and compensation arrangements.

### **FINANCIAL PLANNING SERVICES (PLANS AND CONSULTATIONS)**

We provide financial planning services that focus on your specific needs and concerns. These services may be comprehensive in nature and focus on your overall financial situation, risk, goals, and objectives, or modular in nature, focusing on specific areas of concern that you have such as asset allocation, college planning, estate planning, etc. Financial planning services may include giving advice on investment and non investment related matters.

We collect a variety of information and documentation from you that is necessary to perform the requested services. We gather the information in order to review your current financial condition, to assist you in determining your attitude toward risk and to identify your financial goals, objectives and challenges. Financial data that is gathered and reviewed may include, but is not necessarily be limited to, statements and account data from banks, broker dealers and mutual funds, as well as tax returns and insurance policies. Depending on the level and the scope of the financial planning engagement, we may also review wills and trusts. We rely on the information provided by you. Therefore, it is important the information you provide is complete and accurate. We are not responsible for verifying the information you provide. In addition, if authorized by you, we will gather information or documentation from your other professionals and are expressly authorized to rely on that information provided. We urge you to work closely with your attorney, accountant or other professionals regarding your financial and personal situation.

We will discuss our recommendations with you as well as steps you must take to implement those recommendations. It is your responsibility to notify us if there are any changes in your financial situation or investment objectives. You should notify us of any changes so that we can work with you to determine if the changes will affect the advice previously provided. Together, you can determine if you wish to engage JSS to review, evaluate and revise the previous recommendations provided.

Although financial planning services are provided with the intention that you will implement the recommendations contained in the plan, you are not obligated to do so. You retain discretion over implementing decisions relating to financial planning services and are free to accept or reject any recommendation from us. You have the option to purchase investment products that are recommended through other brokers or agents that are not affiliated with JSS.

The fees for these types of services are negotiated between you and JSS. They will be charged as a one time fixed fee. The minimum fee is \$500 with a maximum fee of \$25,000.

All fees are agreed upon in advance. You will receive an invoice from us to pay for the services provided upon completion of the service or at the periodic intervals agreed upon. These advisory services provided may have fees that are higher or lower than if the client obtained similar services from another investment advisor.

Either you or JSS may terminate the contract at any time by providing written notice to the appropriate party. If services are terminated within five business days of executing the agreement, services are terminated without penalty and no fees are due. Upon receipt of the request, any fees collected in advance will be refunded. You are responsible for paying fees for the services completed prior to notice of termination. The fee is calculated as a percentage of work completed on the requested plan and/or services prior to the effective date of termination.

#### USE OF THIRD PARTY MONEY MANAGERS

JSS utilizes the services of third party money managers to assist the clients in managing their investments. We can assist you with selecting and monitoring unaffiliated third party money managers offering asset management and other investment advisory services.

We assist you with identifying your risk tolerance and investment objectives. We will then recommend money managers geared to your stated investment objectives and risk tolerance. You will enter into an agreement directly with the third party money manager. JSS is available to answer questions you may have regarding your account and act as the communication conduit between you and the third party money manager. We will review the account(s) with you at least annually to determine if the money manager is continuing to meet your investment objectives. Money managers may take discretionary authority to determine the securities to be purchased and sold for you. We do not have any discretionary trading authority with respect to your account with the money manager(s) and are not responsible for investment selection or trade implementation in your accounts.

When referring clients to third party money managers, JSS receives a portion of the fees generated from the referral. You do not directly pay us for this service. The management fees, methods of calculation and manner in which fees are billed/collected varies for each money manager. The fees, methods of calculation and manner in which fees are billed/collected are described in the money manager's disclosure brochure. Fees typically range from 1.0%-2.5% and the portion of this fee that is paid to us varies pursuant to the agreement between us and the money manager.

Various money managers may negotiate the fees charged for management services with you (which are disclosed in the agreement for services executed between you and the money manager), our portion of the fee received may be negotiable as well, depending on the agreement between JSS and the third party money manager. You should be aware that although this fee does not appear to be a direct cost to you, the money manager takes this fee into consideration when determining the amount of fee they charge you. All fees are calculated and charged by the money manager and the money manager is responsible for paying our portion of the fee to us.

Third party money managers generally have account minimum requirements that will vary from investment advisor to investment advisor. A complete description of the money manager's services, fee schedules and account minimums will be disclosed in the money manager's disclosure brochure that is provided to you at the time you sign an agreement for services and the account is established. Client reports will depend upon the money manager.

## ASSET MANAGEMENT SERVICES

JSS offers investment supervisory services defined as giving continuous investment advice to you (or making investments for you) based on your individual needs, goals and objectives. We offer asset management services in which there are various platforms with qualified custodians and investment options available for us and clients to choose from. Within the platforms available the client and JSS may choose a customized portfolio, a mutual fund model, or an exchange traded fund ("ETF") model. We provide ongoing assistance with evaluation and selection of investments, and adjustment and balancing of portfolios. Various asset types are available and they include, but are not limited to: no-load mutual funds, load waived mutual funds, equities, fixed income securities, cash and cash equivalents.

We assist you in establishing a managed account(s) through a qualified custodian. Typically, we require a minimum account size of \$25,000 to establish and maintain a managed account. However, exceptions may be granted to this account minimum at our discretion, usually based on your specific situation.

When executing an agreement for services with us, the sub-advisor (if applicable) will be granted trading authorization on your account. In most instances JSS and the sub-advisor (if applicable) are also provided with discretionary authority to determine the securities and quantity of securities to be bought and sold, the time of execution and the price at which the trades will be executed. You can place reasonable limitations and restrictions in relation to the discretionary authority.

We charge for our investment supervisory services based on a percentage of assets under management. Typically, there is an annual charge that is negotiated between you and JSS that ranges from 0.50% to 2.50%

The exact fee that is negotiated between you and JSS is disclosed to you in the client services agreement that you sign in advance of services being provided. The qualified custodian will debit the fees on a quarterly basis from the account. The fees will be calculated based on the period ending balance. The fees will be charged in arrears and are prorated based on the number of days that services are provided. If you have multiple accounts, you can request group billing.

You may incur other charges imposed by third parties besides us in connection with investments made through the account, including but not limited to mutual fund 12b-1 distribution fees, sub accounting fees, contingent deferred sales charges, short term redemption fees, qualified retirement plan fees and account maintenance fees. A description of these fees and expenses are available in each investment company security's prospectus.

We may terminate the agreement at any time by providing written notice to the appropriate party. If services are terminated within five business days of executing the agreement, services are terminated without penalty and no fees are due. If the account is to be liquidated as a result of a termination notice, we may take up to five business days from the date of receipt to process the liquidation request. Proceeds will be payable to the client subject to the usual securities settlement procedures. The final fee is prorated based on the number of days that services are provided prior to the effective date of termination. You are responsible for paying fees only for services rendered until the effective date of termination. Your account will either be debited for the additional services or credited a refund if you paid in advance.

#### **Item 6: Performance Fees and Side-By-Side Management**

Performance based fees are defined as fees based on a share of capital gains or on capital appreciation of the assets held in a client's account. We do not charge or accept performance based fees.

#### **Item 7: Types of Clients**

The Firm offers services to individuals, and high net worth individuals.

#### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

##### **METHODS OF ANALYSIS**

JSS uses charting, cyclical, fundamental and technical analysis when considering investment strategies and recommendations. In simple terms, charting looks at historical patterns, cyclical analysis looks at recurring periods, fundamental analysis involves analyzing company characteristics and technical analysis studies past market data looking for price trends and movements.

##### **INVESTMENT STRATEGIES**

When implementing investment advice to clients, JSS will employ the following investment strategies:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)

##### **RISK OF LOSS**

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Investing in securities involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk:

- Market Risk. Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk.



- **ETF and Mutual Fund Risk.** Exchange traded fund (“ETF”) and mutual fund investments bear additional expenses based on a pro rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- **Management Risk.** Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

#### **Item 9: Disciplinary Information**

Registered persons of Investment Advisers are required to disclose all facts regarding any disciplinary or legal events that would be material to your evaluation of the Firm or the integrity of Firm’s management.

Joseph S. Sturniolo, the owner of the Firm, has disclosed items, the details of which can be found on FINRA’s Broker Check system ([www.finra.org/brokercheck](http://www.finra.org/brokercheck)) or the Investment Adviser Public Disclosure system ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

#### **Item 10: Other Financial Industry Activities and Affiliations**

Some of the Firm’s representatives are also registered representatives of Geneos Wealth Management, Inc(Geneos), a dually registered Broker-Dealer and Investment Adviser. In this separate capacity, they can sell securities to any client and can earn commissions as a result. This is a conflict of interest because they could receive commissions acting as registered representatives and could also receive fees acting as investment advisor representatives. Clients are under no obligation to use the services of our representatives or Geneos and can select any Broker-Dealer they wish to implement securities transactions.

In addition, JSS is a licensed insurance agent. If you elect to purchase insurance products through JSS in this separate capacity, they may earn commissions. This is a conflict of interest because we could receive fees for the advice and also receive commissions for implementing insurance transactions. You are not obligated to implement the advice provided by JSS or to implement transactions through us in their separate capacity as insurance agents.

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

JSS Code of Ethics requires the Firm and its employees to act in a manner that exhibits integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence. The Firm strives to always act in a professional manner and in the best interest of its clients. A copy of the Code of Ethics is available upon request.

#### **Item 12: Brokerage Practices**

As noted in previous sections, some of the Firm's representatives are also registered representatives of Geneos Wealth Management, Inc (Geneos), a dually registered Broker-Dealer and Investment Adviser.

If clients wish to implement the advice, they are free to select any Broker-Dealer or Investment Adviser.

#### **Item 13: Review of Accounts**

Unless you contract for ongoing consultation services, financial planning reviews are performed only upon a request from you. We recommend that you have your financial plan reviewed at least annually or even more frequently if there are changes that affect your goals, objectives or financial situation. Additional fees may be charged and a new contract may be needed if you wish additional reviews.

Managed accounts are reviewed on an ongoing basis. At a minimum, advisory accounts will be reviewed with the client annually. These reviews are performed to monitor for any activity or changes in the account and to monitor that accounts are being managed in accordance with each client's goals, objectives and financial situation. We can perform reviews more frequently if you request it or if you notify us about a change that would trigger a review.

Accounts held at third party money managers are reviewed with the client at least annually. A more frequent review may also be instigated by a client inquiry due to policy changes or in the event of a change in prevailing market conditions.

##### **ACCOUNT REPORTS**

You receive statements from your account custodian monthly if there is activity in the account and quarterly if there is no activity in the account. Some platforms include quarterly performance reporting that is delivered by the custodian. Accounts managed by other money managers send you reports as disclosed in their disclosure brochure. If you request it, we will prepare a performance report for your account using Albridge. Albridge is an online, secure statement consolidation and reporting service.

#### **Item 14: Payment for Client Referrals**

Please see Item 10 for a description of occasional referrals to Joseph S. Sturniolo & Associates, Inc.

#### **Item 15: Custody**

The Firm does not have custody of client funds or securities.

#### **Item 16: Investment Discretion**

Asset management services are provided on a non-discretionary or discretionary basis, depending on the platform selection. If asset management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. If management services are provided on a discretionary basis, JSS or the sub-advisor will make all decisions to buy, sell or hold securities, cash or other investments in the managed account in its sole discretion without consulting with you before implementing any transactions. You can impose reasonable restrictions on management of your accounts. Any restrictions must be submitted to us in writing.

When discretionary authority is granted, it is limited. We have the authority to determine the type and amount of securities to be bought or sold, the broker or dealer used and the commission rates paid when executing transactions. We do not have access to your funds and/or securities with the exception of having advisory fees deducted by the account custodian from your account and paid to us. Any fee deduction is done pursuant to your prior written authorization.

#### **Item 17: Voting Client Securities**

We do not perform proxy voting services on your behalf. You are instructed to read through the information provided with the proxy voting documents and to make a determination based on the information provided. Upon your request, we may provide limited clarifications of the issues presented in the proxy voting materials based on our understanding of issues presented in the proxy voting materials. However, you have the ultimate responsibility for making all proxy voting decisions.

#### **Item 18: Financial Information**

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