



Item 1 – Cover Page

Asset & Financial Planning, LTD.

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This Brochure provides information about the qualifications and business practices of Asset & Financial Planning, LTD. (“AFP”, “us”, “we”, “our”). If you (“clients”, “your”) have any questions about the contents of this brochure, please contact us at (845) 485-3338. 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. AFP’s IARD firm number is 110709.

Asset & Financial Planning, LTD. is a registered investment adviser with the Securities and Exchange Commission (SEC). Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about Asset & Financial Planning, LTD. is also available on the SEC’s website at www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in our firm name or IARD firm number, 110709). Results will provide you with both Parts 1 and 2 of our Form ADV.

Item 2 – Material Changes

The only material changes to report since the last annual filing of the Form ADV Part 2 or “Disclosure Brochure” dated October, 2013 are the change of Chief Compliance Officer and broker dealer affiliation. Pursuant to amendments made to rules promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and the form formerly known as Form ADV Part II, this Disclosure Brochure was developed in response to new requirements adopted and imposed by the SEC under the Advisers Act.

For future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this Brochure on the SEC’s public disclosure website (IAPD) at www.adviserinfo.sec.gov.

We may, at any time, update this Disclosure Brochure and send to you an updated copy including a summary of material changes, or a summary of material changes that includes an offer to send you a copy (either by electronic means (email) or in hard copy form).

If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, Gerard M. Morra at (845) 485-3338 Ext. 4283 or via email at gerard.morra@gtax.com.

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Item 4 – Advisory Business

Asset & Financial Planning, LTD. (“AFP”, “us”, “we”, “our”) is a corporation formed on May 16, 1983, under the laws of the State of New York and wholly owned by Gilman & Ciocia, Inc. in order to provide the investment advisory products and services described within this document. We are notice filed in 49 states including the District of Columbia, Puerto Rico. As of June 30, 2013, we have 2395 clients with \$316,904,556 in assets under management, exclusively on discretionary basis.

The primary business of AFP is to provide advisory services as defined by the Investment Advisers Act of 1940 to new and existing clients of its registered broker-dealer affiliate, National Securities Corporation (“NSC”). NSC is a member of both FINRA as well as the Securities Investor Protection Corporation (“SIPC”).

This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Please contact Gerard M. Morra, Chief Compliance Officer, if you have any questions about this Disclosure Brochure.

Individuals associated who are qualified will provide investment advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (“IARs” or “agents”). We require IARs engaged in determining or offering investment advice to clients to meet the specific state registration examination requirements. This licensing typically includes the Series 7 (General Securities Representative) and 66 (NASAA-Uniform Combined State Law Exam), or 65 (NASAA-Investment Advisors Law Exam), or any of the following professional designations: CFA (Chartered Financial Analyst), CFP (Certified Financial Planner), ChFC (Chartered Financial Consultant), CIC (Chartered Investment Counselor), or PFS (Personal Financial Specialist) to qualify as IARs. The State of New York does not have examination requirements for IARs of a federally registered investment adviser nor does the State require registration of these IARs.

Prior to engaging us to provide investment advisory services, you will be required to enter into an advisory agreement with us and a separate custodial/clearing agreement ("CCA"). The advisory agreement shall set forth the terms and conditions of the engagement, and describes the scope of the services to be provided and the fees for such.

In performing our services, we shall not be required to verify any information received from you or from your other professionals, and are expressly authorized to rely thereon. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from us.

Investment Supervisory Services

Prime Financial Advisory Services

Prime Financial Advisory Services are designed for traditional brokerage clients who require ongoing advice and monitoring of their investments by their broker or adviser. Clients who employ AFP's agent for these services agree to an annual advisory fee in addition to commissions on some types of securities transactions. Commissions will therefore be billed at a discounted rate for such clients.

In addition to monitoring individual securities, you may engage our agents for due diligence and also selecting and monitoring services for a portfolio of no-load mutual funds. This service is not provided as a lower cost alternative to front-end load products, but is designed to accommodate the recommendation of products not traditionally available through broker-dealers as well as to accommodate your desiring active trading services (for example, market timing). Also, custodial and record keeping services are provided when transacting no-load mutual funds through AFP.

Pre-Qualification Consultation

Our agents will conduct an interview or a meeting with you in order to analyze your present financial situation as well as describe the various advisory services available. If you choose to proceed, our agents will qualify you by matching your individual investment objectives and financial information along with various personal objectives (education, housing, retirement, etc.).

The client interview process may involve a simple verbal conversation with information recorded on appropriate New Account Applications, or it may involve an in-depth financial and disclosure package used for the purpose of designing a comprehensive

financial retirement and/or estate plan. The latter of these options is offered as one of the services described below.

Upon completion of this review and qualification, you may then select one or a combination of the following services:

Prime Financial Managed Asset Programs

If you so choose, our agent will also provide you with continuous, direct asset management services. These services involve non-discretion on the part of our agent and may include all types of registered securities.

In selecting this service, you must understand that once you are qualified for a particular investment style (growth, growth and income, aggressive growth, etc.), our agents will then focus on the performance of the various asset classes. Investment decisions will generally be based on their expected performance, not individual client considerations. Our agents will utilize individual stocks or bonds or families of load or non-load mutual funds in order to match their investment profile.

We offer a selection of managed programs tailored to meet the needs of our diversified clientele. For complete disclosure of any wrap-fee programs refer to our separate “wrap fee brochure” (now known as the Form ADV Part 2A Appendix 1).

Investment Advice through Consultations

Prime Financial Counseling Services

The Prime Financial Counseling Service provides a program to assist you with a variety of non-transaction financial planning needs. This service offers assistance in developing investment, retirement, insurance, estate and tax planning on an individualized basis for an hourly or flat fee. You will work directly with our agent who will organize and analyze all necessary financial and related information concerning your situation and then help you decide what paths to follow to realize your goals. The planning process normally takes place over a three to four month period and includes several one to two hour counseling sessions between you and the agent.

The Prime Financial Counseling Service is generally offered to individuals or couples with incomes over \$50,000.00 per year and a net worth over \$250,000.00. While these guidelines are somewhat flexible, they are indicative of those individuals who can best utilize this service.

Advice to Clients on Matters Not Involving Securities

On more than an occasional basis, individuals associated with AFP may furnish advice to you on matters not involving securities. Such matters may involve issues related to tax planning and/or tax preparation, estate planning, insurance products, mortgage financing, college funding, savings strategies, etc.

As part of these services, you may or may not engage us to provide you with any written documentation that supports recommendations or conclusions reached in advising you.

We may prepare a written financial plan as part of our advisory services. Our written financial plan services may involve consultation, analysis, and recommendations in the six areas of financial planning, which include (1) financial situation; (2) income taxes; (3) insurance; (4) investments; (5) retirement planning; and (6) estate planning.

In order to determine a suitable course of action for you, we shall perform a review of the variables that are presented. Such review may include, but would not necessarily be limited to, investment objectives, consideration of your overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to your particular circumstances.

We shall review your present financial situation and issue a written analysis and report of recommendations in accordance with your goals and objectives. This service may include an initial consultation and subsequent follow-up visits. We, unless engaged separately to do so, will not be responsible for the implementation of the plan. You assume full responsibility for the implementation for the plan. The services provided in this regard may include but would not be limited to the following:

1. Preparation of an annual net worth statement;
2. Create a cash flow statement;
3. Review current investments and make recommendations thereon;
4. Review your most recent tax returns and provide tax planning advice or tax preparation services;
5. Review your life insurance and disability insurance and make recommendations thereon;
6. Review your estate plan and make recommendations thereon;
7. Complete a retirement analysis; and

8. Provide education planning advice.

Our fees for a written financial plan may be based on a flat fee or an hourly fee and may be affected by several factors such as the complexity of pertinent circumstances, the responsibility assumed by us, the potential benefit resulting to you and the perceived probability of certain anticipated complications that may arise. Although not an all-inclusive list, the following factors may impact the fee(s) charged to you.

1. Investment objectives;
2. Consideration of your overall financial condition, including current financial holdings;
3. Net worth;
4. Income and tax status personal and business assets;
5. Marital status;
6. Number of dependents;
7. Risk profile;
8. Previous investment experience; and
9. Other factors unique to your particular circumstances.

It should be noted that the above listed factors are NOT intended to represent prospective examples of ALL factors that may contribute to the ultimate fee determination for any given client; however, any of these factors COULD contribute to such. Further, no single one of these factors should be solely relied upon in your fee arrangement(s) determination.

Timing Service

We may provide market-timing services to our clients. From time to time, we may prepare and provide at no charge to you publications designed to provide investment advice and other information regarding particular products or investment principles. All such publications may be provided to existing and new clients of AFP.

Such publications may provide notification to existing clients (that hold a particular securities product) of expected market turns or conditions, or other issues that may affect that particular securities product, or client's overall portfolio. It is anticipated that such publications may only be provided to existing clients that may be directly or indirectly impacted by such issues.

Third-Party Investment Advisor Services

You can also engage our agents for due diligence and also selection and monitoring of the investment performance of third-party investment advisory services (Advisor Services) for the provision of investment management, allocation and timing services. Such advisory services, in turn, will also provide direct management of your assets through the creation of portfolios designed to meet stated goals and objectives. In connection with our Advisor Services, we may, on a discretionary basis and on your behalf, engage or terminate third-party advisers who may provide various investment advisory or investment advisory-related services to you.

We currently offer a variety of third party advisory services through advisers that are unaffiliated with AFP and NSC. Such third-party advisers may include, but would not be limited to, Lockwood Financial, Inc., SEI Investments, Clark Lanzen Skalla, Centurion, Neuberger Berman, Curian Capital, GE Private Asset Management, Nationwide, Sovereign Asset Management, Nuveen Asset Management, Mind Share Management, Manulife, Envestnet Asset Management, BTS, The Pacific Financial Group, and First Affirmative. Additional advisers may be added.

Investment strategies and decisions will be based upon the expected performance of various asset classes as opposed to individual client considerations. As a result of similar strategies and objectives, clients may appear to have substantially similar portfolios.

The Advisor Services may involve little or no direct client contact by the third-party advisers. Such advisers will rely instead on the aforementioned, pre-qualification (personal advisory) services provided by our agents to you. Our agents will perform such qualification analysis together with certain professional, administrative and clerical duties prior to opening accounts with such advisory services.

We and our agent will be compensated on an ongoing fee basis for client qualification and personal advisory services. As each third-party investment adviser has its own disclosure brochure (Form ADV Part 2, wrap brochure, etc.) that includes their full disclosure of fees, refunds, termination provisions among other important information, we will provide, at the time of solicitation for the appropriate third-party investment adviser, a copy of such disclosure.

In making investment decisions on your behalf, we shall rely on your profile document or your questionnaire, which would be completed by you.

Other Investment Advisory Services

We may furnish investment advice through consultations not included in any of the services described above. If you wish to engage us for some type of service not specifically mentioned or referred to in the services noted above, you must then provide us with guidance as to the scope of the engagement.

ERISA Accounts

AFP, in those instances where its role as a fiduciary under the Employment Retirement Income Security Act of 1974 ("ERISA") is in question, first makes a determination of whether the client qualifies as an ERISA Plan. For purposes of handling transactions of clients whose business is done pursuant to Section 403(b) of the Internal Revenue Code, AFP relies upon the "safe harbor" provided in Labor – Regulation 2510.3-2(f), (40 Fed. Reg. 34530, August 15, 1975). That is, AFP and its agents seek and maintain written acknowledgement from 403(b) participants that:

1. Participation in any program is voluntary;
2. All rights under the contract or account at issue are enforceable solely by the employee, designee or appropriate beneficiary; and
3. The employer's involvement in the account in any regard is appropriately limited.

As to all other clients who may fall under the definition of a Section 406 ERISA Plan, AFP and its broker-dealer affiliate, NSC, jointly verify, prior to the transaction of business, whether a plan is one other than an Individual Retirement Account or a plan that covers no employees, both of which are not Section 406 ERISA Plans. In those cases where accounts are Section 406 plans:

1. NSC and AFP are not trustees of such plans;
2. All securities transactions in such plans are performed on an agency basis;
3. Plan accounts are monitored for compliance with commonly accepted industry standards for unsuitable concentrations and excessive activity;
4. Brokerage arrangements with NSC and advisory service arrangements with AFP are authorized in writing by a plan fiduciary independent of AFP and NSC and are terminable at will;
5. Within 90 days prior to such authorization, the plan's authorizing fiduciary is provided with a copy of AFP's Form ADV and copy of the text of Prohibited

Transaction Class Exemption 85-12 S (51, Fed, Reg. 416S6, Nov. 18, 1986) (“PTE 86-128”);

6. The authorizing fiduciary is provided with confirmations of transactions prepared and presented in accordance with Rule 10n-10 of the Securities Exchange Act of 1934;
7. On an annual basis, the authorizing fiduciary receives a summary which includes (a) a total of the transaction charges incurred by the plan in connection with the brokerage services performed by NSC, (b) charges paid to entities unaffiliated with NSC, (c) a description of brokerage placement practices if such practices have changed materially during the period in question, and (d) the plan’s portfolio turnover ratio;
8. A plan will not be permitted to transact business in any security in which NSC is a market maker or underwriter unless permitted in the “safe harbor” of Prohibited Transaction Class Exemption 75-1 (40 Fed. Reg. 50845, Oct. 31, 1975); and
9. The plan’s authorizing fiduciary is subject to due diligence by AFP and NSC for purposes of compliance with appropriate “know your customer” rules of FINRA and state securities laws.

Item 5 – Fees and Compensation

The following information addresses the fees that we may charge for the services described in the previous sections. Information noted below addresses the general fee ranges, calculation methods, billing frequency, and manner of billing.

A variety of advisory services are provided by us to our clients on a percentage of assets under management/supervision compensation basis. The following schedules represent the minimum/maximum asset ranges and fees schedules established by us. Our agents may negotiate fees with you within the range identified by the range identified by the schedule.

Prime Financial Advisory Services

- An annual advisory fee in addition to commissions on some types of securities transactions

Prime Financial Advisory Services offers plans for clients who may invest in commission based or non-commission products on a discretionary basis and who require an agent to continually monitor their account and provide additional investment advice.

Portfolio Monitoring of Commissionable Products

Portfolio monitoring services will be provided to portfolios of commission-based products. This schedule reflects prior receipt of such commissions as well as ongoing 12b1 distribution fees:

Account Size (\$000's):	*Advisory Fee
\$10 to less than \$500	Not to exceed 2.50%
\$500 to less than \$1,000	Not to exceed 2.25%
\$1,000 to less than \$1,500	Not to exceed 2.00%
Greater than \$1,500	Negotiable

*Shared by us and our agents. Such fees may be in addition to internal management costs, 12b-1 distribution and transaction fees where applicable. All external advisory fees due to us and our agents are subject to prior negotiation and agreement.

No-Load Mutual Funds Due Diligence/Selection Monitoring

Compensation due to us for this service will be paid according to the following fee schedule which in turn, is designed to equalize compensation with the same level of service offered for commission based products which may be placed in your advisory program.

Account Size (\$000's):	*Advisory Fee
\$10 to less than \$500	Not to exceed 2.50%
\$500 to less than \$1,000	Not to exceed 2.25%
\$1,000 to less than \$1,500	Not to exceed 2.00%
Greater than \$1,500	Negotiable

*Shared by us and our agents. Such fees may be in addition to internal management costs and transaction charges. All external advisory fees are subject to prior negotiation and agreement between you and your agent.

Prime Financial Managed Asset Programs

- Percentage of Assets Under Management
- Fixed/Flat Fees

Mutual Fund/Variable Annuity Advisory Program

The Mutual Fund/Variable Annuity Advisory Program provides asset allocation and market timing services to investors within a mutual fund family or variable annuity.

Account Size (\$000's):	*General Model	*Select Model
\$10 to less than \$500	2.0%	2 ½%
\$500 to \$1,000	1 ¾%	2 ¼%
\$1,000 to \$1,500	1 ½%	2.0%
\$1,500 to \$2,000	1 ¼%	1 ¾%
\$2,000 and up	1.0%	1 ½%

*Such fees may be in addition to commissions including 12b-1 distribution fees, transaction costs, and/or internal management fees.

Prime Financial Counseling Services

- Percentage of Assets Under Management
- Fixed/Flat Fees

Advice to Clients on Matters Not Involving Securities

- Fixed/Flat Fees
- Hourly Fees

Timing Service

No fee will be charged to clients.

Third-Party Investment Advisor Services

- Percentage of Assets Under Management
- Fixed/Flat Fees

Compensation to our agents, and in turn, the advisory services, will be based on a percentage of assets under management as set forth in the schedule contained in each advisory service agreement, and disclosed to each client prior to engagement.

This all-inclusive “Wrap-Fee” will cover the costs of investment advice, security transactions, trading, custody, performance measurement and such other services as set forth by each advisory service(s) agreement.

Also, in certain instances, compensation may be commission-based in the form of directed commissions or executions through us or our clearing agents, from which we and our agents will then receive commissions based upon the normal and customary commission schedules in effect.

In addition to the aforementioned advisory fees, received by us and our agents for the provision of selected investment advisory services, recommendations leading to the buy/sell of securities in an advisory account executed by us, through our clearing agent, may incur additional transaction fees, sales charges and/or commissions. If you utilize NSC as the broker-dealer for transactions, the charges that would apply to those transactions are disclosed on the attached schedule. These charges are subject to

change. In the event there is a change in the charges, we will deliver an updated schedule to you.

Additional information about these Third-Party Advisory Services is available in each adviser's disclosure brochure.

Assets under Management/Supervision:

Fees will be payable either monthly or quarterly in advance or in arrears depending upon the service selected by you. The first payment is due upon execution of your Disclosure/Engagement Agreement ("Agreement") and will be assessed pro rata in the event the Agreement is executed at any time other than the first day of each month/quarter, based on the average daily value of the account assets under management/supervision for the preceding month/quarter – as valued by an independent pricing service, where applicable, or otherwise in good faith as reflected on your monthly account statements or quarterly portfolio evaluation report.

If assets are deposited after the inception of a month/quarter and subsequently withdrawn prior to the end of the same month/quarter, the fee chargeable with respect to such assets as of the next calculation date will be prorated based upon the number of days during the month/quarter the assets were held in the account.

For evaluation purposes, the assets will be treated as if they were held in the account as of the end of the month/quarter.

If during the first full year, the account is closed for any reason by you, no pro rata refund or pre-paid fees will be made. After the first full year, you may be entitled to a pro rata refund on any pre-paid monthly/quarterly fee based upon the number of days remaining the month/quarter after termination, upon written request.

Annual Fixed Fees:

We may charge a negotiable fixed fee for our advisory services. Our fixed fee of up to \$10,000 will be charged on an annual basis, depending upon the level and scope of the services required. The services that may correspond to the designated fixed fee amount may vary. As such, the determination of the fixed-fee amount will vary based upon any number of factors which may be specific to each individual client's set of circumstances. Advisory services that are anticipated to be more complex will generally warrant a higher fixed-fee amount. Less complex services may generally result in a lower fixed-fee amount. The fixed-fees will be based on the complexity of the service that is anticipated to be necessary for you.

Our fixed fee for providing advisory services is determined based on anticipated work to be done. Since we cannot accurately determine the fee amount until learning about the

your financial circumstances, it is our practice to provide an initial, no obligation, no cost meeting in order to become familiar with your circumstances. We will obtain information from you verbally and on any current information gathering documents approved for use by us. The information gathered during this session will assist us in determining the fee amount for your advisory services.

Assessment of Annual Fees (in advance): We shall bill you on a monthly or quarterly (calendar) basis. The first bill ("inception bill") shall be calculated and prorated according to the date ("inception date") of execution of the CCA and shall be payable at the end of the calendar quarter in which the initial meeting between you and us takes place. The inception bill shall be based upon a percentage of assets in your account(s) as of the inception date. This fee portion shall be referred to as the "inception fee".

At the same time the inception fee is calculated, we shall also calculate, in advance, the next quarter's fee based upon a percentage of the assets contained in your account(s) as of the last business day of that calendar quarter. This fee amount shall be calculated by assessing one quarter of the total annual percentage charged against the assets in your account(s). Your first bill shall include the inception fee and the first full quarter's fee (advanced). Thereafter, each subsequent quarterly fee shall be calculated, in advance, based upon the dollar amount of assets in your account(s) as of the last business day of each calendar quarter.

In the event of termination, you will receive a pro rata refund of any pre-paid fees attributable to any period after the date of termination.

Hourly Fees:

We may charge an hourly fee for our advisory services. Our hourly fees are negotiable and you will be charged up to \$300 on an hourly basis, depending upon the level and scope of the services required.

Our hourly rate is determined based on anticipated work to be done. Since we cannot accurately determine the hourly fee amount until learning about your financial circumstances, it is our practice to provide an initial, no obligation, no cost meeting in order to become familiar with your circumstances.

The services that may correspond to the designated hourly fee amount may vary. As such, the determination of the hourly-fee amount will vary based upon any number of factors that may be specific to each individual client's set of circumstances. Advisory services that are anticipated to be more complex will generally warrant a higher hourly-fee amount. Less complex services may generally result in a lower hourly-fee amount. The hourly-fees will be based on the complexity of the service that is anticipated to be necessary for you.

We will obtain information from you verbally and on any current information gathering documents approved for use by AFP. The information gathered during this session will assist us in determining the most appropriate course of action for your financial and investment activity.

Assessment of hourly fees: Hourly fee(s) will be billed in arrears, as specific services are performed. Hourly fees shall be calculated by multiplying the number of hours of service performed by the designated hourly rate (i.e., # of hours times designated hourly rate). We shall bill in increments of 15 minutes.

In most cases, an invoice shall be presented to you at the point of service and payment shall be due and payable at that time. In cases where you do not satisfy an outstanding hourly fee amount at the point of service, an invoice shall be generated and submitted to you. Such invoices shall generally be prepared not later than the fifth business day of the calendar month following the month in which the service(s) was performed that resulted in the fee. The invoice shall be payable by the twentieth business day of the calendar month following the month in which the service(s) was performed that resulted in the fee.

Other Fee Considerations:

Billing by Custodian: Our investment advisory fees may be deducted (by the applicable custodian) directly from your account unless other methods of payment are agreed upon and documented in the agreement. Automatic payment of fees is subject to the following stipulations:

1. You will authorize in writing the direct debiting of advisory fees from your custodian account;
2. We will disclose that it is your responsibility to verify the accuracy of the fee calculation because the custodian does not determine whether the fee is properly calculated;
3. We will simultaneously send a bill to you showing how the fee is calculated; or
4. Your custodian will send, at least quarterly, a client statement indicating the amount of advisory fees, if any, which have been paid by you. Investment Advisory Fixed Fees Consultation engagements or planning fees charged in connection with the Prime Financial Counseling Service will be payable upon completion of the service or as agreed upon by you and our agent.

Via Direct Billing: If so desired, you may choose to be billed directly by us for our fees. If so chosen, you shall be invoiced by the fifth business day of the month subsequent to

the most recently ended calendar quarter. Payment shall be due on or by the final business day of the month in which the invoice is generated.

We, in our sole discretion, may charge a lesser or no advisory fee based upon certain criteria (i.e., anticipated future earnings capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with you, etc.). No increase in our fee(s) shall be effective without prior written notification of at least thirty (30) days to you.

In addition to our investment advisory fee(s), you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (e.g., advisory fees, administrative fees, and other fund expenses). Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not by us. Any such fees are exclusive of, and in addition to our compensation. You must acknowledge that you will be solely and directly responsible for fees, including other than our fees billed directly to you.

We will deliver to you a current disclosure brochure before or at the time you enter into an advisory contract with us.

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

We do not charge performance based fees (i.e., advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account). Our compensation structure is disclosed in detail in Item 5 above.

Item 7 – Types of Clients

The primary business of AFP is to provide advisory services to new and existing clients of its registered broker-dealer affiliate, National Securities Corporation. We provide investment advisory services to individuals including high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other businesses.

You do not have an obligation to a minimum account size to open or maintain an account with us.

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

Each portfolio will be designed to meet particular investment goals and objectives taking into account your financial situation, circumstances, and risk tolerance. After developing a thorough understanding of your risk tolerance and short and long-term goals, we will work together to create an investment portfolio designed specifically for you. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions may affect the composition and performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

We maintain a disciplined long term approach to investing. Our investment strategies may also include short term purchases, short sales, and option writing. Investment alternatives may include individual stocks, individual bonds, exchange traded funds (ETFs), warrants, certificates of deposit (CDs), municipal and government securities, mutual funds, variable life and variable annuities, options including real estate, and oil and gas.

From time to time, we provide investment advisory services regarding investment-related partnerships or other pooled investment vehicles. Typically, such products shall include products such as Direct Participation Programs or privately placed securities that are typically exempt from registration under the Securities Act of 1933 in reliance on an exemption such as the provisions set forth under Regulation D.

The selection and use of these investment alternatives may depend on your financial situation. When applicable, we will rebalance your portfolio periodically to control risk, take profits and enhance tax efficiency. We will reduce or eliminate positions due to lack of performance, to reduce concentrations in a security or sector of the market, to achieve certain tax benefits, to capture profits and to tactically re-allocate holdings.

We will utilize charting in determining the investment advice to give to you to determine trends and project future values. We will also analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets your needs and objectives. In addition, in a cyclical and technical analysis, we will perform a security analysis discipline, in forecasting the direction of prices through the study of past market data, primarily price and volume.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

Item 9 – Disciplinary Information

We have not been involved in a legal event that is material to you or a prospective client's evaluation of our advisory business or the integrity of our management. However, we signed a consent order with the State of Connecticut, Banking Commissioner alleging violation of section 36b-6(c) of the Connecticut Uniform Securities Act by engaging unregistered investment adviser agents. We paid a \$10,000 administrative fine and \$1,150 for past due investment adviser agent registration fees. Without admitting or denying any of the allegations or findings, we agreed to the consent order and became final on October 15, 2010.

Item 10 – Other Financial Industry Activities and Affiliations

Neither AFP nor any of our management persons are registered, or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

In addition, neither AFP nor any of our management persons have any relationship or arrangement that is material to its advisory business or to our clients that AFP or any of our management persons have with any related person that is, under common control and ownership, a:

- Municipal securities dealer or government securities dealer or broker,
- Investment company,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Lawyer or law firm,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

National Securities Corporation (“Prime”) is AFP’s registered broker-dealer affiliate and is wholly owned by National Holdings Corporation. NSC is a member of both FINRA as well as SIPC. AFP currently has registered branch offices located in New York, New Jersey, Connecticut, Florida, Illinois, Maryland, Michigan, and Washington.

NSC offers general securities products, which are offered separately from AFP’s investment advisory services. As a result of certain investment-related recommendations (or other investment advisory services) provided to its clients, individuals associated with AFP who are also properly qualified/licensed and registered on behalf of NSC may facilitate certain securities transactions related to AFP’s advisory services, on behalf of such clients through NSC. All such activities are considered

“broker-dealer activities” for the purposes of this disclosure document. To the extent allowed by applicable law and/or regulation, individuals associated with AFP may receive compensation (i.e., commissions) for their broker-dealer activities.

Certain individuals associated with AFP may also offer products or services that do not fall within our investment advisory services. Certain of the principal executive officers of AFP are also the principal executive officers of NSC. The primary business of these individuals, therefore, may involve the offering of financial products and services to individual brokerage clients of NSC (who may also be advisory clients of AFP) and may represent as much or more than 50% of such individuals professional activities. Such services may include but would not be limited to, the opening of a brokerage account, securities transaction execution, and account(s) administration.

AFP is also affiliated with Prime Financial Services, Inc. (“PFS”), a life insurance general agency licensed in many of the states in which AFP makes available its advisory services. Associated persons of AFP may also solicit the purchase and sale of insurance products through PFS. AFP’s associated persons may also be employed as agents of insurance companies or as independent insurance brokers able to sell any number of insurance services and products. Additionally, our investment adviser representatives, through such representative’s association as a licensed insurance agent, may also receive selling compensation resulting from the sale of insurance products to clients of AFP.

Asset & Financial Planning, LTD. and Prime Financial Services are wholly owned by Gilman & Ciocia, Inc. Gilman & Ciocia, Inc., a publicly traded company, offers accounting and financial planning services to upper and upper-middle class income taxpayers. It was founded in 1982 and is listed on the OTC Bulletin Board as GTAX. Associated persons of AFP may also be associated with Gilman & Ciocia, Inc.

Also, certain investment adviser representatives of AFP may refer clients to various third-party money managers such that AFP and its investment adviser representatives may receive a portion of the advisory fees received by such other advisers in relation to the investment advisory services those advisers provide to clients referred to them by AFP. Refer to Items 4 and 5 for details.

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

At AFP, we take great pride in our commitment to serving our client's needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the responsibility of financial professionals to behave in the best interests of their clients.

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, we have developed a Code of Ethics (Code) as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services.

Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

We have in place Ethics Rules (the "Rules"), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading.

The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. The policy requires all Access Persons¹ to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to you and prospective clients from upon request.

We, or a related person, do not recommend to you, nor buy or sell for your accounts, securities in which we (or a related person) have a material financial interest.

Neither we, nor a related person, invest in the same securities (or related securities, e.g., warrants, options or futures) that we (or a related person) recommend to you. Additionally, neither we, nor a related person, may recommend securities to you, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account. However, we, or a related person, may buy or sell securities for your accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account. Your transactions will always take precedence over our own or any related persons' transactions. Records will also be maintained of all securities products bought

¹ As defined in the Investment Advisers Act of 1940, access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

"Supervised person" means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

or sold by us, the related persons or related entities. Such records will be available for inspection upon request.

Files of securities transactions affected for our related persons will be maintained for review should there be a conflict of interest. Our principal will review all securities transactions of our related persons to ensure no conflicts exist with client executions. To prevent conflicts of interest, all our employees must comply with our Written Supervisory Procedures, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain related persons.

Privacy Disclosure Notice

This privacy notice is being provided to you as either a client of National Securities Corporation (NSC) (a registered broker-dealer, member FINRA/SIPC) and/or its affiliate, Asset & Financial Planning, Ltd. (AFP) (SEC Registered Investment Advisor). Our goal at NSC and AFP is to protect your privacy. During the regular course of business, we may collect nonpublic, personal information from sources such as:

- Information reported by you on new account applications or other forms you provide to us.
- Information about your transactions with our affiliates, others, or us.

As NSC and AFP share nonpublic information solely to service our client account(s), we do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

Information Safeguarding

NSC and AFP will internally safeguard your nonpublic personal information by restricting access to only those employees who provide products or services to you or those who need access to your information to service your account. In addition, we will maintain physical, electronic and procedural safeguards that meet federal and/or state standards to guard your nonpublic personal information.

We do not execute transactions on a principal or agency cross basis.

Item 12 – Brokerage Practices

From time to time, AFP may refer the client to broker-dealers for the purposes of the effecting of securities transactions. We do not consider, whether we or a related person receive client referrals from a broker-dealer or third party in selecting or recommending a broker-dealer. However, we may consider the factors described below in selecting such broker dealers.

AFP is not a broker-dealer. Unless you direct otherwise, we shall generally recommend that all your accounts be maintained at, by or through certain other firms that may be affiliated or unaffiliated with AFP. Such firms shall generally be broker-dealers that may also maintain registrations that allow such firms to engage in other types of business outside of their broker-dealer activities.

Any such other firm may act in the capacity of “broker of record” for your account(s), in which case, another firm may serve as the custodian your account(s). Alternatively, any such other firm may serve as both the “broker of record” and “custodian” for your account(s). In no case shall AFP act or attempt to act in the capacity of “broker of record” or “custodian” of your account(s), funds, or other assets.

Although not all-inclusive, we may recommend the following brokers of record and their corresponding custodian.

Broker of Record	Custodian
National Securities Corporation	National Financial Services, LLC

Factors that we consider in recommending certain broker-dealers or custodians to you may include such entity’s financial strength, reputation, execution, pricing, and services. In return for effecting securities transactions through certain broker-dealers/custodians, we or certain of our representatives may receive certain support services that may assist us in our investment decision-making process for all of AFP’s clients.

In seeking best execution, the determinative factor is not always the lowest possible, cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the broker-dealer’s services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although we

will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for your account transactions.

AFP's general policies relative to the execution of the client's securities and brokerage transactions are as follows:

Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable transaction rates. To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our principal(s) and/or associated person(s) may invest, we shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. AFP shall not receive any additional compensation or remuneration as a result of the aggregation.

You may direct us to use a particular broker-dealer (subject to our right to decline and/or terminate the engagement) to execute some or all transactions for your account. In such an event, you will negotiate terms and arrangements for the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or able to "batch" your transactions for execution through other broker-dealers with orders for other accounts managed by AFP. As a result, we may be unable to achieve most favorable execution of transactions, and you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

We do not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits").

Item 13 – Review of Accounts

Investment management and supervision requires a timely and regular review of a client's financial and investment situation. Although you may engage our agents to review your program at any time, we encourage you to review your account with the agent at least annually at a minimum.

A notable increase in the volume of requests by you to effect transactions in your account(s), where such transactions may appear to be inconsistent with your previously stated investment objectives may trigger a review in addition to the standard annual review process. A change in your financial situation may also trigger a review of the account. Therefore, you are required to report such change to us promptly to determine if there needs to be a change in the advice, or recommendations.

All securities transactions made in accounts established under our services are reviewed by our IARs and registered Principals in accordance with AFP's and NSC's written supervisory procedures.

Clients selecting any of our investment services, with the exception of the Prime Financial Counseling Services, will receive written confirmations of each transaction and quarterly statements from the custodians which will provide them with the amount of fees charged, for the period, the current market value of their holdings, a summary of transactions, dividend and interest adjustments and free credit balances. In addition, we may provide separate periodic written statements, which may include similar information as well as performance and additional fee information.

Furthermore, in situations where third-party advisory services have been contracted, written portfolio appraisal reports and summaries may be furnished to you on a schedule and set forth by each service.

You will also receive written confirmations of each security purchased and sold for your account, a periodic (monthly or quarterly) written statement of your holdings, activities and free credit balances, issued at least quarterly, and copies of all written annual and periodic reports issued by the mutual funds or individual companies that you hold.

Item 14 – Client Referrals and Other Compensation

From time to time we may compensate, either directly or indirectly, any person (defined as a natural person or company), including affiliated and unaffiliated persons, for client referrals to AFP. We are aware of the special considerations under Section 206(4)-3 of the Investment Advisers Act of 1940. Accordingly, appropriate disclosures will be made and relevant records will be maintained by AFP and applicable federal and/or state regulations will be observed.

We also have a policy and arrangements to compensate registered representatives of NSC, an affiliated broker-dealer, for the referral of clients to AFP. Typically, registered representatives of NSC may receive a portion of the advisory fees earned by AFP for advisory clients referred to us. Referral arrangements may vary depending on different client circumstances. We pay all referral fees, and your advisory fees are not increased because of any referral arrangements.

Certain of our investment adviser representatives, when acting as registered representatives of a broker-dealer, may receive selling compensation from such broker-dealer as a result of the facilitation of certain securities transactions on your behalf through such broker-dealer.

AFP also participates in revenue sharing for seminar reimbursement and marketing with Curian Capital, BTS Asset Management and Pacific Financial Group.

Item 15 – Custody

We do not have custody of client funds or securities; however, we may be granted authority, upon written consent from you, to deduct the advisory fees directly from your account. The custodian will send to you, at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us. You should compare the account statements you receive from the qualified custodian with those you receive from us.

Item 16 – Investment Discretion

Upon receiving written authorization from you, we shall supervise and direct the investments of and for the account on a discretionary basis without prior consultation with you; subject, however, to such limitations and restrictions as you may impose in the advisory agreement, or may hereafter impose by written notice to us.

AFP may exercise discretion over the following areas:

1. The specific securities to be bought or sold on the client's behalf
2. The amount of securities to be bought or sold on the client's behalf

We will have authority to exercise limited discretion on the above named factors without restriction. If done so on a non-discretionary basis, we shall make certain recommendations that must be authorized by you prior to AFP's facilitation of any such transactions that may have been recommended. We shall observe any other specific limitations that may be imposed by you in relation to this discretionary authority.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

We do not vote, nor will we accept authorization to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with questions about a particular solicitation.

Item 18 – Financial Information

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities, or require or solicit prepayment of fees more than \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Asset & Financial Planning, LTD. is a SEC registered investment adviser; therefore this section is not applicable.