

Castle Financial Advisors, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Castle Financial Advisors, LLC (“CFA”). If you have any questions about the contents of this brochure, please contact us at 631-952-3700. 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 CFA is also available on the SEC’s website at:
www.adviserinfo.sec.gov.

Material Changes

CFA's most recent update to Part 2 of Form ADV was made in January 2010. CFA's business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by CFA in prior years.

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Advisory Business

In general, a financial plan will address the following areas:

Financial Organization: Aid a client in the organization of their important financial documents and determining their personal financial objectives. The purpose is to provide the client with a clear understanding of their current financial position and pointing out specific areas of concern.

Risk Management: Identify the concerns as it relates to the safe guarding a clients assets and other personal property from adverse risk or liability. Protecting the financial interest of a family in the event of a death or a debilitating illness or injury of a family member.

Income Tax & Cash Flow Analysis: Review the ongoing expenses to run a client's household. Identify expense items that can be redirected to savings and investment. Discover income tax savings measures or debt restructure techniques to improve cash flow.

College Funding: Project the future college costs and review programs that help a client provide the needed capital to meet this future (or current) expense.

Investment Analysis: Evaluate if the current investments owned by a client meet their stated investment objectives. If necessary, suggest investment alternatives that may be appropriate and consistent with the client's financial plan.

Retirement Planning: Review the client's personal and employer sponsored retirement programs. Consider new strategies that could be introduced that better help a client meet their retirement goals. Identify the qualified plan options that are available and determine the viability of these plans for clients who are business owners.

Distribution Planning: Determine a methodology for a client to access their wealth in retirement in a way that is consistent with their cash flow needs and income tax concerns. This methodology also protects the interests of a surviving spouse.

Estate Planning: Coordinate asset titling, beneficiary designations and other ownership arrangements with the estate plan executed by a qualified attorney selected by the client.

The financial planning professional gathers the required information to draft a financial plan through in-depth personal interviews with clients. Information gathered includes the client's current financial status, current and future goals and attitudes toward risk. The client is asked to provide various documents to support the information gathered during these interviews. Castle Financial Advisors suggests that a client who chooses to implement the recommendations contained in the financial plan work closely with their other professional advisors. The implementation of the planning recommendations is solely at the client's discretion.

CFA was founded in 2001 and is primarily owned by John D. Caffrey.

Fees and Compensation

CFA charges a fee when Financial Plans are prepared for clients and fees may be collected based upon the level of service provided. The fee for each plan is quoted in advance of all work being performed, but only after the client has met with a Castle Financial Advisors representative. Financial Planning Fees are negotiable and often the service is provided without a fee.

At the discretion of the advisor, Fixed Fees may be charged for financial planning services. The Fixed Fees charged to a client for the preparation of a financial plan typically may range from \$500 to \$5,000. All financial planning fees are quoted in advance, prior to the commencement of any work. One half of the fee is collected upon the financial planning engagement and the balance is due upon the completion of the written financial plan. Financial Plans are also prepared for clients referred to Castle Financial Advisors by clients CPA firms and other Third Parties.

A client may cancel this agreement at any time if not satisfied with the services provided. If the agreement is cancelled within five days of acceptance, the client will receive a full refund.

Therefore, after five days of acceptance, any fees that you have paid in advance will be charged for the time and effort we have devoted up to then, and the balance refunded.

Consulting services are also available through Castle Financial Advisors. A client is able to receive financial advice on a more limited basis. The advice can address all items that fall under Financial Planning or in some other area where the client has a financial concern. Fees for specific consulting services may be billed at a rate of \$150 to \$300 per hour, depending of the nature of the client's circumstance and the specific items to be addressed. The exact hourly rate will be mutually agreed upon with the client, and shall be due and payable as earned.

Certain representatives of Castle Financial Advisors are registered as representatives of separate broker dealers and are also insurance agents/brokers of various insurance companies. Castle Financial Advisors and its representatives will earn additional income in the form of commissions in the event a client chooses to purchase insurance products, investments products or investment advisory services from them. The earnings realized by Castle Financial Advisors or its representatives are not used to offset any fees billed for Financial Planning or Consulting Services.

John D. Caffrey earns additional compensation if a client purchases mutual funds or other investment products through Purshe Kaplan Sterling Investments. This compensation is in the form of commissions and 12b1 fees.

John D. Caffrey earns additional compensation from insurance companies in the form of renewal compensation for all life, disability, health or long-term care insurance in force after the first policy year. The principal officer of Advisor, John D. Caffrey is a licensed insurance agent with The Guardian Life Insurance Company of America, Schneider & Schulman Brokerage Services, Inc., Crump Life Insurance Services, Mass Mutual Financial Group and Security Mutual Life Insurance Co. of NY and may receive compensation for the sale of insurance products form advisory and non-advisory clients.

Performance Based Fees and Side-by-Side Management

CFA does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to CFA.

Types of Clients

CFA primarily provides customized Financial Planning for individuals and associated trusts, estates, pension and profit sharing plans, Corporations or other legal entities.

Methods of Analysis, Investment Strategies and Risk of Loss

CFA's Owner, John D. Caffrey, utilizes proprietary and commercial available planning software such as LEAP, INSMARK, and Insurance Illustration products to analyze client's plan.

Disciplinary Information

CFA and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

John D. Caffrey is also a registered representative for Purshe Kaplan Sterling Investments, member of FINRA, SIPC located at 18 Corporate Woods Blvd, Albany, NY 12211. The telephone number is 800-801-6851. Mr. Caffrey is able to implement recommended securities products with his clients for separate compensation from Purshe Kaplan Sterling Investments. Compensation is paid in the form of commissions directly to Mr. Caffrey from Purshe Kaplan Sterling Investments. Clients are not obligated to purchase their securities investments from John D. Caffrey. Clients are permitted to choose freely to effect securities transactions through any Broker/Dealer.

John Caffrey is on the Board of Directors for Empire National Bank. CAM or John Caffrey do not receive monetary compensation for referrals from Empire National Bank.

The principal officer of Advisor, John D. Caffrey is a licensed insurance agent with The Guardian Life Insurance Company of America, Schneider & Shulman Brokerage Services, Inc., Crump Life Insurance Services, Mass Mutual Financial Group and Security Mutual Life Insurance Co. of NY and may receive compensation for the sale of insurance products from advisory and non-advisory clients.

John D. Caffrey is the principle of Castle Asset Management, LLC. Castle Asset Management offers investment advisory services.

Investment Advisory Services represent approximately 40 percent of all time serving in this capacity. The sale of securities through Registered Broker Dealers represents approximately 10 percent of all time. The sale of insurance products represents approximately 25 percent of all time. Financial planning activities represents the balance of all time devoted by Mr. Caffrey.

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

As a licensed Registered Representative with Purshe Kaplan Sterling Investments, Mr. Caffrey may, on a fully disclosed basis, effect securities transactions on behalf of advisory clients as well as non-advisory clients. Mr. Caffrey will typically receive securities related compensation for such transactions.

A related person of Castle Financial Advisors may from time to time have a position or an interest in a security that is recommended to, or purchased on behalf of, its client accounts.

All related persons of Castle Financial Advisors are permitted to purchase mutual fund shares and become an investment advisory client of Castle Asset Management, LLC or other investment advisory companies without restriction.

As this situation may represent a conflict of interest, the Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of the Advisor shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person or the Advisor shall prefer his or her own interest to that of the advisory client.
- 2) The Advisor emphasizes the unrestricted right of the client to decline to implement any advice rendered by the Advisor.
- 3) The Advisor requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 4) Any individual not in observance of the above may be subject to termination.

To avoid any potential conflicts of interest involving personal trades, Advisor has adopted written policies and procedures (“Code”) for its Employees, which includes a formal code of ethics and insider trading policies and procedures. Advisor’s Code requires, among other things, that Employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of Advisor above one’s own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

A copy of Advisor’s Code shall be provided to any client or prospective client upon request.

Brokerage Practices

The Adviser will assist the client with developing a relationship with a broker with which the Adviser has a relationship.

John D. Caffrey, Jr. is a registered representative for Purshe Kaplan Sterling Investments, member of FINRA, SIPC located at 18 Corporate Woods Blvd, Albany, NY 12211. The telephone number is 800-801-6851. Mr. Caffrey is able to implement recommended securities products with his clients for separate compensation from Purshe Kaplan Sterling Investments. Compensation is paid in the form of commissions directly to Mr. Caffrey from Purshe Kaplan Sterling Investments. Clients are not obligated to purchase their securities investments from John D. Caffrey, Jr. Clients are permitted to choose freely to effect securities transactions through any Broker/Dealer.

If the client wants to implement the financial plan with the Advisor, Representative of the Advisor may recommend securities or insurance products offered by the broker in which they are registered with. With respect to execution, we consider a number of factors, including the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, our past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees.

If their clients purchase these products through the Representative of the Advisor, then the Representative of the Advisor will receive the normal commissions. Thus a conflict exists between their interest and those of their advisory clients. The client is under no obligation to purchase products recommend by the IAR, or to purchase products either through the IAR or through the broker in which they are registered with.

Review of Accounts

Client financial plans are reviewed by Advisor's representative as requested by the client. Other factors that may trigger more frequent reviews include changes in the client's financial, personal or business circumstances as well as changes in general market conditions. Clients may receive a written update of their financial plan as part of the review process described above.

Client Referrals and Other Compensation

CFA has referral arrangements with CPA firms and other Third Parties whereby the Advisor will compensate said firms for client referrals.

Other than the previously described products and services that CFA receives from Financial Planning, CFA does not receive any other economic benefits from non-clients in connection with the provision of financial planning advice to clients.

John D. Caffrey earns additional compensation from Castle Asset Management, LLC. Castle Asset Management, LLC is a Registered Investment Advisor. John D. Caffrey, Jr. is the principle of Castle Asset Management, LLC.

John D. Caffrey earns additional compensation from 145 Marcus Realty, LLC. 145 Marcus Realty, LLC is a real estate management company. John D. Caffrey is 25 percent owners of 145 Marcus Realty, LLC.

John D. Caffrey. may earn additional compensation from Mogul Men, LLC, 96 s. Ocean Ave., LLC, 82-16, LLC or Bark Hot Dogs, LLC

Custody

All clients' accounts are held in custody by unaffiliated broker/dealers or banks.

Investment Discretion

CFA does not have investment discretion over their client's accounts.

Voting Client Securities

CFA does not have the authority to vote for their Client's Securities.

Financial Information

CFA has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.