

FORM ADV Part II	Applicant:	SEC File Number:	Date:
	Joseph Financial of Smithtown, LLC	801-_____	July 1, 2010

Joseph Financial of Smithtown, LLC

A Fee-Only Private Wealth Management Firm

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This brochure provides information about the qualifications and business practices of Joseph Financial of Smithtown, LLC, a fee-only investment advisory firm.

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

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

- The CRD Number of Joseph Financial of Smithtown, LLC is 154178.
- Joseph Financial of Smithtown, LLC is an affiliate of Joseph Capital Management, LLC, whose CRD number is 116156.

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

This brochure was last submitted and/or updated on July 1, 2010.

Please feel free to contact me if you have any questions. Thank you.

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Material Changes Since Our Last SEC Disclosure Document Filing

This is Joseph Financial of Smithtown, LLC's first SEC Disclosure Document filing.

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A. About Joseph Financial of Smithtown, LLC, Generally

Firm History; Subadvisor. Joseph Financial of Smithtown, LLC is a joint venture of Old Field Capital, LLC and Joseph Capital Management, LLC ("Joseph"). Old Field Capital, LLC and Joseph formed this joint venture in order to afford a wider array of clients the opportunity to view and secure the fee-only private wealth management services of Joseph. Joseph provides sub-advisory services to Joseph Financial of Smithtown, LLC, which in turn enables Joseph Financial of Smithtown, LLC to provide investment advisory services to clients.

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

The Owners and CEO. The owners of Joseph Financial of Smithtown, LLC are Old Field Capital, LLC and Joseph Capital Management, LLC. Ron A. Rhoades, JD, CFP® serves as Manager of Joseph Financial of Smithtown, LLC, and as its Chief Executive Officer and Chief Compliance Officer.

The Investment Committee. Joseph Financial of Smithtown, LLC utilizes Joseph's Investment Committee to establish the overall investment strategies employed by Joseph Financial of Smithtown, LLC, review custodial and certain other arrangements, as well as to undertake due diligence with respect to specific investments. Descriptions of the educational background and employment history of the individuals forming the Investment Committee, and all of Joseph's advisory personnel, are included in Joseph's Form ADV, Part II brochure, which all clients of Joseph Financial of Smithtown, LLC will receive.

Amount of Assets upon Which Investment Advice is Provided. Joseph Financial of Smithtown, LLC is, with the filing of this SEC Disclosure document and its acceptance, a new registered investment adviser firm.

As of January 18, 2010, Joseph Financial of Smithtown, LLC's sub-advisor, Joseph Capital Management, LLC, provided advice (either as primary advisor or sub-advisor) on approximately \$101,000,000 of financial assets (value generally determined as of Dec. 31, 2009) for approximately 111 family groups. Family groups may consist of more than one client (*i.e.*, client and spouse, plus one or more adult or minor children, and defined benefit plans for which the client serves as plan sponsor). These statistics include assets upon which advice is given for Joseph's team members, former team members, and their family members (which together account for 20 of the family groups set forth above.)

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B. Investment Philosophies and Strategies.

Generally. Joseph Financial of Smithtown, LLC employs Joseph Capital Management, LLC ("Joseph") as sub-advisor, which in turns provides the investment strategy and its implementation for all clients. Clients of Joseph Financial of Smithtown, LLC receive the benefit of Joseph's investment philosophies, strategies, due diligence, account monitoring, and personal financial planning recommendations.

Expansive academic research, investment information, and certain proprietary analyses are drawn upon in order to provide innovative and comprehensive wealth management and investment advisory services. A strategic asset allocation is recommended for each client. Specific no-load (no commissions) investments are then recommended to clients. Clients' portfolios are then periodically monitored, and changes to investment portfolios are suggested when appropriate. A disciplined approach to rebalancing is employed in order to maintain asset class exposures within desired risk tolerances, subject to variances permitted for tax planning or other reasons. Clients may either provide, or withhold, discretion for the investment advisor to effect trades on clients' accounts.

Clients also receive initial and periodic personal financial planning advice, of a comprehensive nature. Most of this advice is provided through periodic private review conferences, as well as through occasional telephone conferences and e-mails.

Methods of Analyses. In designing investment plans for clients, Joseph Financial of Smithtown, LLC and Joseph rely upon the information supplied by the client and the client's other professional advisors. Such information may pertain to the client's financial situation, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and risk tolerance. This information becomes the basis for the strategic asset allocation plan which we believe will best meet the client's long term stated goals. The strategic asset allocation provides for investments in those asset classes which Joseph believes (based on historical data and Joseph's proprietary analysis) will possess attractive combinations of return, risk, and correlation over the long term.

A tremendous amount of academic research reveals that strategic asset allocation is determinative of the majority of the expected long-term gross returns of investor's portfolios. Our selection of asset classes is driven by research into global asset classes by such academics as Professor Eugene Fama, Sr. of the University of Chicago Booth Graduate School of Business and the Center for Research in Security Prices, Professor Kenneth French of Dartmouth College, and many other academics and researchers. In connection therewith, the investment advice we provide is based upon long-term investment strategies which incorporate the principles of Modern Portfolio Theory. The utilization of several different asset classes as part of an investor's portfolio is emphasized, as this has been shown to usually effect a reduction in portfolio volatility (i.e., the standard deviation of returns) over long periods of time. Joseph allocates and diversifies the client's assets among various asset classes and then among individual investments, following the investment policy agreed to by the client. The investment approach is firmly rooted in the belief that markets are fairly efficient (although not always rational) and that investors' returns are determined principally by asset allocation decisions. A focus is provided on developing and implementing globally diversified portfolios, principally through the use of low-cost and tax-efficient passively managed stock mutual funds that are generally available only to institutional investors and clients of select advisers.

Investment policy and overall portfolio weightings as between equities and fixed income investments are based upon each client's needs and desires, risk tolerance and the need to assume various risks, and investment time horizon. The portfolios of clients may then follow models designed by Joseph to fit the overall weightings of equities (stocks, stock mutual funds) and fixed income investments (notes, bonds, bond funds, CDs, etc.) in an investor's portfolio. For other clients, the investment portfolio's strategic asset class allocation are

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customized to meet the specific circumstances of a client, the presence of investments in 401(k) or other accounts, as well as a perception of the client's understanding of the fundamental forces affecting risk and return in the capital markets. In addition, a client's initial or revised strategic asset allocation may be influenced by an review of the relative valuation levels of various asset classes and the investment time horizon of that client. While asset class bubbles are attempted to be discerned when they occur, tactical asset allocation strategies are not generally employed in connection with the management of client portfolios.

Sources of Information. Our security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, general economic and market and financial information, due diligence reviews, and specific investment analyses that clients may request. The main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, academic white papers and periodicals. Prospectuses, statements of additional information, other issuer-prepared information, and data aggregation services (Morningstar Advisor, etc.) are also utilized. Investment Committee members and advisors also attend various investment and financial planning conferences.

Research is also received from consultants, including financial economists affiliated with Dimensional Funds Advisors (DFA) and other firms. DFA provides historical market analysis, risk/return analysis, and continuing education services. Various computer software programs from DFA and from third parties may also be utilized to better model the historical and/or expected returns of designed portfolios and/or to better assist clients in achieving their goals. The historical valuation levels of various asset classes (as measured by p/b, p/e, p/c and/or p/s data) may be utilized to undertake estimates of the probable long-term (15-year) expected returns of various assets classes, as a means of aiding investment and financial planning decision-making.

Types of Investments. Each client typically receives an investment portfolio which consists mainly of no-load stock and bond mutual funds. The passively managed stock mutual funds offered by Dimensional Funds Advisors (DFA) are generally recommended. DFA mutual funds offer broad diversification and most are structured for low turnover, so as to substantially lessen the often substantial transaction costs incurred by funds and ETFs as they trade securities within the fund. Consequently, the DFA stock mutual funds' total fees and costs are believed to be generally lower than the total fees and expenses incurred by most other stock mutual funds (including many ETFs and index funds) in the same asset class.

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

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

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employ individual stocks as well as the use of Dimensional's mutual funds for some foreign stock or other asset class exposures.

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

Insurance products such as annuities and various types of life insurance products may also be evaluated. Recommendations may be undertaken to clients to invest in low-cost, no-load (no commission) variable or fixed annuities when appropriate to the tax situation of the client. More often, this occurs when a client possesses an existing high-cost variable annuity, and a rollover of the annuity is indicated for tax planning purposes (rather than redemption), in order to seek to lower the total fees and costs paid by the client and/or provide different investment choices. Some clients may receive a recommendation to invest in no-load immediate lifetime annuities. Clients may be advised to retain an existing annuity, previously purchased by the client, or undertake partial or full surrenders of same (and/or tax-free exchanges), following an evaluation of the annuity contract, riders thereto, investment alternatives within the annuity and their fees and costs, including any surrender fees which may be imposed by the insurance company.

New clients' existing investments are evaluated in light of the desired investment policy objectives. We work with new clients to develop a plan to transition from a client's existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Each client's portfolio holdings and strategic asset allocation are then monitored periodically, taking into account the cash flow needs of the client. Review meetings with clients are held regarding their investment assets under advisement and other personal financial planning issues.

Client Restrictions on Investments Selected for Portfolios. Clients may place restrictions upon the investments to be held in an investment portfolio. However, because of adviser's utilization of broadly diversified stock mutual funds, our ability to avoid investments in a specific company or industry in accordance with a client's wishes may be limited. Joseph Financial of Smithtown, LLC will utilize "socially responsible" mutual funds and/or exchange-traded funds upon the direction of a client. Joseph Financial of Smithtown, LLC and Joseph will also endeavor to educate the client as to the potential impact of restrictions placed on the client's accounts with respect to the specific securities held (or not purchased) or the allocation among various asset classes.

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

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

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Given the long-term nature of the expected equity premium (*i.e.*, the additional expected return for investing in the overall stock market, relative to less “risky” U.S. Treasury bills), and the long-term nature of the expected value and small cap premia, Joseph’s investment philosophy is best suited for investors who desire a buy and hold strategy for a substantial portion of their funds with an investment time horizon of a minimum of ten years, and preferably even longer. Even then, investing is inherently uncertain as to future returns. While both macroeconomic and microeconomic risks are evaluated, for purposes of weighing risks and returns and for the computation of the expected returns of various asset classes (for use in financial planning decision-making), neither Joseph Financial of Smithtown, LLC nor Joseph generally engage in market-timing activities. Joseph Financial of Smithtown, LLC and Joseph believe the equity, value and small cap premia are highly likely to occur in the future, over long periods of time. However, there can be no assurance that these premia will occur over any given time period. While Joseph Financial of Smithtown, LLC and Joseph can seek to reduce risks to which a client may be exposed, other risks (including but not limited to the risk of a general stock market decline) may be assumed in order to seek to attain the client’s longer-term financial goals and objectives; however, neither Joseph Financial of Smithtown, LLC nor Joseph can provide any guarantee that the client’s goals and objectives will be achieved.

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

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

Cash Balances in Client Accounts

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

Cash Reserve Accounts. Should the client desire a “cash reserve account,” Joseph will assist the client to establish a separate, non-managed cash reserve account, which is not monitored thereafter by Joseph, typically either with Vanguard (using one of its money market funds) or with an online bank (offering FDIC-insured money market funds, up to certain limits). Joseph then seeks to review with the client, during periodic conferences, whether any funds are needed to restore cash reserves. Joseph excludes separate accounts established for cash reserve purposes in the calculation of Joseph’s assets under advisement, and excludes the value of cash reserve accounts from a client’s fee calculations.

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C. The Joseph Financial of Smithtown, LLC Wealth Advisory Program™.

Wealth Advisory Services Provided. Joseph Financial of Smithtown, LLC provides investment advisory services to clients in conjunction with Joseph Capital Management, LLC (“Joseph”), which acts as its sub-advisor. All investment advisory and private wealth management services are provided to clients through the Joseph Financial of Smithtown, LLC Wealth Advisory Program™. These advisory services include:

- **Ongoing investment advisory services**, which includes a review of client portfolios for the purposes of portfolio rebalancing. These reviews occur at the intervals set forth in the table below, and additionally at the discretion of the investment adviser upon a major change in the values of an asset class within the portfolio.
- **Client review conferences** annually or semi-annually during which discussions may occur regarding the client’s progress toward his or her lifetime financial goals, investment portfolio design and strategies, and a broad range of planning issues. Additional conferences or telephone conferences may be requested by clients to supplement the scheduled review conferences. The broad range of services provided to clients during initial and review conferences may include:
 - *Develop Client Profile:* Identify and document client’s personal lifetime financial goals; discuss personal views on the “value of money”; and determine personal preferences for receipt of professional services.
 - *Development of action steps* for investment strategy implementation, including tax sensitive portfolio design strategies and investment selection; establish accounts with discount broker (custodian – TD Ameritrade, Fidelity, etc.) as appropriate; undertake account transfers and verify undertaken correctly.
 - *Obtain cost basis* of securities held in taxable accounts from client, then record cost basis with new custodian (TD Ameritrade, Fidelity, etc.).
 - Should research be required to determine cost basis of securities holdings, an additional fee may be charged to the client. This fee is usually a fixed fee or an hourly fee, as agreed with the client in writing and in advance.
 - *Evaluate 401(k), 403(b) and Other Employer-Sponsored Retirement Plan Investment Options*, provide recommendations to client, and integrate with other portfolio holdings.
 - *Security Evaluation: Hold, Buy or Sell.* Evaluate each existing security transferred to our firm for purposes of investment advice; develop recommendations and review with client; undertake agreed-upon sales and purchases for implementation of the investment strategy.
 - *Annuity and VUL Contract Reviews.* Review of variable annuity (VA) and equity (fixed) income annuity (EIA/FIA) contracts and variable universal life insurance (VUL policies); determine surrender fees, analyze sub-accounts / investment options / total fees and costs; review recommended actions; for each policy, either: retain, partial or full surrender, and/or annuities, and/or tax-free exchange to lower-cost annuities.
 - Should greater than two VA, EIA/FIA, or VUL contracts/policy require review, an additional fee may be charged to the client. This fee is usually a fixed fee or an hourly fee, as agreed with the client in writing and in advance.
 - *Single Stock Exposure / Strategy Formulation.* Discussion of techniques to deal with exposure to concentrated positions in publicly traded stock, and where appropriate implementation of those techniques.

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- *Cash Reserve Account* – assessment of client's cash reserve need, provide recommendations, assist client with establishment of a personal cash reserve account.
- *Review of Client Profile / Goals.* Periodic review of each client's personal financial situation and any changes thereto, including the client's progress toward the attainment of that client's lifetime financial goals, and undertake any modification to those goals; update the Client Profile as appropriate.
- *Budgeting for Personal Expenditures; Cash Flow Management; Debt Reduction Strategies; Major Financial Purchases.* Discussion of these issues both initially and, as needed, during review conferences or telephone conferences.
- *Funding of Retirement Accounts.* Determine optimum funding for the client's qualified retirement plan accounts and traditional and Roth IRA accounts upon which we provide advice.
- Consideration of Roth IRA conversions. This may require a separate tax analysis, which may result in a referral to CPA/tax accountant and/or possible additional fees charged by same.
- *Retirement Account Distribution Planning* - for qualified retirement plan accounts and traditional IRAs – required minimum distributions or other purposes.
- *Stock Options* – advise a client upon the exercise or non-exercise of qualified and nonqualified stock options owned by / awarded to the client.
- *Tax Loss Harvesting*, when available and appropriate to undertake.
- *Retirement Portfolio Withdrawal Rate.* Establish and/or review the rate and/or amount of withdrawals from a client's investment portfolio during retirement, or to meet other current or future client needs.
- *"PensionMax" Analysis* - as to whether to take a lump-sum at retirement or one of various annuitization options which may be presented to the client by his or her employer.
- *Other Employer-Sponsored Benefit Programs* – undertake recommendations with regard to a client's participation in other benefit programs offered by his or her employer.
- *College Expense Funding.* Discuss solutions for the funding of children or grandchildren's educational needs; if appropriate examine Sect. 529 College Savings Plan options given geographic location of the student and the student's parents, and provide recommendation on appropriate plan selection and investment selection within such plans; assist with establishment of 529 accounts if desired.
- *Capital Needs Assessment* - for retirement or other future needs.
- *Property / Liability Insurance.* General discussion of personal property/casualty and liability insurance needs, including whether to self-insure as to particular risks, drop existing coverage or obtain additional coverage, and/or raise deductibles. If appropriate, suggest sources for obtaining competitive quotes.
- *Life Insurance and Long Term Care Insurance* needs assessment and policy reviews. Review of existing or proposed life insurance policies (including in-force illustrations which may be obtained) and/or long-term care insurance policies as to appropriate type of policy, suggested funding, new policies, tax-free exchanges, policy withdrawals or loans, and/or policy terminations.
 - Due to regulatory requirements relating to insurance licensure, with a client's consent Joseph Financial of Smithtown, LLC and/or Joseph may engage an attorney and/or a life insurance agent, at Joseph's expense, to provide reviews of existing life insurance and long term care insurance policies or proposals relating thereto. Please note that, in order

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to maintain our objective judgment on behalf of clients, neither Joseph Financial of Smithtown, LLC nor Joseph undertakes the sale of insurance products, nor receives any fees as to any insurance products sold by others.

- *Estate Planning.* Discussion of a client's estate planning needs (including but not limited to strategies designed to minimize estate, gift, and generation-skipping transfer taxes), and if desired refer the client to appropriate legal counsel for the implementation of estate planning documentation which may be required.
 - Additional fees may be charged for certain complex estate tax planning services, undertaken by Joseph Financial of Smithtown, LLC for the client, such as those involving the use of discount valuation techniques, split interest techniques, irrevocable trusts, and the handing of closely held business interests. This fee is usually a fixed fee or an hourly fee, as agreed with the client in writing and in advance.
 - Neither Joseph Financial of Smithtown, LLC nor Joseph is a law firm. Neither firm may engage in the preparation of legal documents or otherwise offer legal advice. Should client retain an attorney in association with estate planning, any legal fees charged by the attorney are billed separately.
- *Asset Protection Planning.* Discussion of asset protection strategies which may be available, given federal and/or state exemptions with may be available, as to potential future claims of general creditors.
 - When appropriate, a referral will be made to legal counsel for further discussion and/or implementation of certain asset protection strategies. Any legal fees charged by the attorney are billed separately.
- *Charitable Gifting Strategies* involving outright gifts of cash or appreciated property to qualified charities.
- *Philanthropic Gift Strategies* involving the utilization of charitable gift annuities offered by an institution, endowment funds of an institution, donor-advised funds, private foundations, etc. Philanthropic advisory services may also include:
 - Formulation of a mission statement for a client's charitable gifting;
 - Explore various giving options and determine most appropriate;
 - Develop strategies to maximize the tax advantages of gifting;
 - Decide how much to give and which assets to use; and
 - Determine whether and how to involve family or friends in the gifting process.
- *Investment Policy Statement* – as desired, review. Undertake amendments to reflect changing personal financial circumstances of a client or other circumstances.
- *Investment Strategy / Products Discussions.* Discussion of investment strategies utilized. Discussion of emotional biases which may prevent proper investment portfolio decision-making. Discussion of specific investment products and solutions recommended for use in a client's investment portfolio. Recommend changes to investment products as they are re-evaluated, and in light of new products.
- *Closely Held Business and Professional Firm Consulting.* Operational, financial, marketing, personnel, key man, risk management, wealth transfer and business succession planning, and/or use of captive insurance companies.
 - Additional fees may be charged by Joseph Financial of Smithtown, LLC to clients for certain closely held business and professional firm consulting services, depending upon

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the scope of consulting desired by the client. This fee is usually a fixed fee or an hourly fee, as agreed with the client in writing and in advance.

Account Reviews. Client portfolios are reviewed for purposes of ascertaining whether rebalancing should be undertaken. Such reviews occur on an annual, semi-annual, quarterly or monthly basis (please refer to the table below). Generally, reviews are conducted by the Private Wealth Advisors, Sr. Private Wealth Advisors, and Directors of Joseph. Client accounts may also be reviewed upon a significant movement in the valuation of an asset class since the time of the last periodic review, in the judgment of Joseph's Investment Committee. Generally, a movement in valuation of greater than 10% (or greater, as established for each client) in the value of an asset class is required to trigger such a review.

Reports on Client Accounts. Clients receive written reports on a semi-annual, quarterly, or monthly basis. Generally, written reports include:

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

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

Clients are strongly encouraged to review the monthly or other statements they receive from custodians. Despite the best efforts of any firm to safeguard client's assets, fraud could still occur. While we hope that you trust our firm and your advisor, we believe it is nevertheless important for you to verify your investment holdings. In addition to the checks Joseph's Compliance Department undertakes to safeguard client assets, you can assist us in guarding against, and deterring, fraudulent activities.

Please timely review your monthly and quarterly account statements. Please compare the account statements you receive from us with those you receive directly from TD Ameritrade, Fidelity, or other custodians. Should you detect any unauthorized trading in your account, or unauthorized transfers of cash or securities, please contact Ron A. Rhoades, Chief Compliance Officer, toll-free at 1.866.746.4460 or via his cell phone (352.228.1672). Please note that we have never had any unauthorized withdrawals or transfers from our clients' accounts. With your assistance in verifying monthly your account holdings, and reviewing transactions, we can greatly deter any likelihood that this may occur in the future.

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Our Fees. Joseph Financial of Smithtown, LLC's annual fee for the services set forth above are charged as a percentage of assets under advisement, according to the schedule below. Billing generally occurs in quarterly installments.

Amount of Assets Under Advisement	Annual Fee	Frequency of Portfolio Reviews for Rebalancing Purposes	Typical Frequency of Private Client Conferences
\$300,000 (minimum assets under advisement) to \$499,999	\$4,400 plus 0.8% of assets exceeding \$300,000	Annually	Annually
\$500,000 to \$999,999	\$6,000 plus 0.8% of assets exceeding \$500,000	Semi-annually	Semi-annually
\$1,000,000 to \$2,999,999	\$10,000 plus 0.8% of assets exceeding \$1,000,000	Quarterly	Semi-annually
\$3,000,000 to \$4,999,999	\$26,000 plus 0.6% of assets exceeding \$3,000,000	Monthly	
\$5,000,000 or over	\$38,000 plus 0.4% of assets exceeding \$5,000,000	Monthly	

All fees and minimums are subject to negotiation.

The frequency of reviews and in-person client conferences are also subject to negotiation.

Additional fixed or hourly fees may be required for certain consulting services, as indicated in the description of specific services provided, above; in such event, a separate engagement on an hourly or fixed fee basis will be sought for such discrete additional services.

Sub-Advisory Fees Paid by Joseph Financial of Smithtown, LLC to Joseph. The schedule of fees set forth above is the same standard fee schedule quoted by Joseph Capital Management, LLC ("Joseph") for Joseph's own clients when Joseph provides advisory services under its substantially similar Joseph Wealth Advisory Program™.

Joseph Financial of Smithtown, LLC pays to Joseph a sub-advisory fee for the investment advisory services Joseph provides to the clients of Joseph Financial of Smithtown, LLC. The amount of the sub-advisory fee paid by Joseph Financial of Smithtown, LLC to Joseph varies with each client depending upon the amount of assets upon which advice is provided for a client, whether additional services are provided to a client on a fixed or hourly fee basis, and variances from year to year in Joseph's estimated cost in providing such advisory services.

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Billing Practices; Deduction of Fees from Client Accounts.

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

Billing Occurs in Advance; Valuation of Assets. Clients will be invoiced in advance at the beginning of each calendar quarter, or semi-annually. Billing amounts are based upon the value (market value or fair market value in the absence of market value) of the client's account(s) (including both securities and cash) at the end of the previous quarter. Valuations are derived from recognized and independent pricing sources. Neither Joseph Financial of Smithtown, LLC nor Joseph will hold funds greater than \$500 for more than six months in advance of completion of the engagement.

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

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

Client Assets under Advisement and Fee Minimums. Joseph Financial of Smithtown, LLC has a minimum level of assets under advisement for the Joseph Financial of Smithtown, LLC Wealth Advisory Program™ of \$300,000. Joseph Financial of Smithtown, LLC has a minimum fee for the Joseph Financial of Smithtown, LLC Wealth Advisory Program™ of \$4,400.

Negotiated Fees and Client, Fee Minimums. All of our fees, client minimums, and fee minimums are subject to negotiation; factors involved include whether the client is an employee or independent contractor of Joseph or any affiliate RIA (or a family member related to same), Our desire to serve clients in need of the assistance of Joseph's services who otherwise cannot afford our services, the size of the relationship, whether future additions will be undertaken to accounts upon which advice is provided, the level and type of advisory services provided and likely to be provided in the future, and the relationship between the advisor and the client. Generally, our principals and employees are not charged fees on either their accounts or those of immediate family members.

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Fees of Mutual Funds, Other Products, and Custodians. All fees paid to Joseph Financial of Smithtown, LLC for investment advisory and financial planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders or the transaction fees charged by the custodian(s). Mutual fund expenses are described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. Joseph Financial of Smithtown, LLC believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. A client could invest in mutual funds directly, without the services of Joseph Financial of Smithtown, LLC. In that case, the client would not receive the services provided by Joseph Financial of Smithtown, LLC which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives and to avoid ad hoc emotional reactions to shorter-term market events. Also, the funds of Dimensional Funds Advisors may not be available to the client directly.

Mutual fund transaction fees charged by our recommended custodians, TD AMERITRADE INSTITUTIONAL and FIDELITY INVESTMENTS INSTITUTIONAL SERVICES, generally vary from \$24 to \$35 for each purchase and sale transaction. Accordingly, the client should review both the fees charged by the funds (including transaction and opportunity costs within funds which are not included in a fund's annual expense ratio), the transaction fees charged by the custodian, as well as the fees charged by Joseph Financial of Smithtown, LLC, to fully understand the total amount of fees and costs paid by the client.

Clients may also incur "account termination fees" upon the transfer of an account from one brokerage firm (custodian) to another. The range for these account termination fees is believed to range generally \$0 to \$200, but at times may be much higher. Clients should contact their custodians (brokerage firms, bank or trust company, etc.) to determine the amount of account termination fees which may be charged and deducted from their accounts for any existing accounts which may be transferred.

Forms of Discretion Accepted. Joseph Financial of Smithtown, LLC and Joseph accept limited forms of discretion over clients' accounts, as follows, with the consent of the client. Each client's grant of discretion is evidenced in the client services agreement (or addendums thereto) signed by the client, and is further evidenced to the custodians through a limited power of attorney contained in the account establishment form signed by the client or a separate limited power of attorney document signed by the client. Nearly all clients appoint Joseph Financial of Smithtown, LLC and/or Joseph as the client's agent and attorney-in-fact with respect to undertaking trades in client accounts; Joseph Financial of Smithtown, LLC's and/or Joseph's ability to enter trades electronically for clients often provides reduced transaction fees and other benefits to the client.

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

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

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Rebalancing in the event of a major asset class valuation fall - for most client accounts. With client consent, Joseph Financial of Smithtown, LLC and Joseph will accept discretion to undertake sales of fixed income securities (usually bond funds) and purchases of stock mutual funds or stock exchange-traded funds (typically additional shares of funds already owned by the client, or substantially similar securities should the need arise) on the same day, when in the judgment of the investment adviser a significant fall in the value of a stock asset class has occurred which may affect a substantial number of our clients. Trades are generally undertaken by prioritizing clients accounts based upon the amount of assets under advisement (from high to low) at the time of the last quarter; it is possible that not all client accounts in which trades should be undertaken will be attended to on the day of, or day following, a major stock market or asset class decline in value. Not all client accounts will need trading on such a day, however. On such days Joseph's Directors, Sr. Private Wealth Advisors, and Private Wealth Advisors will not typically possess the time to discuss planned trades with each client in advance, due to the large number of trades to be undertaken. Clients who do not provide Joseph Financial of Smithtown, LLC and Joseph with this type of limited discretion will typically not see trading in their accounts on the day of a major rebalancing effort. Please note that we will not typically possess the ability to receive or return calls from clients on the day of a major rebalancing effort, but we will endeavor to communicate with clients outside of trading hours or within a few days thereafter.

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

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

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

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

Cancellation and Termination of Advisory Agreements. Clients may cancel a new advisory agreement without penalty by providing written notice of such cancellation to Joseph Financial of Smithtown, LLC within five (5) business days of the date of signing the agreement. Following the 5-day cancellation period, the first periods' fee is not refundable due to the large volume of initial work to be undertaken by Joseph Financial of Smithtown, LLC. Thereafter, either party may terminate the agreement without penalty upon notice in writing to the other party. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, with the refund calculations based *pro rata* to the date of termination. Termination of an agreement will not affect: (a) the validity of any action previously taken by Joseph under the agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (c) a client's obligation to pay

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advisor fees (prorated through the date of termination). Upon the termination of the agreement, neither Joseph Financial of Smithtown, LLC nor Joseph will possess any obligation to recommend or take any action with regard to the securities, cash, or other investments in a client's account.

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

Our Proxy Voting Policies. As a matter of firm policy and practice, neither Joseph Financial of Smithtown, LLC nor Joseph accepts authority to vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Generally, clients will receive their proxies or other solicitations directly from the custodian or transfer agent. However, clients may call or e-mail their advisor with questions regarding a particular proxy or other solicitation, and Joseph Financial of Smithtown, LLC may provide advice to clients regarding clients' voting of proxies or such solicitations, upon request of a client or clients or in unusual circumstances.

No Custody of Securities. It is our policy to not accept custody of a client's securities. However, with a client's consent, Joseph Financial of Smithtown, LLC and Joseph may be provided with the authority to seek deduction of Joseph Financial of Smithtown, LLC's fees from a client's accounts; this process generally is more efficient for both the client and the investment adviser, and there may be tax benefits for the client to this method when fees can be paid from certain tax-deferred accounts.

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

Our Trade Error Policy. In all circumstances involving trade errors caused by Joseph Financial of Smithtown, LLC or Joseph, where clients incur losses as a result, clients are "made whole." Neither Joseph Financial of Smithtown, LLC nor Joseph maintains an account to offset trade error gains against losses, and any trade error gains accordingly benefit the client.

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D. Our Code of Ethics.

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

Joseph Financial of Smithtown, LLC and Joseph Capital Management, LLC and their investment advisor representatives and employees shall always:

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

Joseph Capital Management, LLC further adopted a detailed Code of Ethics expressing the firm's commitment to ethical conduct, which is adopted by reference by Joseph Financial of Smithtown, LLC, and which is utilized to guide the personal conduct of our various team members. This detailed Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth our practices of supervising the personal securities transactions of employees with access to client information.

The Code of Ethics provides that individuals associated with our firms may buy or sell securities for their personal accounts identical or different than those recommended to clients. However, it is the expressed policy of our firms that no person employed by the firms shall prefer his or her own interest to that of an advisory client nor make personal investment decisions based on investment decisions of advisory clients.

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

The Code of Ethics further includes our firms' policy prohibiting the use of material non-public information and protecting the confidentiality of client information. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

Joseph Financial of Smithtown, LLC will provide a complete copy of the Code of Ethics to any client upon request.

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E. Conflicts of Interest.**Generally.**

A Candid Discussion of Conflicts of Interest (and Disclosure of Additional Compensation Received by Us.) While we take our fiduciary duties seriously, there are certain conflicts of interest which nearly all investment advisers face. In this and in following sections, we discuss these conflicts.

Proper Management of Conflicts of Interest Relating to the Fees We Receive from You. The vast majority of our clients pay Joseph Financial of Smithtown, LLC fees based upon a percentage of the assets we advise upon. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation. Asset-advised-upon percentage method of compensation can still at times lead to conflicts of interest between our firm and our client as to the advice we provide. For example, conflicts of interest may arise relating to the following financial decisions in life: incur or pay down debt; gift funds to charities or to individuals; purchases of a (larger) home or cars or other non-investment assets; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; investment in private equity investments (private real estate ventures, closely held businesses, etc.), and the amount of funds to place in non-managed cash reserve accounts. We have adopted internal policies to properly manage these and other potential conflicts of interest. Our goal is that our advice to you remains at all times in your best interests, disregarding any impact of the decision to be undertaken upon our firm.

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

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

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

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About Our Relationships with Custodians.

Non-Participation in Client Referral Programs of Custodians. Joseph Financial of Smithtown, LLC and Joseph Capital Management, LLC will continue to avoid certain relationships with custodians (brokerage firms, etc.) and investment product providers which it believes might materially hamper its independence in its providing advice to its clients or result in clients paying higher mutual fund management, administrative, or other product-related fees and costs. For this and other reasons, neither Joseph Financial of Smithtown, LLC nor Joseph participate in the client referral programs which may be sponsored by such custodians. Nor does Joseph Financial of Smithtown, LLC or Joseph currently recommend to their clients any mutual funds or ETFs manufactured by affiliates of such custodians (although we may in the future recommend such funds if, after a process of due diligence, Joseph's Investment Committee concludes that such mutual funds are the best funds in that particular asset class or would otherwise best meet a client's objectives).

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

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

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

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

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

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education on issues such as practice management, marketing, investment theory, financial planning, business succession, regulatory compliance, and information technology.

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

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

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

While as fiduciaries both Joseph Financial of Smithtown, LLC and Joseph endeavor to act in its clients' best interests, our requirement that clients maintain much of their assets in accounts at TD AMERITRADE INSTITUTIONAL or FIDELITY INVESTMENTS INSTITUTIONAL SERVICES may be based in part on the benefit to our firms of the availability of some of the foregoing products and services at no cost to us, and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest. Joseph Financial of Smithtown, LLC's and Joseph's clients may, therefore, pay higher transaction fees, commissions (for individual stock and ETF trades), and principal mark-ups and mark-downs (relating to purchases and sales on a principal, as opposed to an agency, basis), than those charged by other discount brokers. However, we have negotiated fees with the custodians we recommend, and we have selected these custodians for their generally low fees relative to another large custodian. Also, please note that we prefer to recommend custodians whom possess significant size and financial resources, for purposes of our perception of enhanced safety of clients' funds. For all of these reasons, the lowest cost custodian for clients may not be recommended to clients by Joseph and by Joseph Financial of Smithtown, LLC.

About Our Relationships with Investment Product Providers.

Dimensional Funds Advisors. Following a stringent interview process, Joseph was granted access by Dimensional Funds Advisors (DFA) to its mutual funds at the time of Joseph's inception of operations in late 2001. Dimensional Funds Advisors is a Santa Monica, California-based mutual fund company with over 35 funds and over \$127 billion of assets under management (as of June 30, 2009).

While there is no direct linkage between the investment advice given and the approval of Joseph to access the mutual funds of Dimensional Funds Advisors, economic benefits are received which would not be received if Joseph Financial of Smithtown, LLC and Joseph did not give investment advice to their clients. These benefits, which are also received by other Registered Investment Adviser firms granted access to the DFA funds, include: (a) attendance at seminars hosted by Dimensional Funds Advisors at which the investment products of Dimensional Funds Advisors are explained, academic instruction is given on asset allocation strategies, and financial planning and practice management instruction is given. Joseph Financial of Smithtown, LLC and/or Joseph pays all of the travel and hotel costs for members and staff attending these seminars. Dimensional Funds Advisors provides, at no charge to Joseph Financial of Smithtown, LLC and/or Joseph and the other attendees at such seminar, the speakers and facilities for the seminar, occasional luncheons or dinners, and the materials handed out at the seminar; (b) access to the "financial advisor" portion of the Dimensional Funds Advisors web site (www.dfaus.com), which contains additional academic research, practice management articles, newsletters, educational video presentations, software, and investment returns data; (c) use of the DFA Returns and DFA Allocation Evaluator software programs and accompanying data, which can be utilized to ascertain how different asset classes (as represented by various indices) and different mutual funds of Dimensional Funds Advisors have performed over time and which provide a method for calculation based upon

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historical results of rate of return and standard deviation for those asset classes and mutual funds; (d) various print materials (including article reprints and DFA brochures); (e) occasional practice management conferences and telephone conferences with Dimensional Funds Advisors' team members, including Regional Directors, research staff, and tax staff, to discuss specific issues relating to academic research relating to investment theory and/or relating to practice development (marketing) and management issues; (f) participation in a regional study group sponsored and hosted by Dimensional Funds Advisors; and (g) other services and benefits.

Neither Joseph Financial of Smithtown, LLC nor Joseph Capital Management, LLC is under any obligation to recommend the mutual funds of Dimensional Funds Advisors to our clients. Joseph Financial of Smithtown, LLC and Joseph recommend the mutual funds of Dimensional Funds Advisors or other mutual fund companies or other investment products only when Joseph Financial of Smithtown, LLC and Joseph believes they best suit the client's objectives. Neither Joseph Financial of Smithtown, LLC nor Joseph provide any payment to Dimensional Funds Advisors for the access provided to Joseph Financial of Smithtown, LLC's and Joseph's clients. Dimensional Funds Advisors does not pay to either Joseph Financial of Smithtown, LLC nor to Joseph any direct monetary compensation in order to recommend the funds of Dimensional Funds Advisors.

F. About the CEO and Chief Compliance Officer.

Ron A. Rhoades serves as Chief Executive Officer and Chief Compliance Officer of Joseph Financial of Smithtown, LLC.

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



Personal Summary. Mr. Rhoades has been quoted in numerous national publications, including *Fortune* and *Newsweek* magazines, *Washington Post*, *Barron's*, *Financial Planning*, *Financial Advisor*, *Investment Advisor*, *Wealth Manager*, *On Wall Street*, *Investment News*, and *Compliance Reporter*. In recent years, Ron had articles published in *The Florida Bar Journal* and *Senior Consultant and Advisor Perspectives* relating to the fiduciary duties of professionals. In 2005 and 2007, Ron was an invited panelist at conferences of the North American Securities Administrators Association (NASAA), where he addressed regulators on issues relating to the fiduciary duties of investment advisers. Ron was also the keynote speaker at the August 2008 NASAA Investment Adviser Examiner Training Conference in Kansas City, and he served as an instructor at such state securities administrator investment adviser examiner training program in 2009. Ron also organized and hosted NAPFA's 2009 Compliance and Fiduciary Duties Conference in Washington, DC.

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

Ron has also written articles for his web sites, regarding advocacy on fiduciary issues (www.FiduciaryNow.com) and relating to compliance with investment adviser regulation (www.fpcompliance.com).

Mr. Rhoades currently serves on the Board of Directors (2009-2011 term) of the National Association of Personal Financial Advisors (NAPFA), serves on its Industry Issues Committee, and previously served on its Educational Advisory Task Force. Ron is also a member of the Financial Planning Association (FPA), and served as Reporter for its Fiduciary Task Force (2007-8), as Reporter for its Professional Standards Task Force

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(2008), and as a member of its Government Relations Committee (2007-8). During 2000, Mr. Rhoades spent several months as a Consultant to Prudential Financial, traveling extensively to its offices in New York and Newark, where he assisted in the design of new service offerings to retirees and assisted in the design and writing of training materials for use by financial advisors.

Ron's Involvement in Other Activities and Firms.

Ron A. Rhoades, in his individual capacity, is also a principal in, and serves as Director of Research and Chief Compliance Officer for, Joseph Capital Management, LLC ("Joseph"), a registered investment advisory firm. Joseph serves as sub-advisor to Joseph Financial of Smithtown, LLC, and Joseph's investment adviser representatives may provide services in connection therewith. The vast majority of Ron A. Rhoades' professional time is devoted to this firm.

Ron A. Rhoades is also a principal and attorney for Ron A. Rhoades, P.A., a Florida law firm formed in 1989. In rare instances, Joseph Financial of Smithtown, LLC advisory clients may also be Ron A. Rhoades, P.A. legal clients. No Joseph Financial of Smithtown, LLC advisory client is obligated to use any Ron A. Rhoades, P.A. legal service, and no Ron A. Rhoades, P.A. legal client is obligated to use any Joseph Financial of Smithtown, LLC advisory service. Joseph Financial of Smithtown, LLC is not utilized to solicit clients for Ron A. Rhoades, P.A. No referral fees are paid to either of these entities from the other respective entity. All legal fees charged by Ron A. Rhoades, P.A. are separate and distinct from all advisory fees charged by Joseph Financial of Smithtown, LLC. Ron A. Rhoades serves as trustee of one or more trusts in connection with his law practice, and may be called upon to serve as executor (personal representative) or attorney-in-fact (under a durable power of attorney) on occasion; these trusts or estates are not advisory clients of Joseph Financial of Smithtown, LLC nor of Joseph Capital Management, LLC; no advisory client is solicited to nominate Ron A. Rhoades as a trustee, executor, personal representative, guardian, or attorney-in-fact.

Ron A. Rhoades is also a co-member/co-manager of Joseph Ventures, LLC, a real estate holding company located in Citrus County, Florida. No advisory clients of either Joseph Financial of Smithtown, LLC or Joseph Capital Management, LLC will be solicited to invest or participate in Joseph Ventures, LLC.

Ron A. Rhoades may also serve on the boards of various non-profit associations and/or charitable organizations from time to time. These associations or charitable organizations are not advisory clients of Joseph Financial of Smithtown, LLC. No advisory client will be solicited to invest, or otherwise be involved in any of these non-profit associations. Ron A. Rhoades currently serves on the National Board of Directors of the National Association of Personal Financial Advisors (NAPFA), where he also serves as Chair of its Ethics Committee, as Chair of its Disciplinary Procedures Task Force, and on its Industry Issues Committee.

Ron A. Rhoades is also occasionally invited to speak at conferences of various industry organizations from time to time on various topics, including the fiduciary duties of financial planners and/or investment advisers, regulatory reform and developments relating thereto, and other issues relating to the profession. In 2009 Ron spoke at four industry conferences. Ron may be offered an honorarium for speaking engagements, and/or may be reimbursed for certain travel expenses, and/or may have registration fees for attendance at the conference reduced or waived. Joseph Financial of Smithtown, LLC does not believe the receipt of such honorariums, reimbursements, or other compensation directly influences the advice Joseph Financial of Smithtown, LLC provides to its clients.

Ron A. Rhoades also undertakes activities relating to various writing projects, some of which may result in publication of books, white papers, and other materials which are not directly related to Joseph Financial of Smithtown, LLC's services. No advisory client of Joseph Financial of Smithtown, LLC will be solicited to invest, or otherwise be involved in, these writing projects nor in the publication of these writings.

Joseph Capital Management, LLC's Advisory Personnel – Separate Disclosure Document. The educational backgrounds and employment histories of Joseph Capital Management, LLC's advisory personnel are described in its Form ADV, Part II and the attachments thereto. Every client of Joseph Financial of Smithtown, LLC will receive a copy of Joseph Capital Management, LLC's Form ADV, Part II.

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

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FORM ADV

Uniform Application for Investment Adviser Registration
Part II- Page 1

OMB APPROVAL

OMB Number: 3235-0049
Expires: February 28, 2011
Estimated Average burden
Hours per response.....4.07

Name of Investment Adviser: Joseph Financial of Smithtown, LLC				
Address: (Number and Street) 2450 N. Citrus Hills Boulevard	(City) Hernando	(State) FL	(Zip Code) 34461	Area Code: Telephone Number: 352-746-4460

This part of FORM ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.

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Part II**

Applicant:

Joseph Financial of Smithtown, LLC

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Date:

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**1.
A. Advisory Services and Fees (check the applicable boxes)**

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

<input checked="" type="checkbox"/> (1)	Provides investment supervisory services	90%
<input checked="" type="checkbox"/> (2)	Manages investment advisory accounts not involving investment supervisory services	5%
<input checked="" type="checkbox"/> (3)	Furnishes investment advice through consultations not included in either service described above	2%
<input type="checkbox"/> (4)	Issues periodicals about securities by subscription	%
<input type="checkbox"/> (5)	Issues special reports about securities not included in any service described above	%
<input type="checkbox"/> (6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	%
<input checked="" type="checkbox"/> (7)	On more than an occasional basis, furnishes advice to clients on matter not involving securities	3%
<input type="checkbox"/> (8)	Provides a timing service	%
<input type="checkbox"/> (9)	Furnishes advice about securities in any manner not described above	%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? ☒

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

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- The services provided, including the name of any publication or report issued by the advisor on a subscription basis or for a fee
- Applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- When compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients – Applicant generally provides investment advice to: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or other charitable organization |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

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Applicant:

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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | |
| <input checked="" type="checkbox"/> (3) Foreign issuers | |
| <input checked="" type="checkbox"/> B. Warrants | I. Options contracts on: |
| | <input checked="" type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | J. Futures contracts on: |
| | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input checked="" type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (2) oil and gas interests |
| | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| G. Investment company securities: | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies

- A. Applicant's security analysis methods include: (check those that apply)
- | | |
|---|---|
| <input type="checkbox"/> (1) Charting | <input type="checkbox"/> (4) Cyclical |
| <input checked="" type="checkbox"/> (2) Fundamental | <input checked="" type="checkbox"/> (5) Other (explain on Schedule F) |
| <input type="checkbox"/> (3) Technical | |
- B. The main sources of information applicant uses include: (check those that apply)
- | | |
|---|---|
| <input checked="" type="checkbox"/> (1) Financial newspapers and magazines | <input type="checkbox"/> (5) Timing services |
| <input type="checkbox"/> (2) Inspections of corporate activities | <input checked="" type="checkbox"/> (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| <input checked="" type="checkbox"/> (3) Research materials prepared by others | <input checked="" type="checkbox"/> (7) Company press releases |
| <input checked="" type="checkbox"/> (4) Corporate rating services | <input checked="" type="checkbox"/> (8) Other (explain on Schedule F) |
- C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)
- | | |
|---|---|
| <input checked="" type="checkbox"/> (1) Long term purchases (securities held at least a year) | <input type="checkbox"/> (5) Margin transactions |
| <input checked="" type="checkbox"/> (2) Short term purchases (securities sold within a year) | <input checked="" type="checkbox"/> (6) Option writing, including covered options, uncovered options, or spreading strategies |
| <input type="checkbox"/> (3) Trading (securities sold within 30 days) | <input checked="" type="checkbox"/> (7) Other (explain on Schedule F) |
| <input type="checkbox"/> (4) Short sales | |

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Applicant:

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No

6. Education and Business Background

For:

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

On Schedule F, give the:

- Name
- Year of birth
- Formal education after high school
- Business background for the preceding five years

7. Other Business Activities (check those that apply)

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

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

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

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☒ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is an:

- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input checked="" type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input checked="" type="checkbox"/> (8) law firm |
| <input checked="" type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input checked="" type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input checked="" type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

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

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

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Part II**

Applicant:

Joseph Financial of Smithtown, LLC

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9. Participation or Interest in Client Transactions

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

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

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

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other condition for starting or maintaining an account? ☒ Yes ☐ No

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Reviews of client portfolios are undertaken at the time of review conferences with clients, typically held semi-annually or annually. Reviews may also be provided on a periodic basis - annually, semi-annually, quarterly, or monthly. Reviews may also be undertaken should a substantial stock market decline occur. See Schedule F (narrative) for additional information. Reviewers include Ron A. Rhoades, CCO, and the investment adviser representatives of the sub-advisor, Joseph Capital Management, LLC. For more information on reviewers, please refer to Joseph Capital Management, LLC's Form ADV, Part II.

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

Clients receive quarterly reports from the firm's sub-advisor, Joseph Capital Management, LLC, which typically include a consolidated summary of the portfolio (as to assets advised upon), rebalancing report, and a performance report. In addition, clients receive a realized gains and loss report following the end of each tax year. Clients also may access, on a daily basis, consolidated account information online through PortfolioServices. Clients also receive monthly or quarterly statements from their qualified custodians. CLIENTS ARE STRONGLY ENCOURAGED TO REVIEW CUSTODIAN STATEMENTS UPON RECEIPT

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12. Investment or Brokerage Discretion.

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

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

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

☒ Yes
☐ No

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

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

13. Additional Compensation.

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

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ☒ Yes
☐ No
- B. directly or indirectly compensates any person for client referrals? ☐ Yes
☒ No

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

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

- Has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - Requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ☐ Yes
☒ No