

FiduciaryNow’s “Financial Advisor Interview Guide.” FiduciaryNow.com offers consumers this detailed questionnaire which consumers can utilize to interview financial advisors (and obtain from them written answers). One registered investment adviser (a Fee-Only® Financial Planner) answers these questions, in order to provide you with a comparison. There are many quality financial planning firms in the United States. FiduciaryNow.com urges you to consider several firms, to find the firm whose services, ethical culture, and investment philosophy best fits with your needs and desires.

QUESTION	ANSWER OF JOSEPH CAPITAL MANAGEMENT, LLC	ANSWER OF FIRM YOU ARE CONSIDERING
Is your firm a registered investment adviser, brokerage firm, insurance agent, or any two or more of the foregoing?	Joseph Capital Management, LLC is a registered investment adviser firm. All of the firm’s representatives are only licensed as registered investment adviser representatives. We do not sell any insurance or other products.	
Are you a fee-only, fee-based, or commission-based advisor?	Joseph Capital Management, LLC is a “fee-only” advisor. We provide advisory services only, and we sell no products. Our fees are paid to us only by our clients.	
What services do you offer?	We are a private wealth counseling firm, primarily serving the needs of small business owners, executives, and retirees. We believe in holistic planning – designed to identify, prioritize, and systematically address various risks which our clients might encounter. We utilize a “wealth management team” approach – in alliances with private client attorneys and certified public accountants – to comprehensively undertaking financial, tax, estate, and asset protection planning. We provide ongoing investment advisory services integrated with such planning.	
Do you provide tax advice? Will you put that in writing to me?	Yes, we do. We believe that financial planning and tax planning are inseparable. We further believe that investment advice cannot be properly provided without advising on portfolio design (asset placement in various types of accounts from a tax perspective, etc.) and investment product tax-efficiency. Hence, we provide tax advisory services as part of the financial planning and investment advice we provide, and this is set forth in writing in our clients services agreement entered into with our clients.	
What qualifications do you have to offer those services?	The qualifications of our team of advisors, and your specific advisors, are available in detail, and upon request. Two of our three Directors are certified public accountants. The other Director is an estate planning and tax attorney. Two of the Directors are also Certified Financial Planners™. The Directors possess over 60 years of combined experience in providing financial, tax, estate, asset protection planning, and/or investment advisory services to clients. Our Investment Committee members devote many hours surveying the latest academic research on investing and portfolio construction and conducting due diligence on low-cost investments which may be recommended to our clients.	
How do you charge for those services?	We charge for our services based upon a percentage of the assets of the investment portfolio which we manage for the client. Except in rare instances, there is no separate charge by our firm for the planning services we provide. (Please note – the certified public accountants and/or attorneys whom we may team with – always with the client’s knowledge and consent - to undertake comprehensive and integrated planning, charge separately for their fees, which are always disclosed in advance and in writing.) Our fees are set forth in our ADV, Part II, which is provided upon request.	

QUESTION	ANSWER OF JOSEPH CAPITAL MANAGEMENT, LLC	ANSWER OF FIRM YOU ARE CONSIDERING
<p>Do you receive compensation from other sources if you recommend that I buy a particular stock, mutual fund, or bond?</p>	<p>Our ADV, Part II explains our avoidance of material conflicts of interest, and unavoidable conflicts resulting from custodial and mutual fund firm relationships, as follows:</p> <p><u>Generally.</u> As we seek to avoid material conflicts of interest, neither Joseph Capital Management, LLC (JCM) 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 non-direct compensation is provided to JCM as a result of its relationships with custodian(s) and/or providers of mutual fund products. JCM believes that the services and benefits actually provided to it by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations made to clients of JCM.</p> <p><u>Custodial Indirect Compensation.</u> JCM participates in the advisor services programs (ASP) of custodians (such as Fidelity Institutional and 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 JCM did not give investment advice to clients. These benefits include (a) receipt of duplicate client confirmations; (b) receipt of bundled duplicate statements; (c) access to a trading desk serving ASP participants exclusively; (d) access to the investment advisor portion of the ASP web sites which includes practice management articles, compliance updates, and other financial planning related information and research materials; (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 ASP, and (f) permitting JCM to access an electronic communication network for client order entry and various account information. Participation in the ASP program also provides access to certain mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.</p> <p><u>Educational and Other Benefits From Mutual Fund Company.</u> Following a stringent interview process, JCM was granted access by Dimensional Funds Advisors (DFA) to its mutual funds at the time of JCM's inception. DFA is a mutual fund company with over \$154 billion of assets under management (as of 10/01/07). While there is no (continued)</p>	

QUESTION	ANSWER OF JOSEPH CAPITAL MANAGEMENT, LLC	ANSWER OF FIRM YOU ARE CONSIDERING
- (ANSWER, CONTINUED)	<p>(-cont.) direct linkage between the investment advice given and the approval of JCM to access the mutual funds of Dimensional Funds Advisors, economic benefits are received which would not be received if JCM did not give investment advice to clients. These benefits, which are also received by other Registered Investment Adviser firms granted access to the DFA funds, include: (a) attendance at seminars hosted by Dimensional Funds Advisors at which the investment products of DFA are explained, academic instruction is given on asset allocation strategies, and financial planning and practice management instruction is given. JCM pays all of the travel and hotel costs for members and staff attending these seminars. DFA provides at no charge to JCM and the other attendees at such seminar the speakers and facilities for the seminar, occasional luncheons or dinners, and the materials handed out at the seminar; (b) access to the "financial advisor" portion of the Dimensional Funds Advisors web site (www.dfaus.com), which contains additional academic research, practice management articles, newsletters, educational video presentations, software, and investment returns data; (c) use of the DFA Returns and DFA Allocation Evaluator software programs and accompanying data, which can be utilized to ascertain how different asset classes (as represented by various indices) and different mutual funds of Dimensional Funds Advisors have performed over time and which provide a method for calculation based upon historical results of rate of return and standard deviation for those asset classes and mutual funds; (d) various print materials (including article reprints and DFA brochures); (e) occasional practice management conferences and telephone conferences with Dimensional Funds Advisors' team members, including Regional Directors, research staff, and tax staff, to discuss specific issues relating to academic research relating to investment theory and/or relating to practice development (marketing) and management issues; (f) participation in a regional study group sponsored and hosted by Dimensional Funds Advisors; and (g) other services and benefits. Joseph Capital Management, LLC is under no obligation to recommend the mutual funds of Dimensional Funds Advisors to JCM's clients. JCM recommends funds of Dimensional Funds Advisors or other mutual fund companies or other investment products only when JCM believes they best suit the client objectives. JCM does not provide any payment to Dimensional Funds Advisors for the access provided to JCM's clients. Dimensional Funds Advisors does not pay to JCM any direct monetary compensation in order to recommend the funds of Dimensional Funds Advisors.</p>	

QUESTION	ANSWER OF JOSEPH CAPITAL MANAGEMENT, LLC	ANSWER OF FIRM YOU ARE CONSIDERING
<p>What other potential conflicts of interest do you have when recommending investment products to me, and will you disclose those conflicts?</p>	<p>All financial and investment advisors have some types of conflicts. The vast majority of our clients pay JCM 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 interests associated with commission-based compensation (JCM does not accept commission-based compensation of any nature, nor does JCM accept 12b-1 fees). Asset-advised-upon percentage compensation method of compensation can still at times lead to conflicts of interest etween 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.</p>	
<p>Are you a “fiduciary” to me? Will you put that in writing?</p>	<p>Yes. We place the fact that we are a fiduciary to you in writing, in our client services agreement with you.</p>	
<p>Will you remain a “fiduciary” to me at all times during the course of our relationship, and act in my best interests at all times? Will you put these commitments to me in writing?</p>	<p>Yes. We are a registered investment advisory firm, and as such we possess the legal obligation to act in your best interests at all times. We will gladly put this commitment in writing to you.</p>	
<p>Would my account be an advisory account or a brokerage account?</p>	<p>Our relationship with you is an investment advisory relationship, and all of your “accounts” which we monitor for you are regarded by us as “advisory accounts.” Your accounts will likely be established at discount brokerage firms, such as TD Ameritrade or Fidelity, over which you have sole access and control. This is for your safety. Only you may withdraw funds from the accounts. (We shall assist you with all paperwork to establish the accounts and the paperwork which is required to undertake transfers or withdrawals, but your review and signature is required of all forms submitted.)</p> <p>Our computers interface with the computers of these brokerage firms in order to enable us to monitor your accounts and undertaking trades (as, and in the manner, you and our firm agree).</p>	

QUESTION	ANSWER OF JOSEPH CAPITAL MANAGEMENT, LLC	ANSWER OF FIRM YOU ARE CONSIDERING
Will you provide me with a written record of any disciplinary history for you and your firm?	Yes, at any time and upon request. None of our Directors or advisors have been disciplined by any securities regulator.	
Have you or your firm ever been engaged in arbitration or litigation with a client?	No.	
Will you give me your Form ADV (the registration form that must be filed by investment advisers) and/or your Form U4 (the registration form used by persons who work with brokers)?	We will be happy to provide you with our Form ADV, Parts I and II, which describes our firm in detail and provides information about our Directors. Form U4 discloses information about our individual advisors, including education, disciplinary history, etc. We are happy to disclose Form U4, although certain information (social security numbers of our advisers, for example) may be blacked out for privacy purposes.	
What are the “total fees and costs” of each investment product you recommend to me?	We are happy to provide you with our estimate of the “total fees and costs” of each mutual fund or exchange-traded fund or other investment product we recommend to you. We will also provide our Director of Research’s white paper, “Estimating The Total Costs of Stock Mutual Funds,” which explains the “hidden costs” of mutual fund investing, such as bid-ask spreads, market impact, opportunity costs, and brokerage commissions relating to trading within the fund, and provides you with our methodology used in our initial screening of stock mutual funds. Our extensive due diligence digs even deeper to ensure that only low-total-cost products are recommended by us and that, where appropriate, tax-efficient investment products and strategies are utilized.	
Do you sell equity-indexed annuities?	No. And we don’t recommend them, either. While the underlying concept of these products is not necessarily a bad one, all of the products we’ve reviewed in this area possess high total fees and costs. We don’t rule out finding some new offering which has very low total fees and costs, and greater potential returns for the client as a result, and recommending such an investment product to a few clients in the future; but for right now low-cost products in this area have not been located by us.	
Do you sell or recommend variable annuities?	We don’t sell them, and we generally disfavor them, due to their often-high fees and costs and negative tax consequences (conversion of long-term capital gains and qualified dividend income into ordinary income, loss of stepped-up basis at time of death, etc.). We are happy to provide from our book, <i>The Science of Investing</i> , an excerpted chapter entitled: “Why You Should Avoid Variable Annuities.” If our clients already possess variable annuities when they join our firm, we analyze the annuity to discern if retaining it is worthwhile given the fees and costs of various investment options within the annuity, if switching to a no-load, no-surrender-fee, variable or fixed annuity is better for the client, whether periodic withdrawals from the annuity should be undertaken, and/or whether the annuity should be surrendered.	

QUESTION	ANSWER OF JOSEPH CAPITAL MANAGEMENT, LLC	ANSWER OF FIRM YOU ARE CONSIDERING
<p>Does your firm have any minimums or maximums, or other conditions regarding taking on a client?</p>	<p>Yes. Generally Joseph Capital Management, LLC requires a minimum of \$1,000,000 of managed assets prior to taking on a client. This minimum may be waived in certain circumstances (such as small business owners, executives, who are anticipating additional assets in the near future but who possess present planning needs.) We have no maximums.</p> <p>For each and every prospective client we request at least two conferences (or telephone conferences), and often three, prior to a mutual agreement to establish an advisor-client relationship. In the first conference we desire to learn about you, your values, and your goals. Should, on the basis of this interview, we believe we can add value to you, we then undertake a thorough analysis of your investment portfolio. We then present to you, in the second conference, an education concerning our investment philosophy, specific recommendations, and a client services and fee proposal. We ask that our prospective clients take this information and digest it, then ask us questions in a third conference. (Some prospective clients have undertaken due diligence on our firm ahead of time, and are ready to engage us at the second conference.) We seek long-term, mutually beneficial relationships with our clients. Hence, it is our desire that any engagement of our firm not be driven by emotional reactions to new knowledge learned from us, but rather be as a result of a thoughtful, reflective decision to engage us as wealth counselors.</p>	