

Morgillo Financial Management, Inc.
Form ADV, Part II - Disclosure Document
February 2010

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

Name of Investment Adviser: Morgillo Financial Management, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
855 Turnpike Street	North Andover	MA	01845	(978) 975-3000

**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 governmental authority.**

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 instructions below.)

Applicant:

- | | | |
|-------------------------------------|---|--------------|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services | <u>100</u> % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | _____ % |
| <input checked="" type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | <u>0</u> % |
| <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 matters not involving securities | <u>0</u> % |
| <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?
- Yes No

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 adviser 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 those that apply)

- | | | | |
|-------------------------------------|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | A. Individuals | <input checked="" type="checkbox"/> | E. Trusts, estates, or charitable organizations |
| <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 | | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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

- | | | | |
|---|-------------|------------------------------|-------------------------------|
| (1) <input type="checkbox"/> | Charting | (4) <input type="checkbox"/> | Cyclical |
| (2) <input checked="" type="checkbox"/> | Fundamental | (5) <input type="checkbox"/> | Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> | Technical | | |

B. The main sources of information applicant uses include: (check those that apply)

- | | | | |
|---|---------------------------------------|---|---|
| (1) <input checked="" type="checkbox"/> | Financial newspapers and magazines | (5) <input type="checkbox"/> | Timing services |
| (2) <input checked="" type="checkbox"/> | Inspections of corporate activities | (6) <input checked="" type="checkbox"/> | Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> | Research materials prepared by others | (7) <input checked="" type="checkbox"/> | Company press releases |
| (4) <input checked="" type="checkbox"/> | Corporate rating services | (8) <input type="checkbox"/> | Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | | | |
|---|--|---|--|
| (1) <input checked="" type="checkbox"/> | Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> | Margin transactions |
| (2) <input checked="" type="checkbox"/> | Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> | Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> | Trading (securities sold within 30 days) | (7) <input type="checkbox"/> | Other (explain on Schedule F) |
| (4) <input type="checkbox"/> | Short sales | | |

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
(If yes, describe these standards on Schedule F.)

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 given to 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 a:
 - (1) broker-dealer
 - (2) investment company
 - (3) other investment adviser
 - (4) financial planning firm
 - (5) commodity pool operator, commodity trading advisor or futures commission merchant
 - (6) banking or thrift institution
 - (7) accounting firm
 - (8) law firm
 - (9) insurance company or agency
 - (10) pension consultant
 - (11) real estate broker or dealer
 - (12) entity that creates or packages limited partnerships

(For each checked in 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? Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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 that 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 supervisory 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 conditions for starting or maintaining an account?

Yes No

(If yes, describe on Schedule F)

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

A. Describe below the reviews and reviewers of the 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.

See Schedule F

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

See Schedule F

12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- 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 accounts 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 on 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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

Item 1D

ADVISORY SERVICES AND FEES

Morgillo Financial Management, Inc. (MFM or the Firm) is an investment adviser. MFM offers investment advisory services, including financial planning services for individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations.

Investment Management Services

MFM provides investment advisory supervisory services, defined as giving continuous advice or making investments for business and personal clients based on the specific needs of each client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, MFM develops a client's individual investment policy and creates and manages a portfolio based on that policy. MFM will manage advisory accounts on a discretionary or non-discretionary basis. As part of this account management, MFM maintains the cost basis information on each purchase, sale and dividend reinvestment. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income, among others). MFM will create unique portfolios designed to meet the goals and risk tolerances of its clients. Clients will retain individual ownership of all securities. As part of its investment recommendations, MFM may use investment portfolios managed on a discretionary basis by other registered investment advisers based upon the specific circumstances of an account.

Financial Consulting Services

PERSONAL FINANCIAL CONSULTING SERVICES

MFM provides advice in the form of financial consulting services. The nature of the services to be provided will be determined on a case by case basis after consultation with the client. In general, advice may include, but is not limited to, the following:

Risk management: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

Retirement planning: Analysis of current situation and design of strategies and investment plans to help the client achieve his or her retirement goals.

Education funding: Projections of future education costs and calculation of funding requirements, including evaluation of various funding vehicles.

Investments: Analysis of existing investments and recommendations for changes to the overall asset allocation and/or the existing holdings, taking into consideration the merits of the investments themselves, the client's time horizon, overall objectives, risk tolerance, income tax consequences, etc.

MFM gathers required information through in-depth interviews. Information gathered includes a client's current financial status, future goals, time horizon and attitudes toward risk. Related documents supplied by the client are carefully reviewed. Should a client choose to implement the

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

recommendations contained in the analysis, MFM suggests that the client and MFM work closely with his/her attorney, accountant, insurance agent, and/or other professional advisors as appropriate. Implementation of financial recommendations is entirely at the client's discretion.

Clients may receive financial advice on specific areas of concern or on a more comprehensive basis. Recommendations made by MFM are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

BUSINESS CONSULTING SERVICES

MFM provides consulting services on a non-discretionary basis to business, pension and qualified plan clients. Services may include evaluation of existing asset performance, evaluation of service providers and/or employee educational sessions.

COMPENSATION

Investment Management Services

MFM's annual asset-based fee is typically paid quarterly in arrears, as outlined in the Investment Advisory Agreement. The asset based fee is calculated on the account asset value on the last business day of the previous calendar quarter.

The annual fee for MFM's portfolio management services is negotiable, typically ranging from .50% to 1.5% per year depending on the nature and complexity of each client's circumstances, the value of assets placed under management, portfolio style and other factors. The specific annual fee schedule will be identified in the contract between MFM and each client.

If the services of an outside investment adviser are utilized, the specific terms of the fee charged by that adviser will be outlined in the contract between the outside adviser and the client.

Direct Debiting Of Client Accounts

The client agreement may authorize MFM to deduct advisory fees directly from the client's account at the custodian. With the exception of the ability to debit client account for advisory fees, MFM does not and will not have custody of clients' funds or securities. Client assets shall be held in the custody of a bank, trust company or brokerage firm agreed upon by the client and MFM.

MFM sends fee information to the custodian, who remits the fees to MFM. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to MFM.

Financial Consulting Services

Financial Consulting services fees will be charged a rate of \$200 per hour. The length of time it will take to complete the advisory service will depend on the nature and complexity of the individual client's personal circumstances. The minimum fee for these services is \$1,000. Whenever possible an

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

estimate for total hours will be determined at the start of the advisory relationship. MFM requires a deposit of fifty percent (50%) of the estimated total fee. When the financial plan or consultation has been completed, all unpaid fees will be due and payable. A minimum annual retainer of \$500 may be charged for ongoing financial planning services and/or open-ended consulting services. Retainer fees are based on the anticipated complexity of the assignment and the amount of time expected to be required. Upon depletion of the retainer, fees will be billed monthly in arrears.

General Information On Fees

1. The fee charged is calculated as described above and is 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.
2. All fees paid to MFM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and/or possible sales or distribution charges. A client may choose to invest in a mutual fund directly, without the services of MFM. In that case, the client would not receive the services provided by MFM 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. When purchasing directly from fund families, clients may incur a front- or back-end sales charge. Accordingly, the client should review both the fees charged by the funds and the fees charged by MFM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.
3. Clients should also understand that the shares of certain mutual funds may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not charged nor received by MFM) to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting mutual funds in which they invest. These charges, as well as operating expenses and management fees, which may increase the overall cost to the client by 1%-2% (or more), are available in each fund's prospectus.
4. In addition to MFM's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers. These costs include (but are not limited to) any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). The client may also incur charges for other account services provided by their custodian not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

Termination

Clients may terminate agreements within five business days after entering into the agreement if Form ADV II was not delivered within 48 hours before agreement execution. Thereafter, either party may terminate an agreement at any time by written notice. If termination is made after five business days, fees are refundable for any portion of advance fees attributable to services not performed prior to termination of the agreement, and the client is responsible for any fees incurred but not yet billed.

Item 3

TYPES OF INVESTMENTS

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to those items checked under Item 3 of Form ADV, Part II. In addition, advice may be rendered concerning other types of partnership interests including computer leasing, shipping containers, cable or satellite communication systems, or other types of partnership interests owned by a client.

Item 5

EDUCATION AND BUSINESS STANDARDS

Professional employees of MFM who provide investment advisory services will at a minimum possess a college degree and have significant relevant experience.

Item 6

EDUCATION AND BUSINESS BACKGROUND

Elaine B. Morgillo (Born 1948)

Educational Background:

Certified Financial Planner™ Practitioner
B.A. Albertus Magnus College (1970)
Georgia State University Graduate School of Business (1978)
College for Financial Planning (1987)

Business Background:

Founder – Morgillo Financial Management, Inc. (1998)
Elaine is President and Chief Compliance Officer of MFM and a Certified Financial Planner™ Practitioner with over twenty-five years experience in investment management and long-range planning for individuals and closely held corporations.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

Kevin J. Kennedy (Born 1972)

Educational Background:

B.S. Boston University (1995)

M.S.P.T. Boston University (1997)

Boston University Financial Planning Program– Boston University (2004)

Business Background:

Morgillo Financial Management, Inc. (since 2001)

Kevin is Vice President and Financial Planning and Portfolio Strategist of MFM.

Amy E. Mastromonaco (Born 1972)

Educational Background:

B.S.B.A. Boston University (1994)

Business Background:

Morgillo Financial Management (since 1998)

Amy is the Director of Operations and Compliance of MFM.

Item 9E

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Code of Ethics

MFM and its employees may buy or sell securities identical to those recommended to customers for their personal accounts. MFM employees must comply with a Code of Ethics and Statement for Insider Trading. The Code contains provisions reasonably necessary to deter misconduct and conflicts of interest and to detect any violations. The Code's key provisions include:

- Statement of General Principles
- Procedures for Reporting Personal Securities Transactions and Holdings
- Code of Conduct
- Annual Acknowledgements by Employees

Any individual not in compliance with the Code of Ethics may be subject to termination. Clients may obtain a copy of MFM's Code of Ethics by contacting Elaine Morgillo at (978) 975.3000.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

Item 10

CONDITIONS FOR MANAGING ACCOUNTS

Investment Advisory services require a minimum of \$100,000 of assets under management. Financial Consulting Services have a minimum \$1,000 fee. Both account sizes and fees may be negotiable under certain circumstances.

Item 11A and B

REVIEW OF ACCOUNTS

Investment Management Services

Reviews: While the underlying securities within the clients' accounts are continuously monitored, these accounts are formally reviewed at least quarterly by either Kevin Kennedy or Elaine Morgillo. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Reports: In addition to the statements clients receive from their broker dealer, clients may request an objective report from MFM summarizing account performance, balances and holdings. A summary report is mailed to each client on a quarterly basis.

Financial Consulting Services

Reviews: These client accounts will be reviewed as contracted for at the inception of the advisory relationship. Assets of consulting clients are not monitored on an ongoing basis.

Reports: Financial consulting clients will receive a written report that will include MFM's conclusions and recommendations. Additional reports will not typically be provided unless otherwise contracted for.

With prior permission from clients, outside and unrelated advisers, such as accountants, attorneys and investment professionals, may be consulted from time to time regarding the client's situation.

Item 12A

INVESTMENT OR BROKERAGE DISCRETION

MFM prefers to be provided with written authority by clients to determine which securities, the amounts of such securities and the time when such securities are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may amend these limitations as required. Such amendments shall be submitted in writing.

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

**Item 12B
INVESTMENT OR BROKERAGE DISCRETION**

MFM does not have the discretionary authority to determine the broker dealer to be used. Clients must direct MFM as to the broker dealer to be used to implement transactions. MFM is a registered investment adviser. The principal business of MFM and its employees is that of providing FEE ONLY advice. The employees of MFM are NOT separately licensed as registered representatives of any FINRA registered broker dealer. Therefore, employees of MFM cannot and will not receive compensation for effecting any securities transactions, including incentive fees for executing transactions through any broker dealer firm. Clients may incur additional costs for certain custodial services, exchange fees, transfer taxes or certain administrative fees, such as wire transfers or certificate issues. MFM may recommend the use of a broker dealer that is a FINRA member firm.

When placing portfolio transactions for client accounts, MFM's primary objective is to obtain the best price and best execution, taking into account the costs, promptness of execution and other qualitative considerations. MFM evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker's trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving MFM. Also in consideration is such brokers' provision or payment of the costs of research and other investment management-related services. Accordingly, if MFM determines in good faith that the amount of trading costs charged by a broker is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

Directed Brokerage

Certain clients may direct MFM to use particular brokers for executing transactions in their accounts. To the extent brokerage transactions are placed with particular brokers as directed by a client, MFM's ability to achieve best execution may be eliminated. Clients who direct MFM to use particular brokers may pay higher commissions than those that do not. MFM reserves the right to decline acceptance of any client account that directs the use of a broker dealer other than one recommended by MFM, if MFM believes that the broker dealer would adversely affect MFM's fiduciary duty to the client and/or ability to effectively service the client portfolio.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

Item 13A

ADDITIONAL COMPENSATION

MFM may recommend that clients establish brokerage accounts with certain registered broker-dealers to maintain custody of clients' assets and to effect trades for their accounts. Any such broker-dealer is not affiliated with MFM. These broker-dealers may provide MFM with access to its institutional trading and operations services, which are typically not available to retail investors. These services may include research, brokerage, custody, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. These broker-dealers may also make available to MFM other products and services that benefit MFM but may not benefit its clients' accounts. Some of these other products and services assist MFM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of MFM's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of MFM'S accounts, including accounts not maintained at the specific broker-dealer that is offering this particular service. These broker-dealers also provide MFM with other services intended to help MFM manage and further develop its business enterprise. These services may include consulting, publications, conferences and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers may make available, arrange and/or pay for these types of services to MFM by independent third parties. These broker-dealers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to MFM. While as a fiduciary MFM endeavors to act in its clients' best interests, MFM's recommendation that clients maintain their assets in accounts with these broker-dealers may be based in part on the benefit to MFM of the availability of some of the foregoing products and services and not solely on the nature cost or quality of custody and brokerage provided by these broker-dealers which may create a conflict of interest.

Miscellaneous

AGGREGATION AND ALLOCATION OF TRADES

It is the objective of MFM to provide a means of allocating trading and investment opportunities among advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients' accounts with substantially similar investment objectives and policies, MFM may seek to purchase or sell a particular security in each account. MFM will aggregate orders only when such aggregation is consistent with MFM's duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account. Each client that participates in an aggregated order will participate based on the average execution price in that particular security. All transaction costs will be allocated *pro rata* based on each client's participation in the transaction. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated *pro rata* based on the assets of each account.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Morgillo Financial Management, Inc.	801 - 55766	02/03/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Morgillo Financial Management, Inc.		IRS Empl. Ident. No.: 04-3426802
Item of Form (identify)	Answer	

PROXY VOTING

MFM does not vote proxies on behalf of its clients. Therefore, although MFM may provide investment advisory services relative to client investment assets, MFM's clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. MFM and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

PRIVACY NOTICE

Clients receive a Privacy Notice when MFM is engaged, and annually thereafter. The Privacy Notice discloses the type of non-public, personal information MFM collects regarding a client, third parties MFM may share the information with, and MFM's safeguards over client privacy. Clients may obtain a copy of MFM's Privacy Notice by contacting Elaine Morgillo at (978) 975-3000.

COMPLAINTS

Clients may contact Elaine Morgillo at (978) 975-3000 to submit a complaint. Written complaints should be sent to Morgillo Financial Management, Inc., 855 Turnpike Street, North Andover, Massachusetts 01845.

(End of Schedule F)