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**SCHEDULE 14A INFORMATION**  
**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES**  
**EXCHANGE ACT OF 1934**

**Filed by the Registrant**

**Filed by a Party other than the Registrant**

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (As Permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**GILMAN CIOCIA, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

**Payment of Filing Fee (Check the appropriate box):**

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11 .

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



Corporate Headquarters  
11 Raymond Avenue • Poughkeepsie, NY 12603  
845.485.5278 *tel* • 845.622.3638 *fax*

**To Our Stockholders:**

On behalf of the Board of Directors, it is my pleasure to invite you to attend the Annual Meeting of Stockholders of Gilman Ciocia, Inc. The meeting will be held on January 18, 2012 at the Marco Island Marriot Resort & Spa, 400 S. Collier Boulevard, Marco Island, FL 34145, beginning at 10:00 a.m., local time. To be admitted to the Annual Meeting, please present valid picture identification.

The purpose of the meeting is to act on the matters listed in the attached Notice and discussed in the accompanying Proxy Statement.

Your vote is important. You can ensure that your shares are voted at the meeting by completing, signing and returning the enclosed proxy card.

Thank you for your interest in the affairs of the Company.

Cordially,

By: /s/ Michael Ryan

Michael Ryan, Chief Executive Officer

Poughkeepsie, New York  
December 15, 2011



Corporate Headquarters  
11 Raymond Avenue • Poughkeepsie, NY 12603  
845.485.5278 *tel* • 845.622.3638 *fax*

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

PLACE: Marco Island Marriot Resort & Spa, 400 S. Collier Boulevard, Marco Island, FL 34145

DATE AND TIME: January 18, 2012 at 10:00 a.m., local time

**ITEMS OF BUSINESS:**

1. To elect two Class B directors;
2. To ratify the appointment of Sherb & Co., LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2012; and
3. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

WHO MAY ATTEND: Attendance is not limited to Gilman Ciocia stockholders or their representatives; however, to be admitted to the meeting, please present valid picture identification.

WHO MAY VOTE: You may vote if you were a stockholder of record of Gilman Ciocia's common stock at the close of business on December 5, 2011 or if you hold a proxy from a stockholder of record. Proof of ownership is required.

PROXY VOTING: Your vote is important. Please mark, sign, date and return the enclosed proxy card in the postage-paid envelope.

By Order of the Board of Directors,

By: /s/ James Ciocia  
James Ciocia, Chairman of the Board  
Title  
  
Poughkeepsie, New York  
December 15, 2011

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**PROXY STATEMENT**

**GILMAN CIOCIA, INC.**

**ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON JANUARY 18, 2012**

**ABOUT THE ANNUAL MEETING**

**WHAT IS THE PURPOSE OF THIS PROXY STATEMENT?**

This proxy statement is being provided to you in connection with the solicitation of proxies by the Board of Directors of Gilman Ciocia, Inc. (“we”, “us”, “our” or the “Company”). The proxies will be voted at our Annual Meeting of Stockholders (the “Meeting”) and at any adjournment or adjournments thereof for the purposes set forth in the accompanying Notice of Annual Meeting. The Meeting will be held on January 18, 2012 at the Marco Island Marriot Resort & Spa, 400 S. Collier Boulevard, Marco Island, FL 34145, beginning at 10:00 a.m., local time. Our proxy statement and proxy card are being mailed to stockholders beginning on or about December 22, 2011.

**WHEN IS THE RECORD DATE FOR THE MEETING? WHO IS ELIGIBLE TO VOTE?**

December 5, 2011 is the record date (the “Record Date”) for determining the stockholders entitled to notice of and to vote at the Meeting. On the Record Date, 97,486,546 shares of our common stock \$0.01 par value per share (“Common Stock”) were outstanding. The Common Stock is the only class of securities entitled to vote at the Meeting.

Each outstanding share of Common Stock entitles its holder to one vote. Holders of the Common Stock will vote together as a single class on all matters presented at the Meeting.

**WHAT IS THE QUORUM FOR THE MEETING?**

A quorum is present if the holders of at least a majority of the shares of Common Stock outstanding as of the Record Date are present in person or represented by proxy at the Meeting. No business may be conducted at the Meeting if a quorum is not present. Abstentions from voting and “broker non-votes,” described below, will be counted in determining whether a quorum is present.

**HOW MANY VOTES ARE NEEDED TO ACT ON PROPOSALS AT THE MEETING?**

The election of our two Class B directors requires the affirmative vote of the holders of a plurality of the shares of Common Stock present in person or represented by proxy at the Meeting, provided a quorum is present. Therefore, the nominees receiving the greatest number of votes cast at the Meeting will be elected as Class B directors of the Company. Broker non-votes and abstentions will have no effect on the election of Class B directors.

The affirmative vote of a majority of the votes cast at the Meeting, provided a quorum is present, is necessary to approve the ratification of the appointment of Sherb & Co., LLP. Abstentions will have no effect on proposal 2, the ratification of our independent registered public accounting firm.

**HOW DOES THE BOARD OF DIRECTORS RECOMMEND THAT I VOTE?**

The Board recommends that you vote:

- (1) FOR the election of the two Class B directors; and
- (2) FOR the ratification of the appointment of Sherb & Co., LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2012.

**HOW MAY I VOTE SHARES REGISTERED IN MY NAME?**

You may vote shares registered in your name in person at the Meeting or by submitting a proxy before the Meeting.

You may vote by signing, dating and returning the proxy card in the enclosed postage-paid envelope. Please sign the proxy card exactly as your name appears on the card. If shares are owned jointly, each joint owner should sign the proxy card. If a stockholder is a corporation or partnership, the proxy card should be signed in the full corporate or partnership name by a duly authorized person. If the proxy card is signed pursuant to a power of attorney or by an executor, administrator, trustee or guardian, please state the signer's full title and provide a certificate or other proof of appointment.

## **HOW ARE PROXIES VOTED?**

All properly submitted proxies will be voted at the Meeting according to the instructions given in the proxy. Our officers designated to vote the proxies returned pursuant to this solicitation are Ted Finkelstein, Vice President, Secretary and General Counsel and Karen Fisher, Treasurer and Chief Accounting Officer.

## **WHAT IF A PROPERLY EXECUTED PROXY CARD IS RETURNED WITHOUT ANY VOTING INSTRUCTIONS?**

If you are a stockholder of record and return an executed proxy card without voting instructions, your shares will be voted:

- (1) FOR the election of the two Class B directors; and
- (2) FOR the ratification of the appointment of Sherb & Co., LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2012.

## **IF I SUBMIT A PROXY, MAY I STILL VOTE MY SHARES AT THE MEETING?**

Yes. Submitting a proxy does not limit your right to vote at the Meeting if you decide to attend the Meeting and vote in person.

## **MAY I REVOKE A PROXY?**

You may revoke your proxy prior to the Meeting (1) by providing written notice to our Vice President, Secretary and General Counsel, Ted Finkelstein, at Gilman Ciocia, Inc., 11 Raymond Avenue, Poughkeepsie, New York 12603, or (2) by submitting a later-dated proxy by mail. You may also revoke your proxy by attending the Meeting and voting in person. Attending the Meeting will not, by itself, revoke a proxy.

## **HOW DO I VOTE MY SHARES HELD IN "STREET NAME"?**

If your shares are held in the name of a broker, bank or other record holder, please provide voting instructions to the stockholder of record. You may also obtain a proxy from the stockholder of record permitting you to vote in person at the Meeting.

## **IF I HOLD SHARES IN A BROKERAGE ACCOUNT AND DO NOT RETURN VOTING INSTRUCTIONS, WILL MY SHARES BE VOTED?**

Brokerage firms may vote in their discretion on certain matters on behalf of clients who did not provide voting instructions prior to the Meeting. Generally, brokerage firms may vote on proposals to ratify auditors and on other routine matters. A "broker non-vote" occurs only when brokers or other nominees have not received instructions from the beneficial owner or other person entitled to vote shares as to a matter with respect to which the brokers or nominees do not have discretionary power to vote. This means that, if your shares are held in a brokerage account and you do not return voting instructions to your broker by the broker's deadline, your shares still may be voted on the proposal to ratify the appointment of Sherb & Co. LLP as our independent registered public accounting firm but will not be voted on the proposal to elect our Class B directors.

## **WHAT IF OTHER BUSINESS IS PRESENTED AT THE MEETING?**

We have not received proper notice, and are not presently aware of any business to be transacted at the Meeting other than as described in this proxy statement. If any other item or proposal properly comes before the Meeting (including, but not limited to, a proposal to adjourn the Meeting in order to solicit votes in favor of any proposal contained in this proxy statement), the proxies received will be voted in accordance with the discretion of the authorized person, or in the absence of such authorization, the officers designated to vote the proxies.

## **WHO WILL COUNT THE VOTE?**

It is expected that Ted Finkelstein, Vice President, Secretary and General Counsel of the Company, will tabulate the votes and act as inspector of the election.

## **HOW MAY I COMMUNICATE WITH THE BOARD OF DIRECTORS?**

You may communicate with the Board of Directors individually or as a group by writing to: [Board of Directors] [Board Member] c/o Ted Finkelstein, Vice President, Secretary and General Counsel, 11 Raymond Avenue, Poughkeepsie, New York 12603. Communications are directed to the relevant director if addressed to an individual director, or to the Chairman of our Board if addressed to the Board. You should identify your communication as being from a Gilman Ciocia stockholder. The Secretary may require reasonable evidence that your communication or other submission is made by a Gilman Ciocia stockholder before transmitting your communication to our Board of Directors.

## PROPOSAL 1

### ELECTION OF DIRECTORS

#### *Director Composition*

On August 20, 2007, the Company, Wynnefield Small Cap Value Offshore Fund, Ltd., Wynnefield Partners Small Cap Value, L.P., Wynnefield Partners Small Cap Value, L.P. I and WebFinancial Corporation (the "Investment Purchasers"), Michael Ryan, Carole Enisman, Ted Finkelstein, Dennis Conroy, and Prime Partners, Inc. and Prime Partners II, holding companies owned in part by Michael Ryan (the "Existing Shareholders") entered into a Shareholders Agreement as part of a private placement of the Company's Common Stock (the "Investment Purchase"). Pursuant to the terms of the Shareholders Agreement: at the closing of the Investment Purchase, the Investment Purchasers were given the right to designate two directors (the "Investor Directors") for election to our board of directors (the "Board"). So long as the Existing Shareholders own at least 10% of the outstanding shares of Common Stock, the Existing Shareholders have the right to nominate two directors (the "Existing Shareholder Directors") for election to the Board; and the Investor Directors and the Existing Shareholder Directors shall jointly nominate three independent directors. As of the Record Date, the Investment Purchasers and the Existing Shareholders collectively own approximately 65% of our issued and outstanding Common Stock, and accordingly, these stockholders have the ability to influence certain actions requiring a stockholder vote, including the election of directors.

Our Board of Directors presently consists of seven directors. Our Certificate of Incorporation provides that our Board is divided into three classes (Class A, Class B and Class C) with overlapping three-year terms. The terms of office of Classes A, B and C expire at different times in annual succession with one class being elected at each Annual Meeting of Stockholders. John Levy, Nelson Obus and Allan Page are Class C directors and will serve until the Annual Meeting of Stockholders with respect to the year ending June 30, 2012 (the "Fiscal 2012 Stockholder Meeting"). Edward Cohen and Frederick Wasserman are Class A members and will serve until the Annual Meeting of Stockholders with respect to the fiscal year ending June 30, 2013 (the "Fiscal 2013 Stockholder Meeting"). James Ciocia and Michael Ryan are Class B members and are up for re-election at this year's Annual Meeting of Stockholders.

#### *Election of Directors*

The stockholders are being asked to elect James Ciocia and Michael Ryan as Class B directors at the Annual Meeting. As Class B directors, James Ciocia and Michael Ryan will serve until the Annual Meeting of Stockholders with respect to the year ending June 30, 2014 (the "Fiscal 2014 Stockholder Meeting"), and in each case until a successor is elected and qualified or until his earlier death, resignation or removal. On October 10, 2011, the Nominating and Corporate Governance Committee recommended, and the Board of Directors approved the nomination of James Ciocia and Michael Ryan as Class B directors.

Management expects that each of the nominees will be available to serve upon election, but if either of the nominees is unable to serve at the time the election occurs, the proxies will be voted for the election of another nominee to be designated by the Board.

#### **CLASS B DIRECTORS (term expires at the Fiscal 2014 Stockholder Meeting)**

**JAMES CIOCIA, CHAIRMAN OF THE BOARD OF DIRECTORS.** Mr. Ciocia is a principal founder of the Company having opened the Company's first tax preparation office in 1981. In addition to serving the Company as its Chief Executive Officer until November 6, 2000, Mr. Ciocia is a registered representative of Prime Capital Services, Inc. Mr. Ciocia holds a B.S. in Accounting from St. John's University. Mr. Ciocia brings to the board of directors extensive business and operating experience and tremendous knowledge of our Company as well as insights into and experiences within the tax preparation and financial planning industry. Mr. Ciocia provides our board with Company-specific experience and expertise in tax preparation and financial planning matters.

**MICHAEL RYAN, CHIEF EXECUTIVE OFFICER, PRESIDENT AND DIRECTOR.** Mr. Ryan was appointed as the Company's President and Chief Executive Officer in August 2002, and continues to serve in such capacities to date. Mr. Ryan co-founded Prime Capital Services, Inc. and is a founding member and past President of the Mid-Hudson Chapter of the International Association for Financial Planning. Mr. Ryan holds a B.S. in Finance from Syracuse University. Mr. Ryan was first elected as a director in 1999. Mr. Ryan brings to our board of directors extensive business and operating experience and tremendous knowledge of our Company as well as insights into and experiences within the tax preparation and financial planning industry. In addition, Mr. Ryan brings his broad strategic vision for Gilman Ciocia to our board of directors. Mr. Ryan's service as the Chief Executive Officer, President and Director creates a critical link between management and our board of directors, enabling our board to perform its oversight function with the benefits of management's perspectives on the business.

**RECOMMENDATION**

The Board of Directors recommends that stockholders vote FOR the election of James Ciocia and Michael Ryan as Class B directors.

## PROPOSAL 2

### RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has engaged Sherb & Co., LLP (“Sherb”) to serve as our independent registered public accounting firm for the fiscal year ending June 30, 2012. Sherb has audited our financial statements since the fiscal year ended June 30, 2006. A representative of Sherb is expected to be present at the Meeting with the opportunity to make a statement if he or she desires to do so and may be available to respond to appropriate questions.

Although action by the stockholders on this matter is not required, the Audit Committee believes it is appropriate to seek stockholder ratification of the appointment of our independent registered public accounting firm to provide a forum for stockholders to express their views with regard to the Audit Committee's selection. If the stockholders do not ratify the selection of Sherb, the selection of an independent registered public accounting firm may be reconsidered by the Audit Committee; provided, however, that the Audit Committee retains the right to continue to engage Sherb, should it deem such engagement to be in the best interest of the Company. Notwithstanding the ratification of Sherb as our independent registered public accounting firm for the fiscal year ending June 30, 2012, the Audit Committee retains the right to replace Sherb at any time, without stockholder approval.

The following table sets forth the aggregate fees billed by Sherb for the fiscal years ended June 30, 2011 and 2010 for professional services rendered to us for the audit of our annual financial statements, for the reviews of the financial statements, included in our Quarterly Reports on Form 10-Q for those fiscal years, and for other services rendered on behalf of us during those fiscal years. All of such fees were pre-approved by our Audit Committee or Board of Directors in the absence of an Audit Committee. The Audit Committee's policy is to pre-approve all audit and non-audit services, subject to a de minimis exception for non-audit services of 8% of the total pre-approved amounts to be paid to outside auditors.

	<u>Fiscal 2011</u>	<u>Fiscal 2010</u>
Audit Fees	\$ 175,000	\$ 205,000

### RECOMMENDATION

The Board of Directors recommends that stockholders vote FOR proposal 2 to ratify the appointment of Sherb as our independent registered public accounting firm for the fiscal year ending June 30, 2012.

## BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

### Certain Information Regarding Directors and Executives

The following table sets forth our directors and executive officers as of June 30, 2011, their ages, the positions held by them with the Company, the years their terms will expire and their classes of director. Our executive officers are appointed by, and serve at the discretion of the Board. Each executive officer is a full-time employee of the Company. Michael Ryan and Carole Enisman are married.

Name	Age	Position	Year Board Term Will Expire	Class
James Ciocia	55	Chairman of the Board of Directors	2011	B
Michael Ryan	53	Chief Executive Officer, President and Director	2011	B
Edward Cohen (2)(3)	72	Director	2013	A
John Levy (1)(2)	55	Lead Director	2012	C
Allan Page (1)(3)	64	Director	2012	C
Frederick Wasserman (1)(2)	57	Director	2013	A
Nelson Obus (3)	64	Director	2012	C
Carole Enisman	52	Executive Vice President of Operations	n/a	n/a
Ted Finkelstein	58	Vice President, Secretary and General Counsel	n/a	n/a
Karen Fisher	45	Chief Accounting Officer and Treasurer	n/a	n/a

(1) Audit Committee member

(2) Compensation Committee member

(3) Corporate Governance and Nominating Committee member

**JAMES CIOCIA, CHAIRMAN OF THE BOARD OF DIRECTORS.** Mr. Ciocia is a principal founder of the Company having opened the Company's first tax preparation office in 1981. In addition to serving the Company as its Chief Executive Officer until November 6, 2000, Mr. Ciocia is a registered representative of Prime Capital Services, Inc. Mr. Ciocia holds a B.S. in Accounting from St. John's University. Mr. Ciocia brings to the board of directors extensive business and operating experience and tremendous knowledge of our Company as well as insights into and experiences within the tax preparation and financial planning industry. Mr. Ciocia provides our board with Company-specific experience and expertise in tax preparation and financial planning matters.

**MICHAEL RYAN, CHIEF EXECUTIVE OFFICER, PRESIDENT AND DIRECTOR.** Mr. Ryan was appointed as the Company's President and Chief Executive Officer in August 2002 and continues to serve in such capacities to date. Mr. Ryan co-founded Prime Capital Services, Inc. and is a founding member and past President of the Mid-Hudson Chapter of the International Association for Financial Planning. Mr. Ryan holds a B.S. in Finance from Syracuse University. Mr. Ryan was first elected as a director in 1999. Mr. Ryan brings to our board of directors extensive business and operating experience and tremendous knowledge of our Company as well as insights into and experiences within the tax preparation and financial planning industry. In addition, Mr. Ryan brings his broad strategic vision for Gilman Ciocia to our board of directors. Mr. Ryan's service as the Chief Executive Officer, President and Director creates a critical link between management and our board of directors, enabling our board to perform its oversight function with the benefits of management's perspectives on the business.

**EDWARD COHEN, DIRECTOR.** Mr. Cohen has been a director of the Company since 2003. Mr. Cohen has been Counsel to the international law firm of Katten Muchin Rosenman LLP since February 2002, and prior to such, was a partner in the firm (with which he has been affiliated since 1963). Mr. Cohen is a director of Full Circle Capital Corporation, a business development corporation under the Investment Company Act. Mr. Cohen is a graduate of the University of Michigan and Harvard Law School. As a former partner of an international law firm and a member of the boards of several public companies, Mr. Cohen brings to our board a wealth of legal, corporate and securities expertise.

**JOHN LEVY, DIRECTOR.** Mr. Levy has been a director of the Company since October 2006 and since September 4, 2007, has served as Lead Director. Since May 2005, Mr. Levy has served as the Chief Executive Officer of Board Advisory Services, a consulting firm which advises public companies in the areas of corporate governance, corporate compliance, financial reporting and financial strategies. Mr. Levy served as Interim Chief Financial Officer from November 2005 to March 2006 of Universal Food & Beverage Company, which filed a voluntary petition under the provisions of Chapter 11 of the United States Bankruptcy Act on August 31, 2007. From November 1997 to May 2005, Mr. Levy served as Chief Financial Officer of MediaBay, Inc., a NASDAQ company and leading provider of premium spoken word audio content. While at MediaBay, he also served for a period as its Vice Chairman. Mr. Levy is a Certified Public Accountant with nine years experience with the national public accounting firms of Ernst & Young, Laventhol & Horwath and Grant Thornton. Mr. Levy is a director and non-executive Chairman of the Board of Applied Minerals, Inc., an exploration stage natural resource and mining company, is a director and audit committee member of Applied Energetics, Inc., a publicly traded company that specializes in the development and application of high power lasers, high voltage electronics, advanced optical systems and energy management systems technologies, and is a director of Brightpoint, Inc., a publicly traded company that provides supply chain solutions to leading stakeholders in the wireless industry. Mr. Levy has authored *The 21 st Century Director: Legal and Ethical Responsibilities of Board members*, a course on the ethical and legal responsibilities of board members initially presented to various state accounting societies. Mr. Levy has a B.S. degree in economics from the Wharton School of the University of Pennsylvania and received his M.B.A. from St. Joseph's University in Philadelphia. Mr. Levy brings to our board vast financial experiences as a Certified Public Accountant, former Chief Financial Officer of several companies and as Chief Executive Officer of a consulting firm which advises public companies in the areas of corporate governance, corporate compliance, financial reporting and financial strategies. In addition, Mr. Levy brings to our board, his role as Lead Director and Chairman of our audit committee, substantial experience with complex accounting and reporting issues, financial strategies, SEC filings and corporate transactions.

**ALLAN PAGE, DIRECTOR.** Mr. Page has been a director of the Company since October 2006. Mr. Page is the principal of A. Page & Associates LLC, an international consulting firm he founded in 2002 that is engaged in project development and advisory work in the energy market sector. Mr. Page is also Chairman and cofounder of The Hudson Renewable Energy Institute, Inc. a not for profit corporation promoting market applications for the public use of renewable energy. Prior to founding A. Page & Associates, Mr. Page spent more than thirty years with the CH Energy Group Inc., holding a variety of positions including President. Mr. Page started his employment as a distribution engineer at Central Hudson Gas and Electric, the principal subsidiary of the CH Energy Group and was the executive responsible for the development of a family of competitive business units for CH Energy Group. The competitive businesses included an electric generation company, an energy services company, and fuel oil companies operating along the eastern sea board. Mr. Page holds B.S. degrees in physics, civil engineering and electrical engineering and a masters degree in industrial administration, all from Union College. As the Principal of an international consulting firm engaged in project development and advisory work, Chairman of a not for profit and as former President of a public company, Mr. Page brings to our board a wealth of experience in strategic planning, business initiatives and developing businesses.

**FREDERICK WASSERMAN, DIRECTOR.** Mr. Wasserman has been a director of the Company since September 2007. Since May 2008 Mr. Wasserman has served as the President of FGW Partners, LLC, which provides management and financial consulting services. From January 2007 until April 2008 Mr. Wasserman provided management and financial consulting services as a sole practitioner. From August 2005 until December 31, 2006, Mr. Wasserman served as the Chief Operating and Chief Financial Officer for Mitchell & Ness Nostalgia Co., a privately-held manufacturer and distributor of licensed sportswear and authentic team apparel. Prior to his employment at Mitchell & Ness, Mr. Wasserman served as the President of Goebel of North America, a U.S. subsidiary of W. Goebel Porzellanfabrik GmbH & Co., an international manufacturer of collectibles, gifts and home decor. Mr. Wasserman held several positions, including Chief Financial Officer and President with Goebel of North America from 2001 to 2005. Mr. Wasserman is non-executive Chariman of the Board for TeamStaff, Inc., a provider of government logistics services. Mr. Wasserman is also a director of MAM Software Inc., a provider of software products for the automobile aftermarket, Acme Communications, Inc., an owner and operator of television stations, and Breeze-Eastern Corporation, a manufacturer and distributor of cargo and rescue lifting equipment. Mr. Wasserman received a B.S. degree in Economics from The Wharton School of the University of Pennsylvania in 1976. As the President of a management and financial consulting services firm, and former Chief Financial Officer, Chief Operating Officer and President of several public and private companies, Mr. Wasserman brings to our board a great deal of experience as an active member of a number of public company boards as well as a deep understanding of the financial and operational aspects of a business.

**NELSON OBUS, DIRECTOR.** Mr. Obus has been a director of the Company since September 2007. Mr. Obus has served as President of Wynnefield Capital, Inc. since November 1992 and as a managing member of Wynnefield Capital Management, LLC since January 1997. Wynnefield Capital Management manages two private investment funds and Wynnefield Capital, Inc. manages one private investment fund, all three of which invest in small-cap value U.S. public equities. Mr. Obus also serves on the board of directors of Layne Christensen Company, a diversified natural resources company with interests in water, mineral drilling and energy. In April 2006, the Securities and Exchange Commission filed a civil action alleging that Nelson Obus, the Wynnefield Capital Funds, and two other individuals, in June 2001 engaged in insider trading in the securities of SunSource, a public company that had been in the portfolio of the Wynnefield Capital Funds for years. Mr. Obus, the Wynnefield Capital Funds, and the other defendants emphatically deny the allegations. On September 20, 2010, U.S. District Judge George Daniels dismissed the action against Mr. Obus and the other defendants stating in part that the SEC had not "demonstrated the requisite degree of deceptive conduct in the part of any defendant." Mr. Obus received a B.A. degree from New York University and an M.A. and A.B.D. from Brandeis University in Politics. As President and managing member of several private investment funds, Mr. Obus brings to our board a skill set that includes financial literacy and expertise, capital markets expertise and substantial managerial experience.

CAROLE ENISMAN, EXECUTIVE VICE PRESIDENT OF OPERATIONS. Ms. Enisman was appointed the Executive Vice President of Operations of the Company on November 15, 2004. Ms. Enisman began her career with the Company in 1990 as a Financial Planner. Ms. Enisman graduated from the University of Miami (Florida) with degrees in Economics and Political Science.

TED FINKELSTEIN, VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY. Mr. Finkelstein has been Vice President and General Counsel of the Company since February 1, 2007 and Secretary since December 18, 2008. He was Associate General Counsel of the Company from October 11, 2004 to February 1, 2007. Mr. Finkelstein was Vice President and General Counsel of the Company from June 1, 2001 to October 11, 2004. Mr. Finkelstein has a B.S. degree in Accounting. He is a Cum Laude graduate of Union University, Albany Law School and also has a Master of Laws in Taxation from New York University Law School. Mr. Finkelstein has approximately 30 years of varied legal experience including acting as outside counsel for Prime Capital Services, Inc. prior to joining the Company.

KAREN FISHER, CHIEF ACCOUNTING OFFICER. Ms. Fisher had been the Controller of the Company since March 2005 and was appointed Treasurer on May 25, 2007 and Chief Accounting Officer on July 4, 2007. Ms. Fisher is a Certified Public Accountant and holds a B.S. in Accounting from Arizona State University and an A.A.S. in Computer Information Systems from Dutchess Community College. Prior to joining the Company, Ms. Fisher was employed by Thomson Financial as Director of Financial Reporting and Accounting from March 2002 until March 2005 and the New York Times Company as Manager of Financial Reporting from July 1998 until July 2001. Ms. Fisher has significant experience in public reporting and accounting. Prior to returning to New York, Ms. Fisher was the Assistant Controller for an engineering firm in Phoenix, AZ, where she was employed for over nine years.

### **Legal Proceedings**

On June 30, 2009, the SEC executed an Order Instituting Administrative and Cease-And-Desist Proceedings (the “Instituting Order”) Pursuant to Section 8A of the Securities Act, Sections 15(b) and 21(c) of the Exchange Act, and Section 203(f) of the Investment Advisors Act of 1940 (the “Advisors Act”) against the Company, PCS, Michael P. Ryan, the Company’s President and CEO (“Ryan”), and Rose M. Rudden, the Chief Compliance Officer of PCS (“Rudden”). The Instituting Order alleged that the Company and PCS engaged in fraudulent sales of variable annuities to senior citizens and that Ryan and Rudden failed to supervise the variable annuity transactions.

The Instituting Order alleged that PCS willfully: engaged in fraudulent conduct in the offer, purchase and sale of securities; failed to make and keep current certain books and records relating to its business for prescribed periods of time; and failed reasonably to supervise with a view to prevent and detect violations of the federal securities statutes, rules and regulations.

The Instituting Order alleged that the Company aided, abetted and caused PCS to engage in fraudulent conduct in the offer, purchase and sale of securities.

The Instituting Order alleged that Ryan and Rudden failed reasonably to supervise with a view to preventing and detecting violations of the federal securities statutes, rules and regulations.

Hearings were held before an Administrative Law Judge commencing on December 1, 2009 and ending January 15, 2010. On March 16, 2010, the SEC approved the Offer of Settlement by the Company and PCS regarding the Instituting Order (the “Settlement”). The SEC executed an Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 8A of the Securities Act, Sections 15(b) and 21(c) of the Securities Exchange Act, and Section 203(f) of the Investment Advisors Act of 1940 as to the Company and PCS (the “Settlement Order”).

A settlement was not reached with the SEC by Ryan and Rudden.

Except as to the SEC’s jurisdiction over them and the subject matter of the Instituting Order, the Company and PCS agreed to the Settlement without admitting or denying the findings contained in the Settlement Order. The Company and PCS chose to settle to avoid costly and protracted litigation.

Under the terms of the Settlement, the Company and PCS agreed to certain undertakings including retaining an Independent Compliance Consultant to conduct a comprehensive review of their supervisory, compliance and other policies, practices and procedures related to variable annuities. On October 20, 2010, the Independent Compliance Consultant submitted his report of recommendations to the SEC, which are being implemented by PCS. As of July 29, 2011, Asset & Financial Planning, Ltd., our wholly owned registered investment advisor subsidiary, had completed and implemented recommendations 36 to 45 listed in the Independent Compliance Consultant's report of recommendations.

In addition, the Company and PCS consented to certain sanctions pursuant to Section 8A of the Securities Act and Sections 15(b) and 21(c) of the Exchange Act. PCS shall cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act and Sections 10(b), 15(c) and 17(a) of the Exchange Act and Rules 10b-5 and 17a-3 thereunder. The Company shall cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act and Sections 10(b) and 15(c) of the Exchange Act and Rule 10b-5 thereunder. PCS and the Company were censured.

PCS agreed to pay disgorgement of \$97,389 and prejudgment interest of \$46,874, for a total payment of \$144,263 within twenty (20) days from the issuance of the Settlement Order, which was paid on March 29, 2010. The Company agreed to pay civil penalties of \$450,000 and disgorgement of \$1.00. Payment of the civil penalties by the Company was to be made in the following installments: \$53,824 was to be paid within twenty (20) days of the issuance of the Settlement Order and was paid on March 29, 2010; \$198,088 was to be paid within 180 days from the issuance of the Settlement Order; and \$198,088 was to be paid within 364 days from the issuance of the Settlement Order, with post-judgment interest due on the second and third installments. \$100,000 of the second installment was paid on September 15, 2010 with the balance of \$98,088 paid on October 12, 2010. The late payment resulted in the SEC accelerating the third installment, which was paid on December 31, 2010 including interest in the amount of approximately \$8.0 thousand.

On June 25, 2010, the Administrative Law Judge issued an Initial Decision concerning Ryan and Rudden. The Administrative Law Judge ordered that Ryan and Rudden each pay a civil money penalty of \$65,000. In addition, the Administrative Law Judge ordered that Ryan and Rudden were prohibited from serving in a supervisory capacity with any broker, dealer, or investment adviser with the right to reapply after one year. The initial Decision became effective on August 5, 2010. On August 11, 2010, our Board of Directors adopted a resolution agreeing to indemnify Ryan and Rudden for the \$65,000 civil money penalties.

Michael Ryan will continue to serve as the President and CEO of the Company. To insure that Mr. Ryan does not violate the supervisory restrictions contained in the Initial Decision, our Board of Directors have imposed a restriction that prohibits him from exercising any supervisory authority over PCS and AFP activities or PCS and AFP representatives, including our employees in their capacity as PCS representatives. Our Board of Directors has delegated to Carole Enisman, Executive Vice President of Operations, any issue that could potentially impact the conduct or employment of a PCS or AFP registered representative in his or her capacity as a PCS or AFP registered representative. Ms. Enisman has been instructed that with respect to any such issue, she reports to our Board of Directors, and not to Mr. Ryan as President of Gilman Ciocia, Inc.

#### **Director Designees Pursuant to Shareholders Agreement**

As described in Proposal 1, on August 20, 2007, in connection with the Investment Purchase, the Company entered into a Shareholders Agreement with the Investment Purchasers and the Existing Shareholders. Pursuant to the terms of the Shareholders Agreement: at the closing of the Investment Purchase, the Investment Purchasers were given the right to designate two Investor Directors for election to our Board. So long as the Existing Shareholders own at least 10% of the outstanding shares of Common Stock, the Existing Shareholders have the right to nominate two Existing Shareholder Directors for election to the Board. The Investor Directors and the Existing Shareholder Directors shall jointly nominate three independent directors. The Investor Purchasers and the Existing Shareholders agreed to take such action as may be reasonably required under applicable law to cause the Investor Purchasers' designees and the Existing Shareholders' designees to be elected to the Board. We agreed to include each of the Director designees of the Investor Purchasers and the Existing Shareholders on each slate of nominees for election to the Board proposed by the Company, to recommend the election of such designees to the shareholders of the Company, and to use commercially reasonable efforts to cause such designees to be elected to the Board. One of the Investor Directors shall be appointed as a member of the Compensation Committee of the Board and one of the Investor Directors shall have the right to attend all Audit Committee meetings. The consent of one of the Investor Directors is required for certain Company actions above designated thresholds, including the issuance, redemption or purchase of equity or debt, the issuance of an omnibus stock plan, the creation of any new class of securities, certain affiliate transactions, changes to our certificate of incorporation or bylaws, entering into a merger, reorganization or sale of the Company or acquiring any significant business assets, or material changes to the business line of the Company. The Investment Purchasers agreed to a one year standstill agreement concerning the acquisition of our assets, our securities, proxy solicitations, voting trusts or tender offers. The Investment Purchasers were granted a right of first refusal for future securities issued by the Company and we were granted a right of first refusal for sales of Common Stock by the Investment Purchasers and by the Existing Shareholders.

## **Director Independence**

The independent members of our Board are Edward Cohen, John Levy, Allan Page, Nelson Obus, and Frederick Wasserman, all who have been deemed to be independent pursuant to in Rule 5605(a)(2) of the listing standards of the Nasdaq Stock Market.

## **Meetings**

Our Board met eight times during fiscal 2011 and acted by written consent three times. All directors were present at least 75% of the combined Board and committee meetings on which they served in fiscal 2011. All directors are encouraged to attend our annual meeting of stockholders and six of our seven directors attended last year's annual meeting.

## **Board Committees**

### *Audit Committee*

Our Audit Committee is comprised of John Levy, Chair, Allan Page and Frederick Wasserman. The Audit Committee met five times during fiscal 2011. The functions of the Audit Committee are as set forth in the Audit Committee Charter, which can be viewed on our website at [www.gtax.com](http://www.gtax.com). Our Board has determined that each of Messrs. Levy, Page and Wasserman is independent as defined in Rule 5005(a)(19) of the listing standards of the Nasdaq Stock Market and Rule 10A-3 of the Exchange Act. Our board of directors also has determined that Mr. Levy is an "audit committee financial expert" as defined in the applicable rules and regulations of the Exchange Act. The Audit Committee is required to pre-approve all audit and non-audit services performed by the independent auditors in order to assure that the provision of such services does not impair the auditor's independence. Unless a type of service to be provided has received general pre-approval from the Audit Committee, it requires specific pre-approval in each instance by the Audit Committee. Any proposed services exceeding pre-approved cost levels generally require specific pre-approval by the Audit Committee.

### *Compensation Committee Interlocks and Insider Participation*

Our Compensation Committee is comprised of Edward Cohen, John Levy and Frederick Wasserman, Chair. The Compensation Committee did not meet during fiscal 2011. The functions of the Compensation Committee are as set forth in the Compensation Committee Charter, which can be viewed on our website at [www.gtax.com](http://www.gtax.com). Our Board has determined that each of Messrs. Cohen, Levy and Wasserman is independent as defined in Rule 5005(a)(19) of the listing standards of the Nasdaq Stock Market. In accordance with the Compensation Committee Charter, the members are "outside directors" as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, and "non-employee directors" within the meaning of Section 16 of the Exchange Act.

The Compensation Committee is required, amongst other things, to discharge the Board's responsibilities relating to the compensation and evaluation of our Senior Executives and to produce the report that the rules and regulations of the Securities and Exchange Commission may require to be included in, or incorporated by, reference into our annual report and proxy statement. The Compensation Committee has not engaged compensation consultants to provide advice with respect to the form or amount of executive or director compensation.

### *Compensation Committee Report*

The Compensation Committee is required, amongst other things, to discharge the Board's responsibilities relating to the compensation and evaluation of our Senior Executives and to produce the report that the rules and regulations of the Securities and Exchange Commission may require to be included in, or incorporated by, reference into our annual report and proxy statement. The Compensation Committee has not engaged compensation consultants to provide advice with respect to the form or amount of executive or director compensation.

### *Corporate Governance and Nominating Governance Committee*

Our Corporate Governance and Nominating Committee is comprised of Edward Cohen, Chair, Nelson Obus and Allan Page. The Corporate Governance and Nominating Committee met one time during fiscal 2011. The functions of the Corporate Governance and Nominating Committee are as set forth in the Corporate Governance and Nominating Committee Charter, which can be viewed on our website at [www.gtax.com](http://www.gtax.com). Our board of directors has determined that each of Messrs. Cohen, Page and Obus is independent as defined in Rule 5005(a)(19) of the listing standards of the Nasdaq Stock Market. The Corporate Governance and Nominating Committee will consider nominees recommended by shareholders. Any such recommendations should be submitted in writing to our General Counsel at our principal executive offices. Nominees recommended by shareholders will be evaluated in the same manner as nominees identified by management, the board of directors or the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee, in making its recommendations regarding Board nominees, may consider some or all of the following factors, among others: judgment, skill, diversity, experiences with businesses and other organizations of a comparable size, the interplay of the candidate's experience with that of the other Board members, the extent to which a candidate would be a desirable addition to the Board and any committees of the Board and whether or not the candidate would qualify as an "independent director" under applicable listing standards and the Sarbanes-Oxley Act of 2002 and any related Securities and Exchange Commission regulations.

## Leadership Structure and Risk Oversight

Our Board has determined that having a non-employee Lead Director and a Board Chairman is the best leadership structure for the Company and the Board. Having an independent Lead Director and a majority of independent directors allows the Board and management to have proper alignment and dialogue in all matters within the authority of the Board, including those related to risk oversight. The key responsibilities of the Lead Director are as follows:

- Ensuring that the responsibilities of the Board are well understood by both the Board and management and that the boundaries between Board and management responsibilities are clearly understood and respected.
- Serving as Board ombudsman, so as to ensure that questions or comments of individual directors are heard and addressed.
- Reviewing and making recommendations with respect to agendas for Board meetings.
- Ensuring that Board meetings are conducted in such a manner that facilitates the exchange of constructive and objective points of view and encourages all directors to participate in a manner that is conducive to good decision-making.
- Ensuring that the resources available to the Board, in particular timely and relevant information, are adequate to support its work.
- Facilitating the process of conducting director and committee evaluations.
- Promoting best practices and high standards of corporate governance.
- Serving as a sounding board for the CEO and other members of senior management.
- Serving as a point of contact for Board members to raise sensitive issues with the CEO.
- Monitoring significant developments between Board meetings and assuring that the Board is informed as appropriate.

The Board also believes in empowering its standing Board committees and the chairs of such committees. The functions, roles and responsibilities of the committees are set forth in their respective charters and described above. The chairs of each committee are responsible, with input from management, for, among other things, setting the agendas for the meetings, leading the annual evaluations of their committees and other substantive and procedural matters.

The Board believes that the leadership structure it has chosen along with the risk oversight role, as described below, enables it to effectively oversee risk. The key aspects of the Board's risk oversight role are as follows:

- The Board retains ultimate responsibility for risk oversight. In carrying out this responsibility, the Board reviews the long-term and short-term internal and external risks facing the Company through its participation in long-range strategic planning and review.
- The Board reviews the reports and recommendations of the Company's Strategic Planning Committee comprised of Board directors Allan Page and John Levy and Michael Ryan, the Company's CEO, Carole Enisman, Executive Vice President of Operations, Ted Finkelstein, Vice President, Secretary and General Counsel and Karen Fisher, Chief Accounting Officer and Treasurer.
- The Audit Committee is responsible for overseeing the risks related to financial reporting, internal controls and other areas of financial accounting, as set forth in its charter.
- Subject to the Board's oversight, the Compensation Committee is responsible for reviewing and evaluating the risks related to our compensation programs, policies and practices.
- Subject to the Board's oversight, the Corporate Governance and Nominating Committee is responsible for reviewing our governance practices, policies and programs, including director and management succession planning, recruiting and other areas that may impact our risk profile from a governance perspective.

## EXECUTIVE OFFICER COMPENSATION

The following table sets forth the annual compensation of the Chief Executive Officer (the “CEO”) and the two most highly compensated executive officers other than the CEO (the “Named Executive Officers”) during the fiscal years ended June 30, 2011 and 2010:

**Summary Compensation Table**

Name and Principal Position	Year	Salary	Option Awards (1)	Bonus	All Other Compensation (3)	Total
Michael Ryan President, Chief Executive Officer and Director	2011	\$ 350,000	\$ —	20,580 \$ (2)	\$ 17,589	\$ 388,169
	2010	\$ 350,000	\$ —	98,203 \$ (2)	\$ 17,289	\$ 465,492
Carole Enisman Executive Vice President of Operations	2011	\$ 235,000	\$ —	\$ —	\$ 25,207	\$ 260,207
	2010	\$ 235,000	\$ —	\$ —	\$ 37,552	\$ 272,552
Ted Finkelstein Vice President, General Counsel and Secretary	2011	\$ 185,000	\$ —	\$ —	\$ —	\$ 185,000
	2010	\$ 185,000	\$ —	\$ —	\$ —	\$ 185,000

(1) During fiscal years 2011 and 2010 no options were granted to our executive officers.

(2) Represents trails commissions earned as per an employment agreement with Michael Ryan whereby commissions were to be paid as draw against his bonus. As per the agreement, no commissions were to be paid back no matter what bonus was calculated or if no bonus is paid. In fiscal 2011 and 2010, no bonus was awarded. Effective October 8, 2010 Mr. Ryan no longer receives trails commissions.

(3) Other Compensation includes the following:

Name and Principal Position	Year	Car Allowance	Commissions	Other Compensation
Michael Ryan President, Chief Executive Officer and Director	2011	\$ 17,589	\$ -	\$ 17,589
	2010	\$ 17,289	\$ -	\$ 17,289
Carole Enisman Executive Vice President of Operations	2011	\$ 13,630	\$ 11,577	\$ 25,207
	2010	\$ 13,630	\$ 23,922	\$ 37,552

## OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth information concerning unexercised stock options, shares of restricted stock and stock options that have not vested for each of the Named Executive Officers at June 30, 2011.

### Option Awards

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date
Michael Ryan	52,040	78,060	—	\$ 0.18	2/19/2019
Carole Enisman	44,600	66,900	—	\$ 0.18	2/19/2019
Ted Finkelstein	40,880	61,320	—	\$ 0.18	2/19/2019

(1) Time-based stock option awards granted under the 2007 Stock Incentive Plan, which awards vest, subject to continuing employment, 20% annually commencing on the first anniversary of the date of grant.

### EMPLOYMENT AGREEMENTS

On August 20, 2007, we entered into an employment agreement with Michael Ryan, our President and Chief Executive Officer (the "Employment Agreement"). The Employment Agreement contains the following salient terms: the term was originally from July 1, 2007 to June 30, 2011 but was extended to December 31, 2011 on July 14, 2011 and was extended to June 30, 2012 on November 14, 2011 by our Board of Directors after recommendations from the compensation committee; the base salary is \$350.0 thousand per year; a bonus will be awarded to Mr. Ryan ranging from 40% to 100% of his base salary if actual EBITDA results for a fiscal year exceed at least 85% of the EBITDA budgeted for such fiscal year; any commissions which were paid to Mr. Ryan for personal production are deducted the bonus, but under no circumstances are the commission earned to be paid back; a severance payment equal to base salary and bonus (computed at 100% of base salary) will be paid to Mr. Ryan for the greater of three years or the ending date of the term if he is terminated as the result of an involuntary change of control, or the greater of one year or the ending date of the term if he is terminated as the result of a voluntary change of control. Effective October 8, 2010, Mr. Ryan no longer receives trails commissions. In addition, Mr. Ryan agreed to a one year covenant not to compete with the Company and a two year covenant not to solicit customers or employees of ours or registered representatives of our broker-dealer subsidiary.

### POTENTIAL PAYMENTS UPON TERMINATION INCLUDING CHANGE OF CONTROL

	Termination Without Cause (1)	Voluntary Termination with Good Reason (1)	Voluntary Termination Following Change of Control (1)	Involuntary Termination Following Change of Control (2)
<b>Payment due upon termination:</b>				
<b>Cash Severance</b>				
Michael P. Ryan				
Base Salary	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,050,000
Bonus	350,000	350,000	350,000	1,050,000
Total Cash Severance	\$ 700,000	\$ 700,000	\$ 700,000	\$ 2,100,000

- (1) Mr. Ryan will be paid an amount equal to his base salary and a bonus computed at 100% of his base salary for a period measured as the greater of one year from the date of termination or the June 30, 2012 ending date of the term of his Employment Agreement.
- (2) Mr. Ryan will be paid an amount equal to his base salary and a bonus computed at 100% of his base salary for a period measured as the greater of three years from the date of termination or the June 30, 2012 ending date of the term of his Employment Agreement.

	Termination Without Cause (1)	Voluntary Termination with Good Reason (1)	Voluntary Termination Following Change of Control (2)	Involuntary Termination Following Change of Control (2)
<b>Payment due upon termination:</b>				
<b>Cash Severance – Base Salary</b>				
Carole Enisman	\$235,000	\$235,000	\$235,000	\$235,000
Ted Finkelstein	\$154,167	\$154,167	\$185,000	\$185,000

- (1) Named Executive Officers will receive one month of compensation for each year of service with a maximum severance of one year.  
(2) Named Executive Officers will receive one year of compensation in a lump sum

## DIRECTOR COMPENSATION

The table below summarizes the compensation earned by our directors during fiscal 2011:

	Fees Earned or Paid In Cash	Stock Awards (a)	Options Awards (b)	Total
James Ciocia (1)	\$ 24,000	\$ 5,000	\$ 5,000	\$ 34,000
Edward Cohen	\$ 30,000	\$ 5,000	\$ 5,000	\$ 40,000
John Levy	\$ 54,000	\$ 5,000	\$ 5,000	\$ 64,000
Nelson Obus	\$ 27,000	\$ 5,000	\$ 5,000	\$ 37,000
Allan Page	\$ 30,000	\$ 5,000	\$ 5,000	\$ 40,000
Frederick Wasserman	\$ 30,000	\$ 5,000	\$ 5,000	\$ 40,000

- (1) Mr. Ciocia is Chairman of the Board of Directors and an employee of the Company. However, Mr. Ciocia's employment compensation is 100% commission based. The time Mr. Ciocia devotes to board activities reduces his efforts to generate commission income. Therefore, the board has determined that Mr. Ciocia will receive compensation for his activities as a director equivalent to that of non-employee directors.
- (a) The amounts reported for stock awards represent the full grant date fair value of awards granted in fiscal 2011 in accordance with guidance on share-based payments. Each director was awarded 100,000 shares on October 31, 2011.
- (b) The amounts reported for option awards represent the full grant date fair value of the stock option awards granted in fiscal 2011 in accordance with guidance on share-based payments. Each director was awarded 104,384 stock options on October 31, 2011.

We use a combination of cash and equity incentive compensation for our non-employee directors. In developing the compensation levels and mix for non-employee directors, we consider a number of factors, including the significant time commitment required of board and committee service as well as the need to attract highly qualified candidates for board service.

Each non-management director and James Ciocia, as a director of the board, receives an annual retainer fee of \$24,000 plus \$5,000 per year in restrictive stock, based upon its then fair market value, and \$5,000 per year in stock options using Black-Scholes valuation. The Lead Director of the Board receives an additional annual retainer fee of \$24,000. Each member of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee receives an additional \$3,000 annually.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

### 5% Holders

The following table sets forth, as of the record date, the holdings of the only persons known to us to beneficially own more than 5% of our outstanding common stock, the only class of voting securities issued by us. Except as indicated in the footnotes to this table and the table following and pursuant to applicable community property laws, the persons named in the table and the table following have sole voting and investment power with respect to all shares of common stock. For each individual or group included in the table and the table following, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the 98,229,656 shares of common stock outstanding as of the Record Date and the number of shares of common stock that such person or group had the right to acquire within 60 days of the Record Date, including, but not limited to, upon the exercise of options.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENTAGE OF CLASS
Michael Ryan 11 Raymond Avenue Poughkeepsie, NY 12603	63,517,11 <sup>(1)</sup>	64.7%
Carole Enisman 11 Raymond Avenue Poughkeepsie, NY 12603	63,517,11 <sup>(2)</sup>	64.7%
Ted Finkelstein 11 Raymond Avenue Poughkeepsie, NY 12603	63,517,11 <sup>(3)</sup>	64.7%
Ralph Porpora 11 Raymond Avenue Poughkeepsie, NY 12603	63,517,11 <sup>(4)</sup>	64.7%
Prime Partners II, LLC 11 Raymond Avenue Poughkeepsie, NY 12603	63,517,11 <sup>(5)</sup>	64.7%
Nelson Obus 450 Seventh Avenue, Suite 509 New York, NY 10123	63,517,11 <sup>(6)(7)</sup>	64.7%
Wynnefield Partners Small Cap Value LP 450 Seventh Avenue, Suite 509 New York, NY 10123	63,517,11 <sup>(8)(9)</sup>	64.7%
Wynnefield Small Cap Value Offshore Fund, Ltd 450 Seventh Avenue, Suite 509 New York, NY 10123	63,517,11 <sup>(8)(10)</sup>	64.7%
Wynnefield Partners Small Cap Value LP I 450 Seventh Avenue, Suite 509 New York, NY 10123	63,517,11 <sup>(8)(11)</sup>	64.7%
WebFinancial Corporation 61 East Main Street Los Gatos, CA 95031	63,517,11 <sup>(12)</sup>	64.7%
Dennis Conroy 15 Hammond Plaza Beacon, NY 12508	63,517,11 <sup>(13)</sup>	64.7%

(1) Includes 538,500 shares which are beneficially owned by Mr. Ryan personally and 52,040 shares underlying options. Also includes 308,141 shares which are beneficially owned by Mr. Ryan's wife, Carole Enisman (the Executive Vice President of Operations of the Company) of which Mr. Ryan disclaims beneficial ownership; 1,093,798 shares which are beneficially owned by Prime Partners, Inc. of which Mr. Ryan is a shareholder, officer and director; 15,420,000 shares which are beneficially owned by Prime Partners II, LLC of which Mr. Ryan is a member and manager and 46,104,631 shares which are owned by certain of the other shareholders to the Shareholders Agreement of which both Mr. Ryan and Prime Partners II, disclaim beneficial ownership. Does not include 78,060 shares issuable upon the exercise of invested options awarded for employee compensation.

- (2) Includes 263,541 shares which are beneficially owned by Ms. Enisman personally and 44,600 shares underlying options. Also includes 63,208,969 shares owned by certain of the other partners to the Shareholders Agreement of which shares Ms. Enisman disclaims beneficial ownership. Does not include 66,900 shares issuable upon the exercise of unvested options awarded for employee compensation.
- (3) Includes 4,338,788 shares which are beneficially owned by Mr. Finkelstein personally and 40,880 shares underlying options. Also includes 59,137,442 shares owned by certain of the other parties to the Shareholders Agreement and of which shares Mr. Finkelstein disclaims beneficial ownership. Does not include 61,320 shares issuable upon the exercise of unvested options awarded for employee compensation.
- (4) Includes 282,500 shares which are beneficially owned by Mr. Porpora personally and 26,720 shares underlying options. Also includes 1,093,798 shares which are beneficially owned by Prime Partners, Inc. of which Mr. Porpora is a shareholder, officer and director; and 15,420,000 shares which are beneficially owned by Prime Partners II, LLC of which Mr. Porpora is a member and manager. Also includes 46,694,092 shares owned by certain of the other parties to the Shareholders Agreement and of which shares Mr. Porpora disclaims beneficial ownership. Does not include 40,080 shares issuable upon the exercise of unvested options awarded for employee compensation.
- (5) Includes 48,097,110 shares owned by certain of the other parties to the Shareholders Agreement and Prime Partners II, LLC disclaims beneficial ownership of these shares.
- (6) Includes 333,333 shares which are beneficially owned by Mr. Obus personally and 87,372 shares underlying exercisable options awarded for Board of Director compensation. Also includes 63,096,405 shares owned by certain of the other parties to the Shareholders Agreement and Mr. Obus disclaims beneficial ownership of these shares. Does not include 166,153 shares issuable upon the exercise of unvested options awarded for Board of Director compensation.
- (7) Wynnefield Capital Management, LLC, a New York limited liability company ("WCM") is the sole general partner of each of Wynnefield Partners Small Cap Value LP, a Delaware limited partnership ("Wynnefield Partners") and Wynnefield Partners Small Cap Value LP I, a Delaware limited partnership ("Wynnefield Partners I"). Nelson Obus and Joshua Landes are the co-managing members of WCM and by virtue of such positions with WCM, have the shared power to vote and dispose of the shares of our common stock that are beneficially owned by each of Wynnefield Partners and Wynnefield Partners I. Wynnefield Capital, Inc., a Delaware corporation ("WCI"), is the sole investment manager of Wynnefield Small Cap Value Offshore Fund, Ltd., Cayman Islands company ("Wynnefield Offshore"). Messrs. Obus and Landes are the co-principal executive officers of WCI and by virtue of such positions with WCI, have the shared power to vote and dispose of the shares of our common stock that are beneficially owned by Wynnefield Offshore. Each of WCM, WCI and Messrs. Obus and Landes disclaims any beneficial ownership of the shares of our common stock that are directly beneficially owned by each of Wynnefield Partners, Wynnefield Partners I and Wynnefield Offshore, except to the extent of their respective pecuniary interest in such shares. Mr. Obus was appointed as a director of the Company effective on August 20, 2007.
- (8) Includes 8,000,000 shares beneficially owned by Wynnefield Partners Small Cap Value LP, a Delaware limited partnership ("Wynnefield Partners") and 10,000,000 shares beneficially owned by Wynnefield Partners Small Cap Value LP I, a Delaware limited partnership ("Wynnefield Partners I"). Wynnefield Capital Management, LLC, a New York limited liability company ("WCM") is the sole general partner of Wynnefield Partners and Wynnefield Partners I. Mr. Obus is a co-managing member of WCM and by virtue of his position with WCM, has the shared power to vote and dispose of the shares of our common stock that are beneficially owned by each of Wynnefield Partners and Wynnefield Partners I. Includes 12,000,000 shares beneficially owned by Wynnefield Small Cap Value Offshore Fund, Ltd., Cayman Islands company ("Wynnefield Offshore"). Wynnefield Capital, Inc., a Delaware corporation ("WCI"), is the sole investment manager of Wynnefield Offshore. Mr. Obus is a co-principal executive officer of WCI, and by virtue of his position with WCI, has the shared power to vote and dispose of the shares of our common stock that are beneficially owned by Wynnefield Offshore. Mr. Obus disclaims beneficial ownership of the shares of our common stock that are directly beneficially owned by each of Wynnefield Partners, Wynnefield Partners I and Wynnefield Offshore, except to the extent of his pecuniary interest in such shares.

- (9) Includes 55,517,110 shares owned by certain of the other parties to the Shareholders Agreement and Wynnefield Partners Small Cap Value LP disclaims beneficial ownership of these shares.
- (10) Includes 51,517,110 shares owned by certain of the other parties to the Shareholders Agreement and Wynnefield Small Cap Value Offshore Fund, Ltd. disclaims beneficial ownership of these shares.
- (11) Includes 53,517,110 shares owned by certain of the other parties to the Shareholders Agreement and Wynnefield Small Cap Value, LP I disclaims beneficial ownership of these shares.
- (12) Includes 53,059,170 shares owned by certain of the other parties to the Shareholders Agreement and WebFinancial Corporation disclaims beneficial ownership of these shares.
- (13) Includes 537,098 shares which are beneficially owned by Mr. Conroy personally and 62,980,012 shares owned by certain of the other parties to the Shareholders Agreement and Mr. Conroy disclaims beneficial ownership of these shares.

## DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of the record date, the beneficial ownership of our common stock by (i) each Company director, (ii), each Named Executive Officer and (iii) the directors and all executive officers as a group.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		PERCENTAGE OF CLASS
James Ciocia 14802 North Dale Mabry Highway, Suite 101 Tampa, FL 33618	3,315,969	(1)	3.4%
Michael Ryan 11 Raymond Avenue Poughkeepsie, NY 12603	63,517,110	(2)	64.7%
Edward Cohen 45 Club Pointe Drive White Plains, NY 10605	930,705	(3)	*
Allan Page 9 Vassar Street Poughkeepsie, NY 12603	623,705	(3)	*
John Levy 110 Oak Tree Pass Westfield, NJ 07090	423,705	(3)	*
Carole Enisman 11 Raymond Avenue Poughkeepsie, NY 12603	63,517,969	(4)	64.7%
Nelson Obus 450 Seventh Avenue, Suite 509 New York, NY 10123	63,517,969	(5)(6)	64.7%
Frederick Wasserman 4 Nobadeer Drive Pennington, NJ 08534	420,705	(3)	*
Directors and executive officers as a group (ten persons)	69,302,777		70.6%
* Less than 1.0%			

- (1) Includes 600,000 shares which are held jointly with Tracy Ciocia, Mr. Ciocia's wife; 9,100 shares are held as custodian for Mr. Ciocia's sons; and 127,852 shares underlying exercisable options awarded for Board of Director and employee compensation.
- (2) Includes 538,500 shares which are beneficially owned by Mr. Ryan personally and 52,040 shares underlying options. Also includes 308,141 shares which are beneficially owned by Mr. Ryan's wife, Carole Enisman (the Executive Vice President of Operations of the Company) of which Mr. Ryan disclaims beneficial ownership; 1,093,798 shares which are beneficially owned by Prime Partners, Inc. of which Mr. Ryan is a shareholder, officer and director; 15,420,000 shares which are beneficially owned by Prime Partners II, LLC of which Mr. Ryan is a member and manager and 46,104,631 shares which are owned by certain of the other shareholders to the Shareholders Agreement of which both Mr. Ryan and Prime Partners II, disclaim beneficial ownership.
- (3) Includes 87,372 shares underlying exercisable options awarded for Board of Director compensation.
- (4) Includes 263,541 shares which are beneficially owned by Ms. Enisman personally and 44,600 shares underlying options. Also includes 63,208,969 shares owned by certain of the other partners to the Shareholders Agreement of which shares Ms. Enisman disclaims beneficial ownership.
- (5) Includes 333,333 shares which are beneficially owned by Mr. Obus personally and 87,372 shares underlying exercisable options awarded for Board of Director compensation. Also includes 63,096,405 shares owned by certain of the other parties to the Shareholders Agreement and Mr. Obus disclaims beneficial ownership of these shares.
- (6) Wynnefield Capital Management, LLC, a New York limited liability company ("WCM") is the sole general partner of each of Wynnefield Partners Small Cap Value LP, a Delaware limited partnership ("Wynnefield Partners") and Wynnefield Partners Small Cap Value LP I, a Delaware limited partnership ("Wynnefield Partners I"). Nelson Obus and Joshua Landes are the co-managing members of WCM and by virtue of such positions with WCM, have the shared power to vote and dispose of the shares of our common stock that are beneficially owned by each of Wynnefield Partners and Wynnefield Partners I. Wynnefield Capital, Inc., a Delaware corporation ("WCI"), is the sole investment manager of Wynnefield Small Cap Value Offshore Fund, Ltd., Cayman Islands company ("Wynnefield Offshore"). Messrs. Obus and Landes are the co-principal executive officers of WCI and by virtue of such positions with WCI, have the shared power to vote and dispose of the shares of our common stock that are beneficially owned by Wynnefield Offshore. Each of WCM, WCI and Messrs. Obus and Landes disclaims any beneficial ownership of the shares of our common stock that are directly beneficially owned by each of Wynnefield Partners, Wynnefield Partners I and Wynnefield Offshore, except to the extent of their respective pecuniary interest in such shares. Mr. Obus was appointed as a director of the Company effective on August 20, 2007.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of common stock. The SEC requires such officers, directors and greater than 10% stockholders to furnish to the Company copies of all forms that they file under Section 16(a).

To our knowledge based solely on a review of Forms 3, 4 and 5 and amendments thereto, all officers, directors and/or greater than 10% stockholders of ours complied with all Section 16(a) filing requirements during the fiscal year ended June 30, 2011.

#### **CORPORATE GOVERNANCE**

##### **Adoption of Code of Ethics**

We have adopted a written Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, or controller, or persons performing similar functions and is consistent with the rules and regulations of the Exchange Act. A copy of the Code of Ethics is available on our website at [www.gtax.com](http://www.gtax.com). We will disclose any amendment to or waiver of our Code of Ethics on our website.

## Communications with our Board

Communications to our Board or to any director individually may be made by writing to the following address:

Attention: [Board of Directors] [Board Member]  
c/o Ted Finkelstein, Vice President, Secretary and General Counsel  
11 Raymond Avenue  
Poughkeepsie, NY 12603

Communications sent to the physical mailing address are forwarded to the relevant director if addressed to an individual director, or to the chairman of our Board if addressed to the Board.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As provided in the Audit Committee Charter, the Audit Committee is charged with reviewing and approving all transactions between the Company and any related person that are required to be disclosed pursuant to SEC Regulation S-K, Item 404. The terms “related person” and “transaction” are given the meanings of such terms as used in Item 404 of SEC Regulation S-K, as may be amended from time to time.

James Ciocia, our Chairman of the Board of Directors and a financial planner for the Company, receives commissions based on a variable percentage of his own business production and under which he received an aggregate of \$0.6 million in fiscal 2011.

On November 3, 2011 we issued an unsecured promissory note in the amount of \$40.0 thousand to Michael Ryan, our President and Chief Executive Officer, payable on demand by Mr. Ryan at an interest rate of 10.0% per annum.

On September 21, 2011 we issued an unsecured promissory note in the amount of \$50.0 thousand to Ted Finkelstein, our Vice President, General Counsel and Secretary, payable on demand by Mr. Finkelstein at an interest rate of 10.0% per annum which was paid in full on November 1, 2011.

On September 23, 2011 we issued an unsecured promissory note in the amount of \$50.0 thousand to Carole Enisman, our Executive Vice President of Operations, payable on demand by Ms. Enisman at an interest rate of 10.0% per annum.

On May 26, 2011 we issued an unsecured promissory note in the amount of \$50.0 thousand to Ted Finkelstein, our Vice President, General Counsel and Secretary payable on demand by Mr. Finkelstein at an interest rate of 10.0% per annum which was paid in full on July 1, 2011.

On December 16, 2010 we issued a \$0.1 million promissory note to Mr. Finkelstein, a \$64.0 thousand promissory note to Carole Enisman, our Executive Vice President of Operations, and a \$36.0 thousand promissory note to Michael Ryan, our President and Chief Executive Officer. These notes were collateralized by security interests in our gross receipts from the preparation of income tax returns received by us from January 1, 2011 through June 30, 2011 at an interest rate of 10.0% per annum with principal to be paid on or before April 1, 2011. On April 8, 2011, these notes were paid in full.

On January 27, 2009, Ms. Enisman purchased a \$170.0 thousand Note of the \$3.8 million of Notes. On November 24, 2009 Ms. Enisman purchased an additional \$40.0 thousand Note and Mr. Ryan purchased a \$38.0 thousand Note of the \$3.8 million Notes. The Notes with Ms. Enisman were amended on March 2, 2010 extending the due date to July 1, 2011 and was also amended on May 31, 2011 extending the due date to July 1, 2012. The Note with Mr. Ryan was amended on April 19, 2010 extending the due date to July 1, 2011 and was also amended on May 31, 2011 extending the due date to July 1, 2012.

On December 3, 2008, three trusts of which James Ciocia is a trustee, purchased an aggregate of \$0.3 million of the Notes issued pursuant to the Offering in reliance upon the exemption from registration in Rule 506 of Regulation D. On August 19, 2009, these trusts purchased an additional \$0.3 million of the Notes. The Notes with the three trusts were amended on April 19, 2010 extending the due date to July 1, 2011 and was also amended on May 31, 2011 extending the due date to July 1, 2012.

As of September 1, 2008, we entered into a \$0.5 million promissory note with Prime Partners (the “Prime Partners Note”). The Prime Partners Note provided for 10% interest to be paid in arrears through the end of the previous month on the 15<sup>th</sup> day of each month commencing on October 15, 2008. The principal of the Prime Partners Note was to be paid on or before July 1, 2009. Michael Ryan is a director, an officer and a significant shareholder of Prime Partners. The Prime Partners Note was amended as of June 30, 2009 to extend the due date of principal to July 1, 2010. The Prime Partners Note was again amended as of May 5, 2010 to extend the due date of principal to July 1, 2011. The Prime Partners Note was again amended as of August 1, 2010 to provide for 42 monthly payments of \$15.0 thousand comprised of principal and interest at 10% on the 15<sup>th</sup> day of each month commencing on August 15, 2010 and ending on January 15, 2014. Up to and including June 30, 2011, in the event that we determined that we could not make a payment on the monthly due date, we could defer the payment by sending written notice to Prime Partners. Any payment so deferred, was to be paid by adding each such deferred payment to the 42 month amortization schedule as an increased monthly payment commencing on August 15, 2011. No payments were deferred by us. In the event that we are in default on any of the promissory notes issued in our Regulation D Private Placement, within 30 days from written notice by us, Prime Partners shall repay to us all principal payments requested in the notice. This repayment obligation is secured by Prime Partner’s execution of a collateral assignment of a promissory note owed by Daniel R. Levy to Prime Partners dated January 23, 2004 in the original principal amount of \$0.9 million and with a present outstanding principal balance of \$0.4 million. There shall be no fees owed by us to Prime Partners for any late payments and no acceleration of the Prime Partners Note as a result of any late payments.

On December 26, 2007, we entered into a promissory note in the amount of \$0.3 million with Prime Partners for related party debt which was previously included in accrued expenses. The note paid interest at 10.0% per annum. The note was payable over 31 months and was paid in full in September 2011.

At June 30, 2011 and 2010, we owed to related parties as described above \$1.3 million and \$1.4 million, respectively.

### **AUDIT COMMITTEE REPORT**

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Company's management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited consolidated financial statements in the Company's Annual Report on Form 10-K with Company management, including a discussion of the quality, not just the acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements.

The Committee reviewed with the independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of those audited consolidated financial statements with U.S. generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of the Company's accounting principles and such matters as are required to be discussed with the Committee by Statement on Auditing Standards No. 61 (as amended), as adopted by the Public Company Accounting Oversight Board (United States) (“PCAOB”) in Rule 3200T. The Committee also received from the independent registered public accounting firm, written disclosures required by the PCAOB regarding the independent registered public accounting firm’s communications with the audit committee concerning independence and has discussed with the independent registered public accounting firm the firm's independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors, that the audited consolidated financial statements be included in the Annual Report on Form 10-K for the year ended June 30, 2011 filed by the Company with the Securities and Exchange Commission (“SEC”).

#### **Members of the Audit Committee**

John Levy,  
Chairman  
Alan Page  
Frederick Wasserman

*The information contained in the report above shall not be deemed to be “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Exchange Act or the Securities Act of 1933, as amended, except to the extent that we specifically incorporate it by reference in such filing.*

### **COST OF SOLICITATION**

We will pay the cost of soliciting proxies. In addition, certain officers and employees, who will receive no compensation for their services other than their regular salaries, may solicit proxies. Other proxy solicitation expenses that we will pay include those for preparing, mailing, returning and tabulating the proxies.

## **STOCKHOLDER PROPOSALS FOR THE NEXT ANNUAL MEETING**

Stockholders who wish to present proposals appropriate for consideration at our Fiscal 2012 Stockholder Meeting, must submit the proposal in proper form to us at our address set forth on the first page of this proxy statement and in accordance with applicable regulations of the SEC not later than August 24, 2012 in order for the proposition to be considered for inclusion in our proxy statement and form of proxy relating to such annual meeting. Any such proposals, as well as any questions related thereto, should be directed to the Secretary of the Company.

If a stockholder submits a proposal after the August 24, 2012 deadline but still wishes to present the proposal at our Fiscal 2012 Stockholder Meeting (but not in our proxy statement for the Fiscal 2012 Stockholder Meeting), the proposal, which must be presented in a manner consistent with our By-Laws and applicable law, must be submitted to our Secretary in proper form at the address set forth above not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. If we do not receive notice by September 1, 2012 of a proposed matter to be submitted by a stockholder for stockholders vote at the Fiscal 2012 Stockholder Meeting, then, in accordance with Exchange Act Rule 14a-4(c) any proxies held by persons designated as proxies by our Board in respect of such Annual Meeting may be voted at the discretion of such persons on such matter if it shall properly come before such Annual Meeting.

### **IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON JANUARY 18, 2012**

The proxy statement, proxy and annual report to security holders for the year ended June 30, 2011 are available on our website at [www.gtax.com](http://www.gtax.com) under the captions "Company - SEC Filings" and "Company - Financial Information".

You may also obtain directions to attend the Meeting and vote in person at the Marco Island Marriot Resort & Spa, 400 S. Collier Boulevard, Marco Island, FL 34145, beginning at 10:00 a.m., local time. For directions, please visit [www.marcoislandmarriott.com](http://www.marcoislandmarriott.com).

**[GILMAN & CIOCIA, INC. LETTERHEAD]**

Corporate Headquarters  
11 Raymond Avenue Poughkeepsie, NY 12603  
845.485.5278 tel 845.622.3638 fax

**GILMAN CIOCIA, INC.  
MEETING OF STOCKHOLDERS  
JANUARY 18, 2012, 10:00 A.M. LOCAL TIME  
MARCO ISLAND MARRIOTT RESORT & SPA  
400 S. COLLIER BOULEVARD  
MARCO ISLAND, FLORIDA 34145**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF GILMAN CIOCIA, INC.**

I hereby appoint Ted Finkelstein and Karen Fisher as proxies, each with full power of substitution, for and in the name of the undersigned, to vote all shares of Common Stock of Gilman Ciocia, Inc. which I would be entitled to vote on all matters which may properly come before the Meeting of Stockholders of Gilman Ciocia to be held at the Marco Island Marriott Resort & Spa, 400 S. Collier Boulevard, Marco Island, FL 34145, beginning at 10:00 a.m., local time, or any adjournment or postponement of the Meeting.

THE PROXIES SHALL VOTE SUBJECT TO THE DIRECTIONS INDICATED ON THE REVERSE SIDE OF THIS PROXY CARD, AND THE PROXIES ARE EACH AUTHORIZED TO VOTE IN HIS OR HER DISCRETION UPON OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT OF THE MEETING. THE PROXIES WILL VOTE AS THE BOARD OF DIRECTORS RECOMMENDS WHERE A CHOICE IS NOT SPECIFIED. THE PROXIES CANNOT VOTE YOUR SHARES UNLESS YOU SIGN, DATE AND RETURN THIS PROXY CARD.

I acknowledge receipt of Gilman Ciocia's Notice of Meeting of Stockholders, dated December 15, 2011, Proxy Statement and the Company's Annual Report for the year ended June 30, 2011. You can also view the Annual Report on the internet at [www.gtax.com/company](http://www.gtax.com/company)

**VOTE BY MAIL**

**GILMAN CIOCIA'S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES AND FOR PROPOSAL 2:**

**I. Election of Nominees for Director:**

- 1. 01 – James Ciocia **FOR  WITHHOLD**
- 02 – Michael Ryan **FOR  WITHHOLD**

**II. Proposal:**

- 2. To ratify the appointment of Sherb & Co., LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 20112.

**FOR  AGAINST  ABSTAIN**

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR THE NOMINEES AND PROPOSAL ABOVE. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting.

Address Change? Mark Box  Indicate changes below:

- Yes, I plan to attend the Annual Meeting of Stockholders

Mark, sign and date your proxy card and return it in the postage paid envelope provided.

Address Changes:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature, if held jointly

Please sign exactly as your name(s) appears on Proxy. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Companies should provide the full name of the corporation and the title of the authorized officer signing the proxy.