

# **Strategic Advisory Services, L.P.**

**5850 San Felipe, Suite 425  
Houston, Texas 77057**

**Local Phone: 713-977-3800  
Toll-Free Phone: 888-977-6444  
Facsimile: 713-977-2728**

**[www.askstrategicadvisory.com](http://www.askstrategicadvisory.com)**

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## **FORM ADV PART 2 BROCHURE**

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This brochure provides information about the qualifications and business practices of Strategic Advisory Services, L.P. If you have any questions about the contents of this brochure, please contact us at 713-977-3800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Strategic Advisory Services, L.P. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Strategic Advisory Services, L.P. is 108706.

Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Strategic Advisory Services, L. P. will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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## Item 4 Advisory Business

Strategic Advisory Services, L.P. is a registered investment adviser based in Houston, Texas. Our firm is organized as a limited partnership under the laws of the State of Texas. We have been providing investment advisory services since 1986. Richard A. Grbac, our principal owner, began his career in the financial services industry in 1971. Currently, we provide wealth management services by incorporating the financial planning, asset allocation through the selection and monitoring of other advisers or money managers and other aggregated services.

As used in this brochure, the words "we", "our" and "us" refer to Strategic Advisory Services, L.P. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Adviser Representative throughout this Brochure. As used in this Brochure, our Associated Persons or Investment Adviser Representatives are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Advisory Service and Fees

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

#### Financial Planning and Consulting Services

We offer broad-based, modular, and consultative wealth and financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We will then review and analyze such information to develop a comprehensive financial life plan designed to achieve your stated financial goals and objectives, in "real time." The plan is "current," since assets are updated electronically, on a daily basis. The primary objective of this life planning process is to allow us to assist you in developing different "what if" strategies, for the successful management of income, assets, and liabilities in meeting your stated goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You should promptly notify our firm if your financial situation, goals, objectives, or needs change so we can update your plan immediately.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

**Retainer Fee:** You may be required to pay an initial retainer fee, from \$300 to \$1,000, for administrative services, system set-up, and computer time. In addition, the cost for financial planning services will be based on a percentage of your estimated net worth. This fee may be negotiable based on the complexity of the net worth, but is generally .25% (2.5/10 of 1%) of estimated net worth the first year and negotiable year two and thereafter for ongoing financial planning services with a minimum of \$1,000 annually for such services.

**Financial Planning Fee:** In lieu of the financial planning retainer fee schedule described in the previous paragraph, you and your Investment Adviser Representative may agree to a financial planning fee in addition to the investment management fee described below under "Selection of other Advisers." For our clients with investable assets greater than \$750,000 an advisory fee of 0.2% (2/10ths of 1%) is added to the first \$1,000,000, 0.1% (1/10 th of 1%) on the next \$1,000,000 and negotiable above \$2,000,000.

For our clients with investable assets between \$250,000 and \$750,000 the cost for additional financial planning services is 0.2% (2/10ths of 1%). For our clients with investable assets less than \$250,000, a fee of 0.1% (1/10 th of 1%) is added for financial planning services.

If you only require advice on a single aspect of your finances, we offer modular financial planning services on an hourly basis. Our rate for such services is \$225.00 per hour with a three hour minimum. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you in advance and request that you approve the additional fee.

#### *Termination*

Either party may terminate the agreement upon written notice to the other, within five business days of the date of acceptance without penalty to you. If you terminate after the five-day period, you may incur a fee for work completed and/or time expended by our firm personnel. Such fee will be billed on a per hour basis at the rate of \$100 per hour. This fee is for time spent data gathering, administrative support services, and computer time only and not for planning services.

#### **Selection of Other Advisers and Asset Allocation Services**

As part of our investment advisory services, we recommend that you use the services of various third party money managers or investment advisers ("TPMM"), including, but not limited to, SEI Investments, Curian Capital, and Symmetry to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate. In most cases, we will customize the Asset Allocation for you, by adding several different asset classes that will be different from SEI's Asset Allocation Models. As a Solicitor for Curian, Symmetry and other TPMM's, we will utilize their Model Portfolios, without changes.

The fees you pay to the TPMM are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each TPMM selected and these fees may or may not be negotiable. Such compensation may differ depending upon the individual agreement our firm has with each TPMM.

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the schedule shown in this section. Advisory fees that you pay to the TPMM are established and payable in accordance with the disclosure brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's disclosure brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

If you are referred to a TPMM, you will receive full disclosure, including services rendered and fee schedules, at the time of the referral by delivery of a copy of the relevant TPMM's Form ADV Part 2 or equivalent disclosure document. In addition, if the investment program recommended to you is a wrap fee program, you will also receive the Schedule H or equivalent wrap fee brochure provided

by the sponsor of the program. Our firm, acting as a Solicitor, or the TPMM will provide you with all appropriate disclosure statements, including disclosure of referral fees (if any) paid to our firm and its Investment Adviser Representatives.

In addition to the TPMM's fees, our firm's management fee will be deducted from your account, in arrears, based on the following schedule:

#### **Strategic Advisory Services, L.P. Fee Schedule**

<b><u>Market Value Breakpoint</u></b>	<b><u>Quarterly Basis Point Rate</u></b>	<b><u>Annual Basis Point Rate</u></b>
First \$2,000,000*	0.2500%	1.00%
Next \$3,000,000	0.0875%	0.35%
Over \$5,000,000	Negotiable	Negotiable
*Accounts falling below \$750,000 but more than \$250,000.....	0.2750%	1.10%
Accounts below \$250,000 but more than \$100,000.....	0.3125%	1.25%
Less than \$100,000.....	0.3375%	1.35%

Our annual management fee for SEI managed accounts is billed and payable quarterly in arrears based on the average daily balance on the last day of the calendar quarter. Other TPMM's may charge in advance or in arrears, depending on the company, and the charges are disclosed in the TPMM's ADV. If the management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the management fee is payable in proportion to the number of days in the quarter for which you are a client. Our management fee may be negotiable and at the discretion of our firm.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable management fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced management fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements which are also available via electronically on the internet both to you as well as to our firm.

You will be required to sign an agreement directly with the recommended TPMM(s) as well as with our firm. You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's disclosure brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

#### **SEI Programs**

Our firm regularly offers third-party management services provided through SEI Investments ("SEI"). The SEI Program is an institutional mutual fund asset allocation program that we use in the management of our clients assets. We assist you in establishing an SEI Program Account

("Account") at SEI Private Trust Company. All account transactions will be processed and cleared through SEI Private Trust Company. The SEI Program uses mutual fund and securities asset allocation portfolios developed by SEI Investments. The process is designed as follows:

1. Determine the investor's risk profile and investment objectives. We determine your investment objectives, investment time horizon, and risk profile by means of an interview process and the completion of a questionnaire.
2. Set a relevant asset allocation policy through a written investment Policy Statement for the investor. We help you choose one of many mutual fund asset allocations models.
3. Diversity among asset classes and styles. The investment managers of the underlying mutual funds are selected by SEI Investments Management Corporation. SEI utilizes institutional investment management firms. The managers are monitored by SEI to ensure that their investment styles and performance remain consistent with the objectives of the mutual funds.
4. Re-balance the investor's portfolio. Re-balancing maintains the proper allocation to each asset class in the model. Re-balancing occurs automatically if the underlying mutual funds deviate from the prescribed quarterly allocation by greater than a 2% variance. For the tax-managed models, the variance is 3%. Re-balancing occurs quarterly with no transaction fees.
5. Report results. SEI Private Trust Company (a subsidiary of SEI Investments Company) acts as the transfer agent and custodian for your account. SEI Private Trust Company provides reporting services including consolidated quarterly statements, quarterly performance reports, and year-end tax reports.

#### *Managed Account Program: Managed and Integrated Accounts*

We participate in the Managed Accounts Program (the "Program"). To participate in the Program, our firm, SEI Investments Management Corporation ("SIMC") and you execute a tri-party agreement ("Managed Account Agreement") providing for the management of certain assets in accordance with the terms of the agreement. Pursuant to a Managed Account Agreement, the investor appoints our firm as its investment adviser to assist them in selecting an asset allocation strategy, which would include the percentage of investor assets allocated to designated portfolios of separate securities (each, a "Managed Account Portfolio") and may include the percentage of assets allocated to a portfolio of mutual funds advised by SIMC or an affiliate of SIMC. You appoint SIMC to manage the assets in each Managed Account Portfolio in accordance with a strategy we help you select. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers.

The fees payable to SIMC are shown by strategy in the following fee schedule:

#### **SIMC Investment Management Fee Schedule**

<u>Large Cap Core/Transition Strategy</u>	<u>U.S. Large Cap Core Strategy</u>
0.85% for the first \$1 million	0.90% for the first \$3 million
0.80% for the next \$2 million	0.85% for the next \$2 million
0.75% for the next \$2 million	Negotiable for above \$5 million
Negotiable for above \$5 million	
<u>U.S. Large Cap Growth Strategy</u>	<u>U.S. Large Cap Value Strategy</u>
0.90% for the first \$3 million	0.90% for the first \$3 million
0.85% for the next \$2 million	0.85% for the next \$2 million
Negotiable for above \$5 million	Negotiable for above \$5 million
<u>Managed Volatility/Tax-Sensitive Managed Volatility</u>	<u>U.S. Midcap Strategy</u>
0.90% for the first \$3 million	1.10% for the first \$1 million
0.85% for the next \$2 million	1.00% for the next \$2 million
Negotiable for above \$5 million	0.90% for the next \$2 million
	Negotiable for above \$5 million



U.S. Small Cap Strategy  
1.20% for the first \$1 million  
1.10% for the next \$2 million  
1.00% for the next \$2 million  
Negotiable for above \$5 million

International Equity Strategy  
1.20% for the first \$1 million  
1.10% for the next \$2 million  
1.00% for the next \$2 million  
Negotiable for above \$5 million

U.S. Fixed Income Strategy  
0.70% for the first \$1 million  
0.65% for the next \$2 million  
0.60% for the next \$2 million  
Negotiable for above \$5 million

Laddered Municipal Bond Portfolio  
0.30% for the first \$500,000  
0.27% for the next \$500,000  
0.25% for the next \$1 million  
0.20% for the next \$3 million

Core Fixed Income Strategy  
0.70% for the first \$1 million  
0.65% for the next \$2 million  
0.60% for the next \$2 million  
Negotiable for above \$5 million

SIMC may impose minimum account balances ranging from \$50,000 to \$1,000,000 depending upon the Managed Account Portfolio chosen and whether the investor selects the tax management feature.

Under the Program, you will receive investment advisory services, the execution of securities brokerage transactions, custody services and reporting services for a single specified fee. Participation in the Program may cost you more or less than purchasing such services separately. In addition, the Program fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs. The Program fee represents total compensation to be received by: (1) SIMC for investment advisory services; (2) designated sub-advisers for investment management services; (3) SEI Investments Distribution Corporation ("SIDCO"), an affiliate of SIMC, for execution of Program brokerage transactions; and (4) SEI Private Trust Company ("SPTC"), an affiliate of SIMC, for custodial and reporting services.

SIMC's fees, which are in addition to our firm's fees, will be a percentage of the market value of your Managed Account Portfolio assets. SIMC's fees will be calculated and payable quarterly in arrears and net of any income, withholding or other taxes. The fees may be subject to a discount.

SIMC may add an additional 0.15% solicitation fee to certain accounts, which are referred to SIMC by certain third parties. Details about this fee are disclosed to you prior to acceptance of any account for which it is charged.

Integrated Managed Accounts Program: Additionally, the Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard Program. In IMAP, SIMC selects one sub-adviser to serve as a tax manager for the entire Managed Account Portfolio. Other sub-advisers recommend securities using buy/sell lists for their specific asset class to which the investor has selected. Your account will be charged an integration fee, if you select the IMAP feature. The fee will cover the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention. This additional fee only applies to the equity portion of your account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or funds. A selection of your assets may receive a fee discount.

The fees payable to SIMC for the IMAP feature are up to 0.15% for the first \$500,000 and 0.05 % for amounts in excess of \$500,000 in assets under management.



**GoalLink Program:** Our firm also offers "GoalLink" through SEI to high net worth individuals, trusts, endowments, foundations and institutions. Through the GoalLink Program, we serve as the primary contact, responsible for analyzing your current financial situation, return expectations, risk tolerance, time horizon, and asset class preference. Using the GoalLink Presentation Tool, we help you select an investment strategy ("Strategy") which is then submitted and reviewed by a representative of SEI Investments Management Corporation ("SIMC"). The Strategy may include a combination of individual securities and mutual funds advised by SIMC (the "SEI Funds"), based upon your selected Strategy and account size.

To participate in the GoalLink Program, our firm, SIMC and you execute a tri-party agreement ("Agreement") providing for the management of certain assets in accordance with the terms of the agreement. Pursuant to the Agreement, you appoint our firm as your investment adviser to assist the investor in selecting the Strategy. Based upon the selected Strategy, SIMC will have investment authority of the assets and will make prescribed adjustments to the Strategy weights based on the market environment at a point in time. However, you may, at any time, impose reasonable restrictions on the management of your account or choose a new Strategy. SIMC's investment authority is effective until changed or revoked in writing. SIMC may delegate its day-to-day responsibility for selecting particular securities to one or more sub-advisers.

The SEI Funds' expenses are found in the Funds' prospectus which you should read carefully before investing. For SIMC's fees on assets held in the separate accounts, the fees are determined based on the asset classes incorporated in your account. The fees payable to SIMC for each strategy in the GoalLink Program are shown in the following fee schedule:

#### **SIMC GoalLink Investment Management Fee Schedule**

##### U.S. Large Cap Core/Tax Transition

0.85% for the first \$1 million  
0.80% for the next \$2 million  
0.75% for the next \$2 million  
Negotiable for above \$5 million

##### U.S. Large Cap Core Strategy

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

##### U.S. Large Cap Growth Strategy

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

##### U.S. Large Cap Value Strategy

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

##### Managed Volatility/Tax-Sensitive Managed Volatility

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

##### U.S. Midcap Strategy

1.10% for the first \$1 million  
1.00% for the next \$2 million  
0.90% for the next \$2 million  
Negotiable for above \$5 million

##### U.S. Small Cap Strategy

1.20% for the first \$1 million  
1.10% for the next \$2 million  
1.00% for the next \$2 million  
Negotiable for above \$5 million

##### International Equity Strategy

1.20% for the first \$1 million  
1.10% for the next \$2 million  
1.00% for the next \$2 million  
Negotiable for above \$5 million

##### Active Municipal Bond Strategy

0.70% for the first \$1 million  
0.65% for the next \$2 million  
0.60% for the next \$2 million  
Negotiable for above \$5 million

##### Core Fixed Income Strategy

0.70% for the first \$1 million  
0.65% for the next \$2 million  
0.60% for the next \$2 million  
Negotiable for above \$5 million

Laddered Municipal Bond Strategy

0.30% for the first \$500,000  
0.27% for the next \$500,000  
0.25% for the next \$1 million  
0.20% for the next \$3 million

Time Focused Fixed Income Strategy

0.30% for the first \$5 million  
Negotiable for above \$5 million

Additionally, the GoalLink Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard GoalLink Program, as described above. The fee for IMAP covers the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention.

The fees payable to SIMC for the IMAP Feature are up to 0.10% of the total account value (excluding zero coupon assets managed by SIMC).

Under the GoalLink Program, you will receive investment advisory services, the execution of securities brokerage transactions, custody services, and reporting services for a single specified fee. Participation in the GoalLink Program may cost you more or less than purchasing such services separately. In addition, the GoalLink Program fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

SIMC's fees, which are in addition to our firm's fees, will be a percentage of the market value of your account assets held in the Strategy. The fees will be calculated and payable quarterly in arrears and net of any income, withholding or other taxes.

SEI Private Trust Company will debit your account on a quarterly basis for the above mentioned fees and charges. The charges to your account will be on an arrears basis and will be remitted quarterly net of any applicable account and performance reporting charges not charged to you. Upon written notification, the agreement may be terminated by either you or our firm. Prorated fees will be charged based on market value on the date notice is received.

You will receive monthly statements from the SEI Private Trust Company indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if you elect to receive it. Annually, you will receive a tax report for the account.

Tax Controlled Program: We also offer the Tax Controlled Program ("TC Program") sponsored by SEI Investments Management Corporation ("SIMC"). To participate in the TC Program, our firm, SIMC, and you execute a tri-party agreement (Tax Controlled Agreement) providing for the management of certain of your assets. Under the Tax Controlled Agreement, you appoint our firm as your investment adviser to assist you in selecting an asset allocation strategy, which would include a percentage of your assets allocated to designated portfolios of separate securities (each, a "Separate Account Portfolio") and may include the percentage of assets allocated to a portfolio of mutual funds sponsored by SIMC or their affiliate. You appoint SIMC to manage the assets in each Separate Account Portfolio in accordance with a strategy we help you select. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers. The TC Program seeks to manage taxes within each Separate Account Portfolio through an individually managed U.S. equity and/or laddered municipal bond component(s) within the structure of a globally diversified portfolio in order to meet your long term goals for managing taxes while controlling risk.

TC Program fees, which are in addition to our firm's fees, are payable quarterly, in arrears, based on the average daily balance of your account during the calendar quarter and are automatically deducted from your account. Custodian fees and internal mutual fund expenses are separate from the SEI Program fees.

The fees payable to SIMC for the individually managed components are as follows:

## **SIMC Tax Controlled Program Investment Management Fee Schedule**

### U.S. Large Cap Equity

0.85% for the first \$2,000,000  
0.75% for the next \$4,000,000  
0.65% for the next \$4,000,000  
0.55% for the next \$10,000,000

### Municipal Bond

0.60% for the first \$1,000,000  
0.55% for the next \$2,000,000  
0.45% for the next \$2,000,000  
0.35% for the next \$5,000,000

SEI Private Trust company may charge a separate custodial fee for the custody services it provides to our clients' accounts. Mutual funds held in your account pay their own advisory fees and other expenses which are explained in each mutual fund's prospectus. These fees and expenses are separate charges from your account management fees. Any account with a market value less than \$50,000 opened after January 1, 2009 will be charged a \$60 annual custodial fee. SEI Private Trust's current policy is to waive this fee for our firm as long as our firm is a member of the Select Advisors Council. The Select Advisor's Council currently requires us to maintain at least \$50,000,000 under management with SEI Private Trust Co. SEI Private Trust, as its own discretion, can reinstate the custodial fees. A \$75 account termination fee will be applied to all accounts closed and leaving SEI Private Trust Company after January 1, 2009.

The fees payable to our firm may not exceed **1.35%**. INVEST Financial (See "Other Financial Industry Activities and Affiliations" section of this Brochure) retains up to 9% of this annualized fee for administrative and marketing services and our firm is paid the balance of the annualized client fee. The written Agreement for Investment Management Services may be terminated at any time by sending written notification to the other by Registered Mail. All fees earned shall be prorated and deducted from your account prior to termination and shall be determined by the number of days from the beginning of the calendar quarter to the date SEI Private Trust receives written notification by either you or our firm. Your account will continue to be invested until it is transferred out, unless other written instructions from you have been received prior to the transfer or liquidation of the account.

### **Types of Investments**

We primarily offer advice on investment company securities (including no-load funds), exchange traded funds, and equities.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of January 31, 2012, we advise on \$84,680,021 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

**Please refer to the "Advisory Business" section in this Brochure for detailed information on our advisory fees, fees payable to other advisers, payment terms, and refund policy according to each service we offer. Below is a general recap of the fees payable to our firm.**

### **Wealth Management Services**

Retainer Fee: You may be required to pay an initial retainer fee, from \$300 to \$1,000, for administrative services, system set-up, and computer time. In addition, the cost for financial planning services will be based on a percentage of your estimated net worth. This fee may be

negotiable based on the complexity of the net worth, but is generally .25% (2.5/10 of 1%) of estimated net worth the first year and negotiable year two and thereafter for ongoing financial planning services with a minimum of \$1,000 annually for such services.

**Financial Planning Fee:** In lieu of the financial planning retainer fee schedule described in the previous paragraph, you and your Investment Adviser Representative may agree to a financial planning fee in addition to the investment management fee described below under "Selection of other Advisers." For our clients with investable assets greater than \$750,000 an advisory fee of 0.2% (2/10ths of 1%) is added to the first \$1,000,000, 0.1% (1/10 th of 1%) on the next \$1,000,000 and negotiable above \$2,000,000.

For our clients with investable assets between \$250,000 and \$750,000 the cost for additional financial planning services is 0.2% (2/10ths of 1%). For our clients with investable assets less than \$250,000, a fee of 0.1% (1/10 th of 1%) is added for financial planning services.

In addition to the TPMM's fees, our firm's management fee will be deducted from your account, in arrears, based on the following schedule:

#### **Strategic Advisory Services, L.P. Fee Schedule**

<b><u>Market Value Breakpoint</u></b>	<b><u>Quarterly Basis Point</u></b>	<b><u>Annual Basis Point</u></b>
	<b><u>Rate</u></b>	<b><u>Rate</u></b>
First \$2,000,000*	0.2500%	1.00%
Next \$3,000,000	0.0875%	0.35%
Over \$5,000,000	Negotiable	Negotiable
*Accounts falling below \$750,000 but more than \$250,000	0.2750%	1.10%
Accounts below \$250,000 but more than \$100,000	0.3125%	1.25%
Less than \$100,000	0.3375%	1.35%

Our annual management fee for SEI managed accounts is billed and payable quarterly in arrears based on the average daily balance on the last day of the calendar quarter. Other TPMM's may charge in advance or in arrears, depending on the company, and the charges are disclosed in the TPMM's ADV. If the management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the management fee is payable in proportion to the number of days in the quarter for which you are a client. Our management fee may be negotiable and at the discretion of our firm.

#### **Additional Fees and Expenses**

In addition to, and exclusive of, our investment advisory fees disclosed under **Item 4 and Item 5** above, you will also be charged brokerage commissions, transaction fees, and other related costs and expenses for trade execution. These transaction charges are paid to, and retained by, the account custodian for its clearance and execution services. We do not receive any portion of these commissions, fees, or costs. For information on our brokerage practices, please refer to the "Brokerage Practices" section below of this Disclosure Brochure.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are

executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm, are registered representatives with INVEST Financial, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons could receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. (We primarily recommend no-load funds.)

Any compensation earned by these persons in their capacities as registered representatives, is separate and distinct from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives could have a financial incentive recommend certain investment products. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. As such, these persons may recommend certain insurance products, including but not such as long term care policies will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **Other Benefits**

In addition, our firm may receive from SEI software and support without cost which allows us to better monitor and service our client accounts maintained at SEI. We may receive the software and support without cost because our firm renders investment management services to clients whose aggregate total assets at SEI exceeds the established minimum required for an investment manager to receive software and support without cost. See the "Brokerage Practices" section of this brochure regarding the conflict of interest this creates and how we address it.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.



Minimum investments may be required by third party managers. SEI, a TPMM we often recommend, typically has a minimum set at \$50,000, which can be waived at our discretion. Other TPMM's minimums are disclosed in their respective ADV Disclosure documents.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We typically do not conduct quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party investment advisers. We may use model mutual fund asset allocation portfolio programs provided by a number of institutional investment managers and strategists. We may replace or recommend replacing TPMMs if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark. In most cases, we will customize the Asset Allocation for you, by adding several different asset classes that will be different from SEI's Asset Allocation Models. As a Solicitor for Curian, Symmetry and other TPMM's, we will utilize their Model Portfolios, without changes.

We may use or recommend one or more of the following investment strategies when providing investment advice to you:

- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Our firm or the TPMM managing your account will either instruct the custodian to use the *first-in, first-out* ("FIFO") accounting method for calculating and reporting the cost basis of your investments or the custodian will default to the FIFO method where no instruction is given.

You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend and refer clients to third party money managers ("TPMM(s)") for investment management services. Such TPMMs often use model portfolios that utilize mutual funds (including no-load funds), exchange traded funds (ETFs) and equities. You should be advised of the following risks when investing in these types of securities:

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end".

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

## **Item 9 Disciplinary Information**

Neither our firm nor any of our associated persons have any reportable disciplinary information.

## **Item 10 Other Financial Industry Activities and Affiliations**

### **Registered Representatives**

Mr. Grbac is also a Registered Representative and registered principal with INVEST Financial, a registered broker/dealer. In this capacity, he has the ability to sell security products for commissions; however, our firm policy is not to buy or sell products where a commission is generated. However, he may continue to receive income from trails on 12-B expenses on previously sold products. Other IARs of the Firm may also be Registered Representatives of INVEST Financial.

### **Insurance Agents**

Persons providing investment advice on behalf of our firm are also licensed insurance agents associated with multiple insurance companies. See the "Fees and Compensation" section of this Brochure for more information on the conflicts of interest and compensation related this activity.



While these individuals endeavor at all times to put the interest of the clients first as part of our firm's fiduciary duty, you should be aware that the receipt of additional compensation itself creates a conflict of interest.

#### **Recommendation of Other Advisers**

We may recommend that you use a third party adviser ("TPMM") based on your needs and suitability. We will receive compensation from the TPMM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPMM we recommend.

### **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at 713-977-3800.

#### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

#### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our associated persons nor we shall have priority over your account in the purchase or sale of securities.

The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by our associated persons are not likely to have an impact on the prices of the fund shares in which clients invest.

## Item 12 Brokerage Practices

We maintain relationships with several TPMMs who use various custodians or broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

In addition, our firm may receive from SEI software and support without cost which allows us to better monitor and service our client accounts maintained at SEI. We may receive the software and support without cost because our firm renders investment management services to clients whose aggregate total assets at SEI exceeds the established minimum required for an investment manager to receive software and support without cost. Because such services could be considered to provide a benefit to our firm, we may have a conflict of interest in directing your brokerage business. We believe that SEI provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by SEI, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services SEI provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. As part of our fiduciary duties to you, we endeavor at all times to put your interests first, however, you should be aware that the receipt of economic benefits by our firm is considered to create a conflict of interest. See the section on "Advisory Business" in this Brochure for information on SEI Private Trust Company which provides brokerage and custodial services for our clients who participate in the SEI investment programs.

### Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading") because we invest primarily through third-party advisers using model portfolios.

## Item 13 Review of Accounts

Richard Grbac, Limited Partner and Chief Compliance Officer will monitor your accounts on a periodic basis and will conduct formal account reviews with the client annually, and more frequently (on a quarterly or semi-annual basis) should the client request more frequently, to ensure the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

If you implement financial planning advice through our firm, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

For our SEI clients, monthly account statements as well as quarterly performance reports are sent directly to you by SEI Private Trust Co. The monthly reports describe account holdings, positions held in your account at month end and other activities, to including additions or withdrawals from the account. The quarterly performance reports describe positions at the end of the quarter, market value, and performance of your account compared to various benchmarks. In addition, you can go at any time to our website where a link to SEI Private Trust's website is available to view your account by using a password selected by you. Our firm recommends, at a minimum, an annual face-to-face review be conducted, if possible. At this review, any updates to your financial plan can be made, if warranted, for any of your goals that may have changed.

## **Item 14 Client Referrals and Other Compensation**

We may directly compensate non-employee (outside) individuals or entities (Solicitors) for client referrals. In order to receive a referral compensation from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will typically receive a thank note and a restaurant gift card not exceeding \$50.00. The sources of these referrals are generally friends or a business associate of a client. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

As disclosed under the "Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm may also be registered representatives with INVEST or licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

Please refer to the " Brokerage Practices" section above for disclosures on research and other benefits we may receive resulting from our relationship with INVEST Financial and SEI.

## **Item 15 Custody**

Provided we receive your written authorization, we will instruct your custodian to directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We **do not** have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## Item 16 Investment Discretion

Our discretionary authority is limited to creating, and or changing the asset allocation investment strategies, and/or re-allocating your assets among various TPMs in an effort to meet your short, intermediate, and long term life goals and income needs, ("Income In Stages, Money To Last <sup>TM</sup>"), without obtaining your consent or approval prior to each adjustment or re-allocation. Please be aware that we cannot offer any assurances that these goals will be achieved.

You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular model, asset class or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security.

*Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.*

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment fees in excess of \$500 and six or more months in advance, or
- take physical custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State-Registered Advisers

Richard Grbac, Limited Partner and Chief Compliance Officer, is responsible for management decisions. Information describing his education, business background, and outside business activities, is included in his ADV Part 2B supplement, which is provided as a *supplement* and incorporated by reference to this Brochure. Our firm is not actively engaged in any business other than giving investment advice.

Our firm is not actively engaged in any business other than giving investment advice.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Richard Grbac at 713-977-3800, if you have any questions regarding this policy.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit, nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Should we receive written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by you, we will forward all notices, proof of claim forms and other materials to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward the information electronically.

**Richard Allen Grbac**  
**Strategic Advisory Services, L.P.**

**5850 San Felipe, Suite 425  
Houston, Texas 77057**

**Local Phone: 713-977-3800  
Toll-Free Phone: 888-977-6444**

**April 11, 2011**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Richard Allen Grbac that supplements the Strategic Advisory Services, L.P. brochure. You should have received a copy of that brochure. Please contact Mr. Grbac if you did not receive Strategic Advisory Services, L.P.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Richard Allen Grbac is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Grbac's searchable CRD number is 228224.

## Item 2 Educational Background and Business Experience

### Richard Allen Grbac

Year of Birth: 1944

Formal Education:

- Eastern New Mexico University, Bachelor of Business Administration, 1967

Business Background for the Previous Five Years:

- Viking 1082, GP, LL C, President, 3/2004 to Present
- Strategic Advisory Services, L.P. (successor to Strategic Advisory Services, Inc.), Limited Partner/Chief Compliance Officer, 03/2004 to Present
- Strategic Advisory Services, Inc., President/ Treasurer/Owner, 10/1985 to 3/2004
- INVEST Financial Corporation, Registered Representative, 11/2005 to Present
- Securities America Insurance Agency, Inc., President, 10/1994 to 06/2004
- Securities America Inc., Registered Representative 02/1993 to 11/2005

Certification:

Certified Financial Planner™, CFP® , 1989

Certified Financial Planner™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.



### Item 3 Disciplinary Information

Mr. Grbac does not have any material legal or disciplinary information.

### Item 4 Other Business Activities

Mr. Grbac is a registered representative and principal with INVEST Financial ("INVEST"). INVEST is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, he has the ability to sell security products for commissions; however, in accordance with firm policy, he does not to recommend any products where a commission is generated. However, he may continue to receive income from trails on 12-B expenses on previously sold products. Additionally, Mr. Grbac could be eligible to receive incentive awards such as INVEST may offer. He may also receive 12b-1 fees from mutual funds that pay such fees.

Mr. Grbac is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Grbac for insurance related activities. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of our firm's brochure for additional disclosures on this topic.

### Item 5 Additional Compensation

Please refer to the *Other Business Activities* section above for disclosures on Mr. Grbac's receipt of compensation as a result of his activities as a registered representative of INVEST and an independent insurance agent.

### Item 6 Supervision

As Limited Partner and Chief Compliance Officer of Strategic Advisory Services, L.P., Mr. Grbac is not supervised by other persons.

In addition, our firm has in place written policies and procedures that are designed to detect and prevent violations of relevant securities laws, rules and regulations.

### Item 7 Requirements for State Registered Advisers

Richard Grbac does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.

**Trent Joshua Coleman**  
**Strategic Advisory Services, L.P.**

**5850 San Felipe, Suite 425  
Houston, Texas 77057**

**Local Phone: 713-977-3800  
Toll-Free Phone: 888-977-6444**

**April 11, 2011**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Trent Joshua Coleman that supplements the Strategic Advisory Services, L.P. firm brochure. You should have received a copy of that brochure. Please contact Richard Grbac if you did not receive Strategic Advisory Services, L.P.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Trent Joshua Coleman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Coleman's searchable CRD number is 4968584 .

## Item 2 Educational Background and Business Experience

### Trent Joshua Coleman

*Year of Birth:* 1983

*Formal Education:*

- Texas Tech University, Bachelor of Science, Personal Financial Planning, 2006

*Business Background for the Previous Five Years:*

- Strategic Advisory Services, L.P., Investment Adviser Representative, 5/2009 - Present
- Strategic Advisory Services, L.P., Assistant Planner, 09/2007 - 05/2009
- INVEST Financial Corporation, Registered Sales Assistant, 09/2007 - Present
- Financial Advisory Consultants, Planner, 08/2006 - 08/2007
- Triad Advisors, Inc., Registered Representative, 08/2006 - 08/2007

*Certifications:*

- Certified Financial Planner™, CFP®, 2008
- Certified Retirement Counselor®, CRC®, 2008

*Certified Financial Planner™, CFP®* and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services

at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

*Certified Retirement Counselor®*, ("CRC®") - This certification recognizes retirement planning professionals who demonstrate a mastery of subject matter, a commitment to the retirement planning profession, and adherence to a code of ethics and continuing education credit. The certification is awarded by the International Foundation for Retirement Education by meeting the following requirements: (1) bachelors degree (or higher) from an accredited college or university and a minimum of two years relevant retirement-related professional experience within the last five years; or a high school diploma or equivalent with five years relevant retirement-related professional experience in the last seven years; (2) passing a complete background check (3) agreeing to adhere to a code of ethics; (4) passing a proctored exam and (4) completing fifteen hours of continuing education on an annual basis.

### **Item 3 Disciplinary Information**

Mr. Coleman does not have any legal or disciplinary events to report.

### **Item 4 Other Business Activities**

Mr. Coleman is a full-time salaried employee of The Strategic Group, L.P., the holding company of Strategic Advisory Services, L.P., and a registered sales assistant with INVEST Financial ("INVEST"). INVEST is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Mr. Coleman is qualified to assist Mr. Grbac in placing any securities transactions through INVEST.

Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of our firm's brochure for additional disclosures on this topic.

### **Item 5 Additional Compensation**

Mr. Coleman does not receive any additional compensation from a third party in connection with providing advisory services to clients beyond that received as a result of his role with Strategic Advisory Services, L.P.

### **Item 6 Supervision**

Richard Grbac, Limited Partner and Chief Compliance Officer, is responsible for supervising the advisory activities of Mr. Coleman.

In addition, our firm has established reasonable compliance procedures designed to provide guidance in the supervision of our associated persons and to assist our firm in detecting and preventing violations of securities laws.

### **Item 7 Requirements for State Registered Advisers**

Trent Coleman does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.