

# Sanibel Captiva Investment Advisers, Inc. Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Sanibel Captiva Investment Advisers, Inc. If you have any questions about the contents of this brochure, please contact us at (312) 214-3555 or by email at: [slesch@scia-capital.com](mailto:slesch@scia-capital.com). 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 Sanibel Captiva Investment Advisers, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Sanibel Captiva Investment Advisers, Inc.'s CRD number is: 159186.*

980 North Michigan Avenue, Suite 1400  
Chicago, Illinois, 60611  
(312) 214-3555  
[slesch@scia-capital.com](mailto:slesch@scia-capital.com)  
[www.scia-capital.com](http://www.scia-capital.com)

*Registration does not imply a certain level of skill or training.*

Version Date: 2/9/2012

## **Item 2: Material Changes**

Sanibel Captiva Investment Advisers, Inc. has no material changes to report since the previous ADV amendment filed on October 28, 2011.

## Item 3: Table of Contents

### Table of Contents

Item 2: Material Changes.....	i
Item 3: Table of Contents.....	ii
Item 4: Advisory Business.....	1
A. Description of the Advisory Firm.....	1
B. Types of Advisory Services.....	1
Investment Supervisory Services.....	1
Investment Advisory Services.....	1
Services Limited to Specific Types of Investments.....	3
C. Client Tailored Services and Client Imposed Restrictions.....	3
D. Wrap Fee Programs.....	3
E. Amounts Under Management.....	3
Item 5: Fees and Compensation.....	4
A. Fee Schedule.....	4
Investment Supervisory Services Fees.....	4
Investment Advisory Services Fees.....	4
B. Payment of Fees.....	5
Payment of Investment Supervisory Fees.....	5
Payment of Fixed Fees.....	5
C. Clients Are Responsible For Third Party Fees.....	5
D. Prepayment of Fees.....	5
E. Outside Compensation For the Sale of Securities to Clients.....	5
Item 6: Performance-Based Fees and Side-By-Side Management.....	5
Item 7: Types of Clients.....	5
Minimum Account Size.....	6
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	6
A. Methods of Analysis and Investment Strategies.....	6
Methods of Analysis.....	6
Fundamental analysis.....	6
Technical analysis.....	6
Investment Strategies.....	6
B. Material Risks Involved.....	6
Methods of Analysis.....	6
Fundamental analysis.....	6
Technical analysis.....	6
Investment Strategies.....	6
C. Risks of Specific Securities Utilized.....	7

Item 9: Disciplinary Information .....	8
A. Criminal or Civil Actions.....	8
B. Administrative Proceedings.....	8
C. Self-regulatory Organization (SRO) Proceedings .....	8
Item 10: Other Financial Industry Activities and Affiliations.....	8
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	8
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	8
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	9
D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections.....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
A. Code of Ethics .....	9
B. Recommendations Involving Material Financial Interests .....	9
C. Investing Personal Money in the Same Securities as Clients.....	9
D. Trading Securities At/ Around the Same Time as Clients' Securities .....	10
Item 12: Brokerage Practices .....	10
A. Factors Used to Select Custodians and/or Broker/Dealers .....	10
1. Research and Other Soft-Dollar Benefits .....	10
2. Brokerage for Client Referrals.....	10
3. Clients Directing Which Broker/Dealer/Custodian to Use.....	10
B. Aggregating (Block) Trading for Multiple Client Accounts.....	11
Item 13: Reviews of Accounts.....	11
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	11
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	11
C. Content and Frequency of Regular Reports Provided to Clients.....	11
Item 14: Client Referrals and Other Compensation .....	12
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	12
B. Compensation to Non - Advisory Personnel for Client Referrals.....	12
Item 15: Custody .....	12
Item 16: Investment Discretion.....	12
Item 17: Voting Client Securities (Proxy Voting).....	12
Item 18: Financial Information.....	13
A. Balance Sheet.....	13
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	13
C. Bankruptcy Petitions in Previous Ten Years .....	13

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Sanibel Captiva Investment Advisers, Inc. is a Corporation organized in the state of Florida.

Sanibel Captiva Investment Advisers, Inc. was formed in July 2011 and the principal owner is Sanibel Captiva Holdings, Inc.

### B. Types of Advisory Services

Sanibel Captiva Investment Advisers, Inc. (hereinafter "SCIA") offers the following services to advisory clients:

#### *Investment Supervisory Services*

SCIA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SCIA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, risk tolerance levels, cash flow needs, tax situation, return requirements, time horizon, and estate needs.) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SCIA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SCIA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Investment Advisory Services*

SCIA also has an agreement with one client, Sanibel Captiva Trust Company (SCTC), a subsidiary of Sanibel Holdings Inc. whereby SCIA provides investment advisory services to SCTC for an annual fee. This fee is re-negotiated every year.

### ***Opportunistic Strategies Portfolio***

Opportunistic Strategies Portfolios (OSP) seek a combination of long-term growth and reduced portfolio volatility by accessing the “alternative investment” universe through publicly traded securities. Investments follow a value-based discipline and are focused in three areas -- capturing the returns of exceptional private equity managers by owning shares in their holdings companies; using publicly traded securities to mimic volatility-reducing hedge strategies; and making concentrated investments in select undervalued stocks and fixed-income securities (“special situations”). The overriding goal is to capture the returns available in the private-equity, hedge fund, and private partnership universe, but through highly liquid, transparent, separately managed accounts. By holding publicly traded securities, we significantly reduce management and performance fees, carried interest, and high commissions commonly associated with private partnerships and hedge funds.

A typical portfolio will hold an average of 10-15 securities, each bought and sold on its own merits. Holding periods for these securities may vary from a few weeks to a few years. Asset allocation is strictly defined; up to 40% of the portfolio may be dedicated to private-equity holding companies; between 10% and 40% in hedge strategies; and between 30% and 50% in undervalued “special situations.” Portfolios are rarely 100% invested, and cash will be held in the absence of new investment ideas. Margin buying, options, and short selling are not permitted. Potential investors should have a three- to five-year time horizon.

### ***Concentrated Moat Portfolio***

Invest in a concentrated portfolio of companies with sustainable competitive advantages that trade at meaningful discounts to intrinsic value. Companies will typically be large or mid-cap, with strong balance sheets, significant free cash flow, and high returns on invested capital.

The portfolio will be selected from a discrete universe of approximately 120 companies, all of which have strong competitive advantages (“moats”) stemming from one or more of the following sources: Intangible assets, such as brands, patents, or regulatory approvals; customer switching costs; the network effect; or cost advantages. In the manager’s experience, the common stocks of companies with moats can be mispriced by the market when negative short-term information is extrapolated out into the future, causing share-price declines. However, the competitive advantages of these companies typically allow them to fix non-structural operational issues faster than the market expects, causing their securities to return to a level more in line with intrinsic value. The Concentrated Moat portfolio will seek to arbitrage long-term analysis of competitive advantage and cash-flow generation against the short-term price-focused perspective of most market participants. The universe of competitively-advantaged companies will be re-screened frequently, and the portfolio will be rebalanced as appropriate ensure that the portfolio always owns the securities that trade at the largest discount to intrinsic value, and thus offer the highest expected return. Companies will be selected purely on

their own bottom--up merits, with only minimal regard for sector diversification. As a result, the portfolio will have significant sector bets, and may not be exposed to specific sectors for lengthy periods of time.

### ***Services Limited to Specific Types of Investments***

SCIA generally limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, hedge funds, REITs, private placements, and government securities. SCIA may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

SCIA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, risk tolerance levels, cash flow needs, tax situation, return requirements, time horizon, and estate needs) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SCIA from properly servicing the client account, or if the restrictions would require SCIA to deviate from its standard suite of services, SCIA reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. SCIA DOES NOT participate in any wrap fee programs.

### **E. Amounts Under Management**

SCIA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$102,773,642.50	\$0.00	02/8/2012

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
\$1 - \$2,000,000	1.25%
\$2,000,001 - \$5,000,000	0.90%
\$5,000,001 - \$20,000,000	0.65%
Above \$20,000,000	0.55%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly or quarterly in arrears and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

#### *Investment Advisory Services Fees*

SCIA charges a fixed annual fee of \$440,000 for investment advisory services to one client, Sanibel Captiva Trust Company. The fee is re-negotiated each year. Fees are paid monthly in advance, but never more than six months in advance. Refunds are given on a prorated basis, based on the number of days remaining in a month at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the month terminated. This fee is non-negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

#### *Opportunistic Strategies Portfolio Fees*

Flat annualized fee of 1.75% of the assets under management. The minimum account size is \$1 million for a new Trust Company client; \$500,000 for an existing client.

#### *Concentrated Moat Portfolio*

Flat annualized fee of 1.50% of the assets under management.



## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly or quarterly in arrears. Advisory fees may also be invoiced and billed directly to the client monthly or quarterly in arrears. Clients may select the method in which they are billed.

### ***Payment of Fixed Fees***

Fixed Advisory fees are paid on a monthly basis in arrears. Because fees are charged in arrears, no refund is necessary.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SCIA. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

SCIA collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither SCIA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

SCIA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

SCIA generally provides management supervisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Pooled Investment Vehicles

❖ Endowments

***Minimum Account Size***

There is an account minimum, \$1,000,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

**A. Methods of Analysis and Investment Strategies**

***Methods of Analysis***

SCIA's methods of analysis include fundamental and technical analysis.

*Fundamental analysis* involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

*Technical analysis* involves the analysis of past market data; primarily price and volume.

***Investment Strategies***

SCIA uses long and short term trading strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

**B. Material Risks Involved**

***Methods of Analysis***

*Fundamental analysis* concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

*Technical analysis* attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

***Investment Strategies***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using this strategy.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

SCIA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Hedge Funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Private placements** carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability and inflation.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither SCIA nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SCIA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Patrick Warfield Dorsey is the director of research of Sanibel Captiva Trust Company. From time to time he will offer clients advice or products from those activities. Sanibel Captiva Investment Advisers, Inc. always acts in the best interest of the client.

Timothy Paul Vick is a member of Sanibel Captiva Trust Company's "Asset Management Committee." Sanibel Captiva Investment Advisers, Inc. always acts in the best interest in the client.

Sheryl Erica Ann Lesch is currently a real estate sales person with VIP Realty Group. Sanibel Captiva Investment Advisers, Inc. always acts in the best interest in the client.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

SCIA does not utilize nor select other advisors or third party managers. All assets are managed by SCIA management.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

SCIA does not recommend that clients buy or sell any security in which a related person to SCIA or SCIA has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of SCIA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for

Form ADV 2A Version: 3/23/2012

representatives of SCIA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SCIA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of SCIA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SCIA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SCIA will always transact client's transactions before its own when similar securities are being bought or sold.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian, Fifth Third Bank, was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. SCIA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

##### ***1. Research and Other Soft-Dollar Benefits***

SCIA receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that SCIA must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for SCIA to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. SCIA always acts in the best interest of the client.

##### ***2. Brokerage for Client Referrals***

SCIA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

SCIA allows clients to direct brokerage. SCIA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage SCIA may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

SCIA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing SCIA the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly by Patrick Warfield Dorsey, President or Timothy Vick, Senior Portfolio Manager. Patrick Warfield Dorsey and Timothy Vick are the chief advisors and are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at SCIA are assigned to these reviewers.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

SCIA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SCIA clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

SCIA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

SCIA, with client written authority, has limited custody of client's assets through direct fee deduction of SCIA's Fees only. If the client chooses to be billed directly by Fifth Third Bank, SCIA would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

For those client accounts where SCIA provides ongoing supervision, the client has given SCIA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SCIA discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

SCIA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.



## **Item 18: Financial Information**

### **A. Balance Sheet**

SCIA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither SCIA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

SCIA has not been the subject of a bankruptcy petition in the last ten years.