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This brochure provides information about the qualifications and business practices of Stable Two Financial, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (513) 321-0903 or email at [larry.vignola@stabletwofinancial.com](mailto:larry.vignola@stabletwofinancial.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 the firm also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of the firm and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

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## ITEM 2: MATERIAL CHANGES

Stable Two Financial, LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update on January 30, 2013.

Since our last annual amendment filing in January 2014, we have no material changes to report about our Brochure.

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#### ITEM 4: ADVISORY BUSINESS

A. Description of our advisory firm, including how long we have been in business and our principal owner(s).

We are dedicated to providing a wide array of general consulting and investment advisory services to institutional retirement plans. Our firm is a limited liability company formed in the State of Ohio and has been in business since March, 2009. Presently, Larry Vignola is the sole owner of the firm.

B. Description of the types of advisory services we offer.

(i) Retirement Plan Consulting:

We provide institutional retirement plan consulting services to employer plan sponsors on both a project and retainer basis. Generally, such retirement plan consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing all aspects of their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: fiduciary process management, investment menu design, investment selection and monitoring, plan design structure, provider benchmarking and monitoring, legislative and regulatory guidance and participant education development and delivery.

All retirement plan consulting services shall be in compliance with the applicable state and federal law(s) regulating retirement plan consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Retirement plan consulting Agreement).

C. Explanation of whether we tailor our advisory services to individual needs of clients.

We fully recognize that no two retirement plans, or the companies sponsoring them, are identical and therefore our advisory services are tailored to the unique needs of each Plan. This process includes developing a thorough understanding of the company's benefits goals, corporate culture, employee demographics, current/past participant behavior, and general industry trends.

D. Participation in wrap fee programs.

We do not offer wrap fee programs nor do we provide individual wealth management services.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis.

We currently manage all of our assets on a non-discretionary basis, which total \$1,007,000,000 as of December 31, 2014.

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ITEM 5: FEES AND COMPENSATION

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you.

A. Description of how we are compensated for our advisory services provided to you:

<u>Assets under Management:</u>	<u>Annual Consulting Fee:</u>
Up to \$2,000,000	0.40%
\$2,000,001 to \$3,000,000	0.35%
\$3,000,001 to \$5,000,000	0.30%
\$5,000,001 to \$20,000,000	0.20%
\$20,000,001 to \$100,000,000	0.15%
Over \$100,000,000	0.10%

We can charge on a flat fee or asset-based basis for retirement plan consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. We will generally charge an hourly fee of \$150-250/hour, an asset based charge similar to the schedule above, or a flat fee that may produce an annual charge that won't exceed the schedule above unless a minimum fee has been negotiated. Fees will be charged on a quarterly basis. We generally charge a minimum quarterly advisory fee ranging from \$2,500 to \$5,000.

B. Description of whether we deduct fees from clients' assets or bill clients directly:

There are a growing number of fee-paying arrangements available for retirement plan consulting services. Each client's arrangement will be determined on a case-by-case basis, based on their specific needs, as well as the options available through their record-keeper. In all instances, the arrangement will be detailed in the signed retirement plan Consulting Agreement. The client will typically be invoiced directly for the fees incurred.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Additional charges may be applied for any extraordinary services provided that are beyond the scope of the Consulting Services Agreement. Examples include, but are not limited to, unforeseen travel, consulting support to correct an operational defect and

the delivery of participant communications services that were not covered by the original agreement. In any instances where additional fees may be charged, the client will be notified of any additional charge prior to the service being performed.

Clients may incur transaction charges for trades executed through their retirement accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. Client's advisory fees are due quarterly in advance.

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account as soon as is administratively feasible and process a pro-rata refund of unearned advisory fees.

E. Commissionable securities sales.

When acting as a registered investment advisor, no commissions will be assessed to accounts managed by our firm. However it is important to note that our supervised persons are also registered representatives of Mutual Securities, Inc., member FINRA/SIPC and may receive commissions for the clients where we do not act as an investment adviser representative. In these instances, our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities does not present a conflict of interest unless we receive commissions from effectuating securities in your advisory accounts.

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## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge performance based fees to any of our clients.

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## ITEM 7: TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS

We may serve the following types of institutional clients:

- 401(k), 403(b), 457, defined benefit, and non qualified deferred compensation plans

There are no minimum account size requirements but we do reserve the right to charge a minimum quarterly advisory fee ranging from \$2,500 to \$5,000 for our retirement plan consulting accounts.

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## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- Fundamental
- Quantitative

Investment Strategies we use:

- Long term purchases (securities held at least a year)

**Please note:**

Investing in securities involves risk of loss that clients should be prepared to bear. While each asset class may increase and your account(s) could enjoy a gain, it is also possible that these asset classes may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in each of your investments, are appropriately diversified in your investments, and ask us any questions you may have.

B. Our practices regarding cash balances in client accounts, including whether we invest cash balances for temporary purposes and, if so, how.

We do not invest cash balances, since all of our clients are institutional employee benefit plans. The assets are held in a separate trust for each unique plan

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## ITEM 9: DISCIPLINARY INFORMATION

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

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## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. Our firm or our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. The details are as follows:

Messrs. Vignola, Wall, Jordan, and Craft are registered representatives with Mutual Securities, Inc. ("Mutual Securities"), a registered broker-dealer and Member FINRA/SIPC.

- B. Description of any relationship or arrangement that is material to our advisory business or to our clients, which we or any of our management persons have with any related person<sup>1</sup> listed below.

We are required to identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how we address it.

We have determined we have nothing to disclose in this regard.

- C. If we recommend or select other investment advisers for our clients and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

We have determined we have nothing to disclose in this regard.

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<sup>1</sup> Our Related Persons are any advisory affiliates and any person that is under common control with our firm. Advisory Affiliate: Our advisory affiliates are (1) all of our officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by us; and (3) all of our current employees (other than employees performing only clerical, administrative, support or similar functions). Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.



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## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>2</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures.

We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

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<sup>2</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- B. If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this potential conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. The risk of this potential conflict is further mitigated by the fact that we do not recommend individual securities to clients.

- C. If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this brochure. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 48 hours of buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last. The risk of this potential conflict is further mitigated by the fact that we do not recommend individual securities to clients.

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## ITEM 12: BROKERAGE PRACTICES

Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not recommend Broker-Dealers.

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## ITEM 13: REVIEW OF ACCOUNTS OR FINANCIAL PLANS

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

Retirement plan consulting clients receive reviews of their plans for the duration of the retirement plan consulting service and at a frequency that is defined in their unique consulting agreement. We also provide ongoing services to retirement plan consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

As mentioned in Item 13A of this Brochure, the content and frequency of our reports to retirement clients is generally outlined in our Consulting Services Agreement and is tailored to the unique needs of each client. While not universal, typically over the course of a typical year our retirement plan clients will receive information regarding the overall performance of their plans including its investments, participant behavior and asset allocation.

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#### ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

- A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

No such relationship exists.

- B. If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We do not presently pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940, but have in the past and may in the future.

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## ITEM 15: CUSTODY

If we have custody of client funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our clients, we must disclose that we have custody and explain the risks that you will face because of this.

We do not have custody of client funds or securities.

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## ITEM 16: INVESTMENT DISCRETION

If we accept discretionary authority to manage securities accounts on behalf of clients, we are required to disclose this fact and describe any limitations our clients may place on our authority. The following procedures are followed before we assume this authority:

At the present time we do not take or exercise discretion with respect to the investments of our client's retirement plans.

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## ITEM 17: VOTING CLIENT SECURITIES

If we accept the proxy authority to vote client securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

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## ITEM 18: FINANCIAL INFORMATION

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

We have never been the subject of a bankruptcy proceeding.