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Form ADV Part 2

Investment Adviser Brochure

This brochure provides information about the qualifications and business practices of Sterling Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact our office at: 610-376-9561, or by email at: sconnerton@sterlingfn.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment adviser and does not imply a certain level of skill or training.

Additional information about Sterling Financial Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by our firm name or by a unique identifying number known as a CRD number. The CRD number for Sterling Financial Advisors, LLC is 111962.

March 20, 2015

Item 2. Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

There are no material changes to report since the Form ADV Part II (Brochure) dated March 20, 2014 was published.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 610-376-9561 or by email at: sconnerton@sterlingfn.com.

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Item 4. Advisory Business

Firm Description

Sterling Financial Advisors, LLC (Sterling), was founded in 1999. It is a wholly-owned entity of Reinsel Kuntz Leshner LLP, a certified public accounting firm.

We provide personalized confidential financial planning and investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, foundations, endowments and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Sterling provides investment advice to you; you make the final decision on investment selection. We do not act as a custodian of client assets. Sterling places trades for clients under a limited power of attorney.

The initial meeting is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment advisory services may be beneficial to you.

A written evaluation of the client's initial situation will be provided. Sterling will communicate through periodic reviews of the specific courses of action that need to be taken. More frequent account reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Our clients may engage directly other professionals (e.g., lawyers, accountants, insurance agents, etc.) on an as-needed basis. With client consent, we often consult with our clients' other professional advisors as planning recommendations are formulated and/or implemented. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

Principal Owners

We are directly owned by Reinsel Kuntz Leshner LLP, our parent firm.

Types of Advisory Services

Sterling provides financial planning, investment management services, investment advisory services using the SEI Program, retirement plan consulting services, and consulting services. The services are described below.

As of December 31, 2014, Sterling has assets under management of \$ 138,593,598 for approximately 275 clients; we also provide advisory services to 32 retirement plans and 86 individual clients with an aggregate of \$ 202,670,900 in assets.

Financial Planning Services

A financial plan is designed to help the client with all aspects of financial planning without on-going investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

The client may receive detailed investment advice and specific recommendations as part of the financial plan. Implementation of the recommendations is at client discretion.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary. Follow-up implementation work is billed separately at the rate ranging from \$125 to \$270 per hour depending on the complexity of the client's circumstances and the individual conducting the planning work.

- **Investment Advisory Services - SEI Program**

Sterling offers the SEI Program, sponsored by SEI Investment Management Corporation (SIMC) to advisory clients. SIMC is an unaffiliated registered investment company. SIMC provides advisory services to Sterling involving the structure and design of asset allocation portfolios for the advisory client. Portfolios within this program include the use of SIMC approved managers and SIMC mutual funds. Sterling will determine the client's current financial situation, financial goals and attitudes toward risk through various analyses and questionnaires. This will enable Sterling to recommend an asset allocation based on the client's specific objectives and goals. Recommendations are made for adjustments to portfolio allocation as our client's circumstances change over time.

- **Investment Management Services**

Sterling provides continuous investment advice to clients and makes recommendations based on the client's stated goals and investment objectives. We analyze the client's current investment holdings, current income and income needs, tax bracket, risk tolerances, investment experience and family situation. Our clients may impose investment restrictions on their accounts or give us special instructions. All of this information is detailed in the "Client Questionnaire" addendum to our agreements. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

We will typically create a portfolio of no-load mutual funds. We primarily recommend portfolios consisting of mutual funds offered by Dimensional Fund Advisors (DFA). Portfolios may include other mutual funds, individual equities, corporate and municipal fixed income securities, U.S. Government securities, option contracts, and certificates of deposit.

Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Broker dealers may charge a transaction fee for the purchase of some funds.

Sterling does not receive any compensation, in any form, from fund companies.

- **Retirement Plan Consulting Services**

Sterling provides several advisory services separately or in combination. The client may choose to use any or all of these services. For participant-directed retirement plans (401(k), 403(b), 457(b), Money Purchase, etc.) we provide services that include the Selection of Investment Vehicles, Monitoring of Investment Performance, and Employee Communications and Education.

- **Consulting Services**

Sterling provides hourly planning services for clients who need advice on a limited scope of work. This may include advice on isolated areas of concern such as estate planning, retirement planning, or cash flow analysis.

Item 5. Fees and Compensation

Description

Sterling bases its fees on a percentage of assets under management, hourly fees, and fixed fees.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Investment advisory fees are determined by the types of assets and the total dollar amount of the account.

Fees may be negotiable in certain circumstances.

Fee Billing

Sterling, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

- **Fees for Financial Planning**

Financial planning fees will be charged as a fixed fee, typically ranging from \$500 to \$7,500, or on an hourly basis, ranging from \$125 to \$270 per hour, depending on the complexity of each client's circumstances. The minimum fee is \$750. The fee for a financial plan is predicated upon the facts known at the start of the engagement. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary. The fee may be negotiable in certain circumstances.

Fees for financial plans are billed upon delivery of the financial plan. All fee arrangements are detailed in the client's Financial Planning Agreement.

- **Fees for Investment Management Services**

Fees for investment management services are based on a percentage of the investable assets, ranging from 0.25% to 1.25%. Sterling Financial Advisors will quote the percentage to each client based on the type of investments and total dollar amount of the account.

The fees are billed quarterly, in arrears, meaning that the fee will be debited or an invoice presented after the three-month billing period has ended. Fees will be prorated for a partial quarter. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in writing to direct debiting of their investment account. The client may also choose to pay the fee directly. The minimum annual fee is \$750. The fee may be negotiable in certain circumstances.

All fee arrangements are detailed in the client's Investment Management Services Agreement.

- **Fees for Investment Advisory Services – SEI Program**

Fees for investment management services are based on a percentage of the investable assets, ranging from 0.25% to 1.25%. We will quote the percentage to each client based on the type of investments and total dollar amount of the account.

The fees are billed quarterly, in arrears, meaning that the fee will be debited after the three-month billing period has ended. Fees will be prorated for a partial quarter. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in writing to direct debiting of their investment account. The client may also choose to pay the fee directly. The minimum annual fee is \$750. The fee may be negotiable in certain circumstances.

All fee arrangements are detailed in the client's Investment Advisory Services Agreement for the SEI Program.

- **Fees for Retirement Plan Consulting Services**

Fees for specific Retirement Plan Consulting Services will be charged in one of the following ways:

1. As a percentage of the plan assets, ranging from 0.25% to 1.25%, depending on the nature and complexity of the services rendered. Sterling will quote the percentage to each client based on both the nature of services and total dollar amount of the account. Under this arrangement clients will be invoiced in arrears at the end of each calendar quarter based upon the market value of the plan assets for the quarter; or,
2. Fees may be charged on an hourly fee basis, ranging from \$125 to \$270 per hour depending on the nature and complexity of each client's circumstances. Hourly fees will be due and payable as earned.
3. As a fixed fee, typically ranging from \$500 to \$8,000 annually; fees payable in arrears.

All fee arrangements are detailed in the client's Retirement Plan Consulting Services Agreement.

- **Fees for Consulting Services**

The hourly rate for limited scope engagements ranges from \$125 to \$270 per hour, depending on the complexity of each client's circumstances as well as the individual conducting the work. An estimate for total hours will be determined at the start of the advisory relationship. 50% of the estimated fee may be due upon signing the agreement, with the balance due upon completion of the work. Fees may be negotiable in certain circumstances.

All fee arrangements are detailed in the client's Consulting Services Agreement.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. The custodian may also charge fees for specific services such as overnight delivery of a check or for processing a wire transfer of funds.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50

means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Sterling Financial Advisors, LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. So they are net of the mutual fund's management fee.

Past Due Accounts and Termination of Agreement

Sterling reserves the right to stop work on any account that is more than 120 days overdue. In addition, we reserve the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in our judgment, to providing proper financial advice. Any prepaid, unused portion of fees will be refunded within 30 days.

You or Sterling may terminate an agreement for services at any time without penalty by providing 30-day written notice to the other party. Upon termination of any account, any unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Item 6. Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Sterling does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7. Types of Clients

Description

Sterling generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, foundations, endowments, and small businesses.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$500,000 of assets under management.

Sterling has the discretion to waive the account minimum. Accounts of less than \$500,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a reasonable time. Other exceptions will apply to Sterling employees and their relatives, employees of Reinsel Kuntz Leshner LLP and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed a \$750 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis.

Fundamental analysis is the in-depth study of the financial condition and operating results of a firm. This method of evaluating a security attempts to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts study company-specific factors like financial condition and management. They also consider macroeconomic factors like the overall economy and industry conditions. The end goal is to produce a value that an investor can compare with the security's current price to decide whether to buy or sell. This method of security analysis is considered to be the opposite of technical analysis.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Cyclical analysis is the use of business cycle stages to indicate which securities will perform best given the current business phase and market conditions.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

We may use other sources which include Morningstar Principia mutual fund information, Morningstar Principia stock information, Schwab Advisor Services, SEI Advisor Services and numerous sites on the internet.

Investment Strategies

SEI Program

Sterling offers the SEI Program, sponsored by SEI Investment Management Corporation (SIMC) to advisory clients. SIMC is an unaffiliated registered investment company. SIMC provides advisory services to us involving the structure and design of asset allocation portfolios for the advisory client. Portfolios within this program include the use of SIMC approved managers and SIMC mutual funds.

Sterling will assess your current financial situation, financial goals and attitudes toward risk through various analyses and questionnaires. This will enable us to recommend an initial asset allocation based on your specific objectives and goals. Sterling will use a model portfolio provided by SIMC to Sterling. If appropriate, we will suggest modifications to the model to more adequately address your individual needs. You may place reasonable restrictions on the nature of the investments held in the portfolio or the allocation among the various classes of investments. Sterling will assist you in choosing the managers and/or the mutual funds for the portfolio. SIMC utilizes institutional management firms to manage separate accounts and mutual funds. The managers are monitored by SIMC to ensure that their investment styles and performance remain consistent the managers stated objectives.

In certain circumstances a client may include mutual funds, equity, or fixed income positions not approved/advised by SIMC in their portfolio. These are generally part of client's investment holdings prior to becoming a client of Sterling.

SIMC will review model portfolios quarterly and, when appropriate, recommend changes in the model portfolios. SIMC will automatically reallocate your portfolio to conform to its model portfolio at the end of each calendar quarter, unless otherwise instructed by you. Sterling will review custom portfolios on a regular basis, generally quarterly, and will direct SIMC to make any changes to custom portfolios at the client's instruction.

Clients may instruct SIMC to automatically rebalance quarterly the client's account if any of the asset classes in the account vary from their specified percentage of the client's account by more than two percent (2%) or three percent (3%) in the case of tax managed accounts.

Investment Management Services

Sterling manages investment portfolios for individuals, estates, trusts and small businesses. We work with you to determine the specific investment objectives and risk profile. We will work with new clients to develop a plan to transition from the client's existing portfolio to the recommended portfolio, considering overall asset allocation strategy and tax sensitivity.

Sterling will typically create a portfolio of no-load mutual funds. We primarily recommend portfolios consisting of mutual funds offered by Dimensional Fund Advisors (DFA). DFA-sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Consequently, DFA fund fees are generally lower than fees and expenses charged by other funds. In certain circumstances a client may include other mutual funds, equity, or fixed income positions in their portfolio. These are generally part of client's investment holdings prior to becoming our client. Sterling will then continuously monitor the portfolio holdings and the overall asset allocation strategy, holding regular review meetings with you.

The firm's Investment Committee establishes the overall investment strategies employed, reviews the brokers/custodians we recommend to our clients, and approves of particular investments which may be used by advisors of our firm. The Investment Committee members are Christopher A. Zavecz, CFP®, Richard S. Waldron, Judson S. Meinhart, Laurie M. Peer, CFP®, and Thomas D. Reardon, CFP®.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9. Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10. Other Financial Industry Activities and Affiliations

Financial Industry Activities

Sterling Financial Advisors, LLC is a registered investment adviser; we are not registered as a broker-dealer. None of our employees are registered representatives of a broker-dealer.

We are not a futures commission merchant, commodity pool operator or commodity trading advisor. None of our employees are futures commission merchants, commodity pool operators or commodity trading advisors.

Financial Industry Affiliations

Sterling has arrangements that are material to its advisory business or its clients with an affiliated investment advisor, accounting firm, investment banking firm and insurance agency.

Sterling is a wholly-owned subsidiary of Reinsel Kuntz Leshner LLP (RKL), a certified public accounting and consulting firm. RKL may recommend Sterling to accounting clients in need of advisory services, and Sterling may recommend RKL to advisory clients in need of accounting services. Accounting services provided by RKL are separate and distinct from the advisory services of Sterling, and are provided for by separate and typical compensation. Reinsel Kuntz Leshner LLP's accounting services do not include the authority to sign checks or otherwise disburse funds on any Sterling advisory client's behalf. RKL provides office space, certain personnel, equipment and supplies to us.

Sterling is under common ownership with an affiliated registered investment adviser, Kuntz Leshner Capital, LLC, located in Lancaster, PA. There are no referral fee arrangements between Sterling Financial Advisors, LLC and Kuntz Leshner Capital LLC. No fees are exchanged directly between Sterling and Kuntz Leshner Capital LLC.

Sterling is affiliated with Reinsel Kuntz Leshner Financial Services LLC (RKLFS), a licensed insurance agency that offers various insurance products including term and universal life products, long term care insurance, and disability insurance. RKLFS receives commission compensation for the sale of these products. The implementation of recommendations and the purchase of recommended products are solely at the discretion of the client.

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

Code of Ethics

The employees of Sterling have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of

Ethics to any client or prospective client upon request. The Code is based upon the principle that Sterling and its employees owe a fiduciary duty to our clients to conduct our personal business, including personal securities transactions, in such a manner as to avoid serving our own personal interests ahead of our clients, to avoid taking inappropriate advantage of our position with the firm and to avoid any actual or potential conflicts of interest.

Our Code of Ethics prohibits trading using non-public information.

Employees may only accept gifts of a nominal value.

The Code of Ethics further includes our firm's policy on protecting the confidentiality of client information.

Participation or Interest in Client Transactions

Sterling and its employees may buy or sell securities that are also held by clients.

Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Sterling Financial Advisors, LLC Code of Ethics.

Personal Trading

Sterling Financial Advisors, LLC does not participate in securities in which it has a material financial interest.

The Chief Compliance Officer of Sterling is Stephanie Connerton. Sterling requires that all employees provide annual securities holdings reports and quarterly transaction reports to her. She reviews all employee trades in reportable securities each quarter. Her trades are reviewed by Christopher Zavec. A reportable security is any stock, ETF or bond; it is any security except:

- Direct obligations of the U.S Government, e.g. U.S. Treasury bills, notes and bonds;
- High quality short term instruments, e.g. U.S. bank certificates of deposit, commercial paper, or bankers acceptance;
- Money market funds;
- Open-end investment companies, i.e. mutual funds unless our firm, or an affiliated company, acts as investment adviser, sub-adviser or principal underwriter to the mutual funds;
- Unites of unit investment trusts but only if invested exclusively in unaffiliated mutual funds.

The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades, the trades do not affect the securities markets.

Item 12. Brokerage Practices

Selecting Brokerage Firms

We recommend several brokerage firms to advisory clients. Typically these brokerage firms are the brokerage division of the entity where assets are custodied. Specific broker dealer recommendations are made to clients based on their need for such services. Sterling recommends broker dealers based on the proven integrity and financial responsibility of the firm, the cost of transactions, and the custodial platform provided to clients.

We do not maintain physical custody of client assets. Your assets must be maintained in an account held at a "qualified custodian". We recommend brokers/qualified custodians such as Schwab Institutional, SEI Private Trust Company, MG Trust, ExpertPlan, and Charles Schwab Trust Company.

Clients choosing to participate in the SEI Program must use SEI Private Trust Company as custodian for their assets.

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. Clients must direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular brokerage firm, it should be understood that Sterling will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. A disparity in commission charges may exist between the commissions charged to other clients.

Sterling does not receive fees or commissions from any of these arrangements.

Products and Services Available to Us

Sterling receives from our brokers and custodians, which include SEI Private Trust Company and Schwab Advisor Services™, without cost, software and support services which allow Sterling to better monitor and service client accounts. We receive the software and support without cost because we provide investment advisory services to clients that maintain accounts at an aggregate total minimum asset level required for an investment advisor to receive software and support without cost.

Services include software and other technology that provide access to client account data, facilitate trade execution, provide research, pricing information and other market data, and facilitate client reporting.

Services are also provided, at no cost, that are intended to help us manage and further develop our practice. These include educational conferences and events, consulting on technology, compliance, legal and business needs, and publications and conferences on practice management and business succession. Sterling, often together with SEI or Schwab, provides educational events for our clients and prospective clients.

Sterling does not enter into any commitments for transaction levels in exchange for any services from the broker dealer. We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits. The services provided are available at no charge as long as our clients collectively maintain a minimum asset level required. The services and support provided by broker dealers are not a material consideration when recommending custodians to our clients; however, clients should be aware that the receipt of these services may create a potential conflict of interest.

Order Aggregation

We do not aggregate the trades of our clients because all trade decisions are reviewed for near-term and long-term tax efficiency which requires individual analysis. Most trades are mutual funds where trade aggregation does not garner any client benefit.

Item 13. Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by advisors Laurie M. Peer, CPA, CFP®, Thomas D. Reardon, CFP®, Richard S. Waldron, and Christopher A. Zavec, CFP®. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

We communicate with our clients through a range of reports, telephone calls, letters, and regular client meetings. The frequency and type of communication varies from client to client and depends on your needs, circumstances and wishes.

Clients will receive monthly or quarterly statements and confirmations from their respective custodians.

Clients with assets custodied at SEI Private Trust Company will receive quarterly statements including performance reporting from SEI.

Item 14. Client Referrals and Other Compensation

Incoming Referrals

Sterling Financial Advisors, LLC may compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals.

Appropriate disclosure shall be made, all written instruments will be maintained by Sterling and all applicable federal and state laws will be observed.

Sterling indirectly and directly compensates the partners of Reinsel Kuntz Leshar LLP for client referrals. The indirect compensation is in the form of increased profitability, which is allocated to those individuals subject to the partnership agreement of Reinsel Kuntz Leshar LLP. The direct compensation is five percent of the net investment advisory fee paid by the client. The referral fee is paid directly to the referring partner. This referral fee does not increase the investment advisory fee paid by the client.

Referrals Out

Sterling does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

We receive benefits from our brokers and custodians only in the form of support products and services made available to us. These are fully described in "Item 12: Brokerage Practices".

Item 15. Custody

Account Statements from Your Custodian

Sterling is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement.

All assets are held at qualified custodians, which means the custodians provide account statements directly to you at your address of record at least quarterly.

Account Statements and Reports from Sterling

Clients are urged to compare the account statements received directly from their custodians to account statements and reports provided by Sterling for accuracy.

Net Worth Statements

Clients may receive net worth statements that are generated from our wealth management software system. Net worth statements contain approximations of bank account balances provided by the client, and may include estimated the values of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Item 16. Investment Discretion

Discretionary Authority for Trading

Sterling does not accept discretionary authority to manage securities accounts on behalf of clients. We consult with you prior to each trade to obtain concurrence.

You approve the custodian to be used and the commission rates paid to the custodian. We do not receive any portion of the transaction fees or commissions paid by you to the custodian.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Item 17. Voting Client Securities

Proxy Votes

Sterling does not vote proxies on securities. You will receive proxy material directly from your account custodian. You are expected to vote your own proxies.

Questions about proxies may be made via the contact information on the cover page.

Item 18. Financial Information

Financial Condition

Sterling Financial Advisors, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Sterling does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.