

# **FIRM BROCHURE**

## **Part 2A of Form ADV**

**August 11, 2015**

### **Sigdestad Financial, Inc.**

9666 Businesspark Avenue #111

San Diego CA 92131

Phone: (858) 695-6600

Fax: (877) 692-9700

[www.retiremeasap.com](http://www.retiremeasap.com)

**Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Sigdestad Financial, Inc. If you have any questions about the contents of this Brochure, please contact us at (858) 695-6600 and/or [info@retiremeasap.com](mailto:info@retiremeasap.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.**

**Sigdestad Financial, Inc. is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”); however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made. Additional information about Sigdestad Financial, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## ITEM 2: MATERIAL CHANGES

The purpose of this page is to inform you of any material changes to our brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

Sigdestad Financial, Inc. (“SFI”) reviews and updates our brochure at least annually to make sure that it is still current. We have not made material changes since the annual update to our brochure, dated March 4, 2014.

Pursuant to SEC Rules, Sigdestad Financial, Inc. will ensure that clients receive a summary of any materials changes to this Brochure accompanied by an offer to receive the full brochure within 120 days of the close of Sigdestad Financial, Inc.’s fiscal year end. Additionally, as Sigdestad Financial, Inc., experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please visit [www.retiremeasap.com](http://www.retiremeasap.com).

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## **ITEM 4: ADVISORY BUSINESS**

### **A. Description of Firm**

Sigdestad Financial, Inc. (“SFI” or the “Firm”) is a San Diego, California based investment advisory firm, founded in 2010 (previously doing business as Sigdestad Financial under unaffiliated broker-dealers and registered investment advisers since 2005). SFI is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser and is organized under the laws of the State of California as a corporation. SFI offers customized investment management, separately managed accounts, and financial consulting services to individuals and high net worth individuals. Some of the investment instruments SFI advises its clientele on include, among other things, mutual funds, exchange traded funds (“ETFs”), stocks, bonds, treasuries, REITS (real estate investment trusts), separately managed accounts, and Master Limited Partnerships. No minimum is required to open and maintain an investment advisory account. SFI periodically sends newsletters, e-mails, and other correspondence of general market and retirement related information and items of interest to its clients and prospective clients on a complimentary basis. In addition, SFI may occasionally hold complimentary informational seminars for its clients and prospective clients geared towards retirement and investment needs.

### **B. Principal Owner**

SFI is 100% owned by The Eric Sigdestad Trust dated July 22, 2015, for which Eric A. Sigdestad serves as the sole trustee. Eric Sigdestad serves as SFI’s CEO and Chief Compliance Officer.

### **C. Types of Advisory Services Offered**

SFI offers clients financial consulting and investment management services, which are fully described below. A client may engage Sigdestad Financial for financial consulting services and/or investment advisory services.

#### **1. Financial Consulting Services**

SFI provides clients with customized financial consulting services and charges an hourly rate for said services. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. SFI will first conduct a complimentary initial consultation. After the initial consultation, if the client decides to engage SFI for financial planning services, pertinent information about the client’s financial circumstances and objectives is collected and such information will be reviewed and analyzed. A written financial plan – designed to achieve the clients’ stated financial goals and objectives – may be produced and presented to the client- depending on the complexities and needs of the individual client. The primary objective of this process is to allow SFI to assist the client in developing a strategy for

the successful management of income, assets, and liabilities in meeting the client's financial goals and objectives.

Should a client decide to implement any recommendations contained in their financial plan, the client may, but is under no obligation to, utilize SFI to implement those recommendations. There can be no assurance that SFI's financial planning services or any products recommended by a financial plan are at the lowest available cost. Clients are advised that potential conflicts of interest exist if SFI recommends its own portfolio management services or if SFI recommends products or services offered in such representative's capacity as a registered representative of a broker-dealer. Specifically, clients should be aware of the following conflicts that may exist between SFI's interests and the interest of the client.

If the client implements the financial plan through SFI, the Firm will receive additional payment from the client in the form of advisory fees. This may act as an incentive to SFI to make certain recommendations in the financial plan or to advise the client to instruct SFI to implement the plan. Other firms may charge lower fees for providing such services.

## 2. Investment Advisory Services

SFI provides discretionary portfolio management on a continuous basis. The investment advice provided is variable depending upon the desires, investment objectives, and other preferences of the client and in accordance with a written Investment Advisory Agreement entered into between SFI and the client. SFI offers comprehensive investment advisory services, which encompasses portfolio management as well as providing financial consulting/financial planning to clients, and is designed to assist clients in meeting their financial goals through the use of financial investments. SFI will conduct one or more meetings (in person if possible, otherwise via telephone conference) with the client in order to understand the client's current financial situation, existing resources, financial goals, and tolerance for risk. Based on this information, SFI will recommend an investment approach to the client. Upon written execution of the Investment Advisory Agreement, SFI will work with the client to establish or transfer investment accounts so that the Firm is able to manage the client's portfolio. SFI may periodically rebalance or adjust client accounts under its management.

Investment advisory recommendations are based on the client's financial situation at the time the services are provided and are based on financial information disclosed by the client. If the client experiences any significant changes to his/her financial or personal circumstances, it is the client's responsibility to timely notify the Firm so that such information can be used in managing the client's portfolio. In addition, SFI does not assume any responsibility for the accuracy of the information provided by clients. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and past trends and performance of the market and economy. Past performance is in no way an indication of future performance.

#### **D. Participation in Wrap Fee Programs**

SFI does not participate in wrap fee programs.

#### **E. Investment Advisory Agreements**

Prior to engaging SFI to provide investment advisory services, each client is required to enter into a written Investment Advisory Agreement with the Firm, which will describe the management fees to be charged and the terms and conditions under which SFI will render its services. SFI will provide a Brochure and one or more Brochure Supplements to each client or prospective client prior to or at the same time a client executes SFI's Investment Advisory Agreement. SFI will continue to provide services until terminated by the client or SFI in accordance with the provisions outlined within the agreement.

Neither SFI nor the client may assign the Investment Advisory Agreement without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of SFI shall not be considered an assignment.

#### **F. Assets Under Management**

As of December 31, 2014, the following represents the amount of client assets under management by SFI on a discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$119,736,723
Non-Discretionary	\$0.00
Total:	\$119,736,723

### **ITEM 5: FEES AND COMPENSATION**

Fees for investment advisory services will be calculated and paid quarterly in advance based on the market value of the account at the end of the previous quarter end. Fees are generally not negotiable; however, SFI may agree to a reduced rate for fees or may waive fees entirely for certain employee/related accounts. Any exceptions made to the published fee schedule are under certain circumstances pursuant to a written Investment Advisory Agreement with the client. No increase in the fee schedule shall be effective without prior written notification to the client.

Assets Under Management	Annual Advisory Fee
First \$50,000	2.00%
Next \$200,000	1.25%
Next \$250,000	0.90%
Above \$500,000.01	0.70%

The first advisory fee is calculated based on the market value of the account at the end of the calendar quarter following execution of the Investment Advisory Agreement. SFI does prorate advisory fees for new accounts opened mid quarter and net contributions and withdrawals made during a quarter that exceed \$10,000. Should a client execute an Investment Advisory Agreement and fund an account in the middle of a quarter, billing will not start until the first day of the following quarter and the billing will include the prorated advisory fees from the date of inception of the account to the last day of the prior quarter. This is a tiered fee schedule such that the first \$50,000 in the account will have fees charged at 2% per year, the next \$200,000 in the account will have fees charged at 1.25% per year, the next \$250,000 in the account will have fees charged at .9% per year, and the balance of money in the account that is above \$500,000.01 will have fees charged at .7% per year.

SFI's fee schedule does not include the following separately incurred expenses, of which the Firm does not receive any part: mutual fund, index fund, and/or exchange traded fund expenses, trading costs, separately managed account expenses, and custodial costs. These fees will be separately charged by the relevant parties and borne by the client. Unless the client requests direct billing, fees will be automatically deducted from the account. If fees are automatically deducted from the client's account as per the Investment Advisory Agreement, the client adheres and acknowledges the following:

- The custodian sends statements at least quarterly to the client showing all disbursements from the brokerage account, including the amount of the advisory fees; and
- The client provides authorization through the written Investment Advisory Agreement to the custodian permitting SFI to be directly paid by these terms.

Either party may terminate the Investment Advisory Agreement at any time by providing written notice to the other party. In accordance with the terms of the client agreement, upon termination, the client will receive a pro-rata refund of any unearned fees. The client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the client. No interest will be added to refunds under these circumstances.

SFI provides clients with customized financial consulting services. Fees for financial consulting services are separate from investment advisory services. With respect to financial consulting, the Firm will generally charge an hourly fee of \$200/hour, which may be negotiable in certain circumstances, depending upon the level and scope of these services. The total number of hours will be estimated prior to the engagement for hourly billing, and the total estimated fees will be specified in SFI's Financial Consulting Agreement. Half of the total amount of fees is due upon the execution of Adviser's Financial Consulting Agreement, and the remaining amount of fees will be due upon completion of the consultation.

SFI's financial consulting fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Financial consultations shall be completed within six (6) months of the prepayment of any fees.



Either party may terminate the financial consulting agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the financial consulting agreement. After five (5) business days, clients will receive a pro-rata refund, which takes into account work completed by SFI on behalf of the client. The client will incur charges for bona fide financial consulting services rendered to the point of termination, and such fees will be due and payable by the client.

#### **A. Additional Information Concerning Fees**

All fees paid for investment advisory accounts are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of SFI. In that case, the client would not receive the services provided by SFI, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate for the client's financial situation and objectives. Accordingly, clients should review both the fees charged by the funds and the fees charged by SFI to fully understand the total amount of fees to be paid, and to evaluate the advisory services being provided.

In addition, some clients may have assets with a third-party manager selected by SFI and incur additional costs of the services provided by the third-party manager. Please note: SFI no longer offers a selection of third-party managers to clients.

#### **B. Conflicts of Interest**

Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. Lower fees for providing comparable services may be available from other sources. The Firm does not have physical custody of any client funds or securities, and a qualified and independent custodian will be used to hold client assets.

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

SFI does not charge performance-based fees (i.e., fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). Consequently, SFI does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described above, the Firm provides its services for a fixed fee, hourly charges and/or based upon a percentage of assets under management. Notably, accounts that are managed in the same style (e.g., moderately aggressive) may not be managed the same way due to the client's overall investment objective, discretion of the investment professional assigned to the account, asset size and account restrictions.

## **ITEM 7: TYPES OF CLIENTS**

SFI provides independent, objective advice regarding investments and planning for individuals, and high net-worth individuals. There is no minimum required to open and maintain an investment advisory account.

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

### **A. Methods of Analysis, Sources of Information and Investment Strategies**

When SFI is engaged to provide investment advice, the client's current financial situation, needs, goals, objectives, and tolerance for risk are first evaluated.

In addition to several in person or telephonic interviews with a new client, the client is required to complete a questionnaire to assist SFI in formulating the client's investment objectives. Copies of certain client documents may be requested by SFI to assist in conducting a more complete evaluation of the client's objectives and to devise an investment objective. SFI may reasonably request certain of the following documents: insurance policies, wills, tax returns, and other documents depending upon the client's circumstances, in order to permit a complete financial evaluation. SFI shall not be required to verify any information obtained from the client, client's attorney, accountant, or other professionals, and is expressly authorized to rely thereon.

Investment management is the design and management of balanced investment portfolios tailored to meet the client's specific needs. The Sigdestad Financial investment committee consists of Jane Edmondson and Eric Sigdestad. Jane has an MBA in Finance, and is a former Institutional Portfolio Manager who provides independent consulting and research to Sigdestad Financial. Eric Sigdestad, CEO and Chief Compliance Officer, makes all final investment decisions for clients of the firm. It is the investment committee's core belief that asset allocation and portfolio diversification is a crucial element of long-term investment success. The appropriate asset allocation strategy is derived by assessing the goals and circumstances of each client and selecting the portfolio model that best suits their level of risk tolerance, overall investment objective, and time horizon.

Asset level and sector classifications are sourced from the Schwab research platform and Morningstar. The asset allocation mix of each model is based on past historical risk-adjusted asset class performance dating back to 1970 sourcing Schwab's historical data. In addition to the use of mutual funds and ETF's (exchange traded funds) in specific asset class categories, 5-20% of each model portfolio is also allocated to a Balanced/Tactical fund manager consistent with the risk tolerance of the overall portfolio. The use of these funds creates a diversifying, macro-economic, top-down tactical/rotation element to the overall portfolio. World allocation mutual funds may also be utilized facilitate an element of country rotation.

The Schwab Institutional research platform and Morningstar research is utilized to select investments in each category. Past historical performance of each fund is reviewed over a 3, 5,

10, and inception-to-date basis. Investments should be above median in performance relative to their peers and must consistently outperform their respective benchmarks in both up and down markets. Funds with a longer track record of performance (at least 5 years) are preferred. When a 5 year track record is not available for an fund, the investment committee may review similar investments manufactured by that same firm for guidance (e.g. If a firm who manages a Separately Managed Account were to roll out a mutual fund designed to mimic the SMA's investment philosophy, portfolio holdings, trading, etc.). Fund family, manager tenure, current fund assets and historic asset growth, portfolio holdings, asset allocation, expense ratio, portfolio turnover, risk-adjusted return, alpha, beta, standard deviation of returns, up/down performance, correlation among funds, yield, and portfolio overlap are all considered during the selection of funds for use in the model portfolios.

Model investments are continuously monitored for performance, personnel or organization change, style drift, and/or ratings changes. In the event that changes have occurred with any of the underlying model investments, the investment will be placed under "review" for a specified period of time before any action is taken. However, if significant changes have occurred within the model investment(s), changes can be made immediately. This is consistent with the disciplined and unemotional approach utilized during our manager selection process. Past performance is not guarantee of future results.

## **B. Risk of Loss**

SFI's investment recommendations are subject to various markets, geographical, currency, economic, political and business risk and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of their account, which clients should be prepared to bear. There can be no assurance that a client's investment objectives will be obtained and no inference to the contrary is being made.

The primary risks involved in the securities recommended by SFI may include, among others:

- *Stock market risk*, which is the chance that stock prices overall, will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.

- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, which is the risk that value stocks may not increase in price, may not issue the anticipated stock dividends, or may decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks, but may lag behind growth stocks in an up market.
- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company may go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities may result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Investments in emerging markets are generally more volatile than investments in developed foreign markets.
- *Interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates. Similarly, the income from bonds or other debt instruments may decline because of falling interest rates.
- *Credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by SFI may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available to the Firm. There is no guarantee that a client's investment objectives will be achieved.

Prior to entering into an agreement with SFI, a client should carefully consider:

- committing to investment management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years;
- that volatility from investing in global capital markets can occur; and
- that over time the client's assets may fluctuate and at any time be worth more or less than the amount invested

SFI does not represent, guarantee or imply that the services or methods of analysis employed can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Past performance is no guarantee of future results.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisers such as SFI are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of SFI or the integrity of its management. SFI does not have any such legal or disciplinary events to discuss.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Mr. Sigdestad is licensed to sell fixed insurance products (CA Insurance License 0C43424). He may receive the normal commissions for insurance sales in his separate role as an insurance agent, which would be separate from and in addition to any other fees that a client may pay to SFI for investment advisory services. Clients are under no obligation to act upon any recommendations of Mr. Sigdestad or effect any transactions through him if the client decides to follow his recommendations.

This activity constitutes less than 5% of Mr. Sigdestad's time. He is also a Notary Public and provides this service to his clients on a complimentary basis. Although Mr. Sigdestad will devote as much time to the business and affairs of SFI as he believes is necessary to deliver the financial planning, consulting, investment advisory services and separately managed accounts described herein, he may devote a portion of his time to these other businesses activities.

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

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

SFI has adopted a Code of Ethics ("Code") in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended. SFI as a fiduciary has a duty of utmost good faith to act solely in the best interests of clients. Clients entrust us with their money and financial future, which in turn places a high standard on conduct and integrity. Fiduciary duty compels all employees to act with the utmost integrity in all of dealings.

Because SFI's investment professionals and associated persons may transact in the same securities for their personal accounts as they may buy or sell for client accounts, it is important to mitigate potential conflicts of interest. To that end, SFI has adopted a standard of conduct for all of its supervised persons in the form of a Code of Ethics ("Code"), which all SFI associated persons must follow. This Code provides personnel with guidance in their ethical obligations regarding their personal securities transactions and fiduciary duties formulating the basis of all of our client dealings. Specifically, the Code requires personnel to obtain written pre-approval of certain securities, report personal trades and holdings, and prohibits certain trades in certain circumstances (e.g., insider trading). The Code also contains procedures for reporting violations and enforcement. The Code is distributed to personnel for review initially upon hire, annually and anytime an amendment is made. SFI will provide a copy of the Code to any client or prospective client upon request.

SFI obtains information from a wide variety of publicly available resources. SFI and its personnel do not have, nor claim to have, insider or private knowledge.

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

Clients are advised that they are not required to affect any securities transactions SFI may recommend as a result of a Financial Consulting engagement and may use any broker/dealer they chose to implement recommendations made by SFI. Clients are also under no obligation to act upon any recommendations we may make as a result of a Financial Consulting engagement.

SFI's employees may buy or sell securities for their own accounts that the firm buys or sells for its client accounts. The Firm understands that this could create a conflict of interest, where the employee's interest may be at odds with the interest of clients. To mitigate the appearance of or actual conflict, SFI has adopted a Code of Ethics ("Code") with which all employees must comply.

It is SFI's policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Should SFI ever decide to affect cross-trades between client accounts, it will comply with the provisions of Rule 206(3) of the Advisers Act.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. Selection Criteria**

SFI may recommend that clients establish accounts with certain custodian brokers, such as Schwab Institutional division, a of Charles Schwab & Co., Inc. ("Schwab"), in order to maintain



custody of client assets and effect trades for their accounts. Factors considered by SFI in recommending custodian brokers include but are not limited to, the reasonableness of their commissions, their financial strength, product availability, research, and other services available to both the client and the Firm.

SFI places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. The Firm will generally place client trades with the appointed custodian broker since the custodian broker, such as Schwab, does not charge separately for custody services so long as client transactions are executed by the custodian broker.

## **B. Soft Dollar Consideration**

As part of a “bundled package” provided from the custodial broker-dealer, SFI may receive certain benefits, such as interface software, investment research, or invitations to attend seminars and conferences. These benefits are paid for with clients’ commissions/transaction fees or assets known as “soft dollars.” The use of soft dollar arrangements, which is governed by §28(e) of the Securities Exchange Act of 1934, presents a potential conflict of interest by reason of the fact that the Firm could potentially select a particular broker-dealer custodian that charges higher commission/transaction fees than what may be available elsewhere. Section 28(e) permits soft dollar arrangements so long as certain conditions and requirements are met. For example, the benefits that the Firm receives must be eligible research or brokerage products and services. For these purposes, “research” means services or products used to provide lawful and appropriate assistance to SFI in making investment decisions for its clients. “Brokerage” services and products are those used to effect securities transactions for the Firm’s clients or to assist in effecting those transactions. Furthermore, in accordance with §28(e), SFI must, among other things, determine that commissions/transaction fees paid are reasonable in light of the qualitative execution received and value of the brokerage and research services and products acquired. Clients should be aware that the research and services acquired with soft dollars may or may not be utilized across the Firm’s entire client base and client accounts may not benefit equally from research derived from soft dollars.

## **C. Directed Brokerage**

Under limited circumstances, SFI may allow a client to direct SFI to execute all or a portion of client transactions through a specific broker (aka “Directed Brokerage”). If that is the case, the client should understand that: (1) SFI does not negotiate specific brokerage commission rates with the broker on client’s behalf, or seek better execution services or prices from other broker/dealers and, as a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case, (2) transactions for that account generally will be effected independently, and (3) conflicts may arise between the client’s interest in receiving best execution with respect to transactions effected for the account and SFI’s interest in receiving future client referrals from the broker. Therefore, prior to directing SFI to use a specific broker-dealer, a client should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever

amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable.

#### **D. Order Aggregation**

SFI enters transactions for each client independently and does not aggregate (combine) client orders. Aggregating trades can potentially benefit clients by purchasing or selling in larger blocks in an attempt to take advantage of better pricing or lower trading costs. However, we do not feel that clients are at a disadvantage because we do not aggregate client orders. SFI primarily uses mutual funds to manage client accounts. Mutual funds are priced once daily. As the daily price is the same for each investor, we have no opportunity to obtain better pricing through aggregating even if we place trades of the same fund for multiple clients within a single order. Additionally, the broker-dealer/custodians charge each account an individual transaction fee regardless of whether we aggregate or not. This prevents us from lowering trading costs through aggregation.

#### **E. Trade Errors**

From time-to-time, SFI may make an error in submitting a trade order on a client's behalf. When this occurs, the Firm may place a correcting trade with the broker-dealer, which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain. If the gain does not remain in the client's account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, the Firm will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they will be netted.

### **ITEM 13: REVIEW OF ACCOUNTS**

Eric Sigdestad, CEO and Chief Compliance Officer, reviews all model portfolios on at least a quarterly basis. More frequent reviews may be necessary due to the client's individual circumstances, economic conditions, and other general factors affecting the performance of a client's portfolio. Clients will receive transaction confirmations and/or statements at least on a quarterly basis from their account custodians. SFI will also send its own quarterly account reports, which provide a legend urging the client to compare the account reports prepared by SFI with statements received from the qualified custodian. Collectively, these reports will list clients' account holdings as well as interest and dividends for the reporting period.



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

### **A. Compensation for Client Referrals**

Adviser does not pay referral or solicitation fees for the referral of clients to SFI.

### **B. Additional Compensation**

SFI requires certain custodians to clients. While there is no direct link between the investment advice given to clients and SFI's recommendation to use a specific custodian, certain benefits are received by SFI due to this arrangement. For example, the Firm may receive computer software and related systems support, which allow it to better monitor client accounts maintained at the custodian broker. The software and related systems support may benefit SFI, but not its clients directly. In fulfilling its duties to its clients, SFI endeavors at all times to put the interests of its clients first. Clients should be aware however, that SFI's receipt of economic benefits from the custodian broker creates a conflict of interest since these benefits may influence SFI's choice of a recommended custodian broker over another broker-dealer/custodian that does not furnish similar software, systems support, or services. To the extent the Firm receives benefits in exchange for soft dollars, this could be deemed to be additional compensation. From time to time, SFI may in the future accept payment from individual mutual fund sponsors to help off-set the cost or partial cost of client events, speaking engagements or educational seminars.

## **ITEM 15: CUSTODY**

Pursuant to Rule 206(4)-2 of the Advisers Act, SFI is deemed to have custody of client funds because the Firm has the authority and ability to debit its fees directly from clients' accounts. To mitigate any potential conflicts of interests, all SFI client account assets will be maintained with an independent qualified custodian.

For clients receiving investment advisory services, SFI suggests the account assets to be custodied with Schwab Institutional, a division of Charles Schwab & Co., Inc. ("Schwab"). In addition to the advisory fee charged by SFI, there are transaction charges involved when purchasing and selling securities in client accounts, which are charged by Schwab. A written confirmation of each transaction including all transaction charges will be sent by Schwab to the client immediately following execution of each transaction.

Payment of SFI's fees will be made by Schwab provided the client has given Schwab written authorization permitting the advisory fees to be deducted and paid directly from the client's account. SFI will not have access to client account assets for payment of fees without client consent in writing. Further, Schwab will deliver a monthly account statement directly to the client, which will include all transactions that took place in the account during the period covered and reflect any advisory fees deducted and paid to SFI. Clients are encouraged to review their account statements for accuracy.

## **ITEM 16: INVESTMENT DISCRETION**

### **A. Discretionary Authority; Limitations**

For investment advisory account clients that have granted SFI limited power of attorney and discretion via the written client agreement, SFI will have discretionary authority over:

- the securities to be bought and sold;
- the dollar amounts of the securities to be bought and sold; the broker-dealer through which transactions will be executed; and
- the commission rates and/or transactions costs paid to effect the transactions.

However, the Firm's authority may be subject to conditions imposed by a client, an example of which may include where the client restricts or prohibits transactions in securities of a specific company or industry.

For clients that are receiving financial consulting services the client has full discretion to accept or reject the Firm's recommendations and is responsible for implementing any accepted recommendations with any broker-dealer the client chooses.

## **ITEM 17: VOTING CLIENT SECURITIES**

It is SFI's policy and practice to not vote proxies on behalf of its clients and therefore, shall have no obligation or authority to take action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. Consequently, the client retains the responsibility for receiving and voting all proxies for securities held within the client's account. SFI shall not be deemed to have proxy authority solely as a result of providing advice or information about a particular proxy vote to a client. SFI typically does not advise or act for clients with respect to any legal matter, including bankruptcies and class actions, for securities held in client's accounts.

## **ITEM 18: FINANCIAL INFORMATION**

SFI does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. SFI does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.

# **BROCHURE SUPPLEMENT**

Part 2B of Form ADV

**August 11, 2015**

**ERIC SIGDESTAD**

**SEAN NISIL**

**Sigdestad Financial, Inc.**

9666 Businesspark Ave., Suite 111

San Diego, CA 92131

Phone: 858-695-6600

Fax: 877-692-9700

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

**This brochure supplement provides information about Eric Sigdestad and Sean Nisil that supplements the Sigdestad Financial, Inc.'s ("SFI") brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer at 858-695-6600 if you did not receive Sigdestad Financial, Inc.'s brochure or if you have any questions about the contents of this supplement. Thank you.**

**Additional information about Eric Sigdestad and Sean Nisil is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ERIC SIGDESTAD, CFP®**

### **Item 2: Educational Background and Business Experience**

**Born:** 1976

#### **Educational Background:**

California State University, Fullerton, Fullerton, California, B.A. - Finance, 1998

California Insurance License: 0C43424

#### **Business Background:**

- Sigdestad Financial, Inc., Chief Executive Officer / Chief Compliance Officer, August 2010 - Present
- Purshe Kaplan Sterling Investments, Registered Representative, September 2010 - October 2013
- LPL Financial (dba Sigdestad Financial), Registered Principal, January 2008 - August 2010
- Financial Network Investment Corporation (dba Sigdestad Financial), Investment Adviser Representative, May 2005 - December 2007

#### **Explanation of Professional Designation**

*Certified Financial Planner™ (CFP®)* attained January 2004

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold the 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 in the United States have obtained the CFP® certification.

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 the CFP Board has 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*, which outlines 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 agreement every two years 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.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Item 3: Disciplinary Information**

Eric Sigdestad, as an investment adviser representative of Sigdestad Financial, Inc., is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of him. Mr. Sigdestad has no applicable legal or disciplinary events required to be disclosed under this Item.

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

Outside of his activities at Sigdestad Financial, Inc., Mr. Sigdestad is a licensed insurance agent with various unaffiliated insurance companies or agencies (California Insurance License # OC43424).

To the extent that Mr. Sigdestad recommends the purchase of insurance products where he receives commissions or other compensation for doing so, a conflict of interest exists because Mr. Sigdestad may have an incentive to make recommendations based on the compensation received rather than on a client's needs. Material conflicts that may arise from Eric's affiliation with various unaffiliated insurance companies are disclosed to clients at the time of entering into

any new advisory or insurance arrangement. Clients are not obligated to implement recommended transactions through any Sigdestad Financial, Inc. representative or any particular broker-dealer or insurance agency. Clients have the option to purchase any recommended products or services through brokers or agents other than Sigdestad Financial, Inc. Mr. Sigdestad is also a Notary Public and provides this service to his clients on a complimentary basis.

#### **Item 5: Additional Compensation**

As described in Item 4 above, from time to time, advisory clients may implement insurance transactions through Mr. Sigdestad in his capacity as a licensed insurance agent appointed with various insurance companies. Accordingly, Mr. Sigdestad may receive commissions for the sale of insurance products purchased for a client's account.

#### **Item 6: Supervision**

Eric Sigdestad is the CEO and Chief Compliance Officer of Sigdestad Financial, Inc. As such, Mr. Sigdestad is responsible for all advice provided to clients. Mr. Sigdestad may be contacted at (858) 695-6600 or [eric@retiremeasap.com](mailto:eric@retiremeasap.com).

## **SEAN NISIL**

### **Item 2: Educational Background and Business Experience**

**Born:** 1984

#### **Educational Background:**

- Biola University, La Mirada, CA, B.A. - Theology, 2007
- Miramar Community College, San Diego, CA, attended 2003
- University of Hawaii, Manoa, HI, attended 2002

#### **Business Background:**

- Sigdestad Financial, Inc., Financial Advisor, May 2014 –Present
- WheelerFrost Associates, Inc., Financial Advisor, September 2011 – May 2014
- Lord and Gladden, Advisor Representative, May 2007 – September 2011
- Securities Equity Group, Registered Representative, August 2007 – September 2011

### **Item 3: Disciplinary Information**

Sean Nisil, as an investment adviser representative of Sigdestad Financial, Inc., is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of him. Mr. Nisil has no applicable legal or disciplinary events required to be disclosed under this Item.

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

Sean Nisil's only business is providing investment advice through Sigdestad Financial, Inc.

### **Item 5: Additional Compensation**

In addition to his regular salary at Sigdestad Financial, Inc., Sean Nisil also receives compensation from New Heights Community Church in association with the activities described above in *Item 4: Other Business Activities*.

### **Item 6: Supervision**

Eric Sigdestad, CEO and Chief Compliance Officer, is responsible for supervising Sean Nisil's activities. Eric Sigdestad monitors the advice provided by Sean Nisil for consistency with client objectives and SFI's policies. In addition, Eric Sigdestad reviews reports prepared by Sean Nisil before we send them to clients. Eric Sigdestad can be reached by calling (877) 692-6800.

## FACTS

### WHAT DOES SIGDESTAD FINANCIAL, INC. DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security Number and Income
- Assets and Account Balances
- Investment Experience and Risk Tolerance

When you are no longer our customer, we continue to share your information as described in this Notice.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Sigdestad Financial, Inc. chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Sigdestad Financial share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For non-affiliates to market to you</b>	No	We don't share

#### Questions?

Call 877-692-6800 or [www.retiremeasap.com](http://www.retiremeasap.com)



## Sigdestad Financial, Inc.

## What we do

<b>How does Sigdestad Financial protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Sigdestad Financial collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ Open an account or enter into an investment advisory contract</li> <li>■ Give us your income information or provide employment information</li> <li>■ Tell us about your investment or retirement portfolio or give us your contact information</li> </ul> <p>We also collect your personal information from other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ Sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ Affiliates from using your information to market to you</li> <li>■ Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

## Definitions

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Does not share with affiliates</i></li> </ul>
<b>Non-affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Does not share with non-affiliates so they can market to you</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ <i>Does not jointly market</i></li> </ul>

## Other Important Information

**Information for Vermont, California and Nevada Customers**

In response to a Vermont regulation, if we disclose personal information about you to non-affiliated third parties with whom we have joint marketing agreements, we will only disclose your name, address, other contact information, and information about our transactions or experiences with you. In response to a California law, we automatically treat accounts with California billing addresses as if you do not want to disclose personal information about you to non-affiliated third parties except as permitted by the applicable California law. We will also limit the sharing of personal information about you with our affiliates to comply with all California privacy laws that apply to us. Nevada law requires us to disclose that you may request to be placed on our "do not call" list at any time by calling 1-831-759-6300. To obtain further information, contact the Bureau of Consumer Protection, Office of the Nevada Attorney General at 555 E. Washington Ave., Suite 3900, Las Vegas, NV 88101; phone 1-702-486-3132; email [BCPINFO@ag.state.nv.us](mailto:BCPINFO@ag.state.nv.us)