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March 13, 2024

FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Stephenson and Company, Inc. If you have any questions about the contents of this brochure, contact us at 949-727-4255 or by email at: brad@stephensonfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Stephenson and Company, Inc. (CRD/IARD # 111453) is available on the SEC's website at www.adviserinfo.sec.gov.

Stephenson and Company, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

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

Since the filing of our last annual updating amendment, dated February 23, 2023, we have the following material changes to report:

- TD Ameritrade Inc., previously a recommended broker-dealer and custodial service provider, has merged with Charles Schwab & Co., Inc., ("Schwab") effective September 2023. We have revised the disclosures throughout the Brochure to remove references to TD Ameritrade and added disclosures related to Schwab. We also added disclosures related to the economic benefits received from SEI Private Trust Company. Please refer to the *Brokerage Practices* section for additional information.
- We enhanced the disclosures related to our billing practices and calculations, including debiting of advisory fees, and SEI Private Trust Company's billing practices. Below is a brief summary of the changes and the complete disclosures are available under the *Fees and Compensation* section (Item 5).
 - Unless otherwise specified in the advisory agreement, our fees will be automatically debited from the client's investment account.
 - We use a standard industry automated billing system that collects the information reported by the custodian for our quarterly billing calculations. There can be immaterial differences between the market value reflected on your custodial statement and the valuation used for billing purposes, given timing and account activity. We monitor for valuation differences that would cause a material impact to billing calculations.
 - Accounts held at SEI Private Trust Company are billed quarterly in arrears. Our fee is calculated based on the account balance at the end of billing period which is the last calendar day of the quarter. Our advisory fees are negotiable.
 - All fees paid to our firm for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders, or those charged to clients by product sponsors or by qualified custodians and sub-advisors.
- We enhanced disclosures related to the Selection of Other Advisers. Below is a brief summary of the changes and the complete disclosures are available under the *Other Financial Industry Activities and Affiliations* section (Item 10).
 - SIMC provides non-discretionary services to Stephenson and Company, Inc. through the publication of investment models consisting of allocations to these different funds (i.e., SEI Funds, SEI ETFs, third-party funds, or third-party ETFs) allocated to the models. SIMC and its affiliates earn fees from the SEI Funds and SEI ETFs, which costs are indirectly borne by clients invested in these models. As a result, SIMC does not charge Stephenson and Company, Inc. or its clients a direct fee for the use of the SEI Asset Allocation Models, although SEI Private Trust Company, the custodian to the client and an affiliate of SIMC, will charge a custodial platform fee on client assets invested in SEI ETF products. In the Independent Funds Model Program, SIMC and its affiliates (including SPTC) charge direct fees that will be assessed to clients.

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Item 4 Advisory Business

Firm Description

Stephenson and Company, Inc. hereinafter ("the Adviser") is a registered investment adviser based in San Clemente, California. We are organized as a corporation under the laws of the State of California. We were founded and have been providing investment advisory services since 1991. We are primarily owned by the Bradley and Teresa Ann Stephenson Trust DTD 7/27/1998.

The Adviser is a fee-only investment management and financial planning firm. The firm does not sell securities on a commission basis.

Types of Advisory Services

The Adviser provides investment advisory services, also known as asset management services and furnishes investment advice through consultations, which may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, education funding, retirement planning, and estate planning. The Adviser furnishes advice to clients on matters not involving securities. The Adviser provides several types of advisory services including comprehensive financial planning, custom-designed modular financial planning, fee-only financial planning, investment management and retirement plan consulting.

We offer discretionary and non-discretionary asset management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and an account application, which includes the appropriate trading authorization. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Comprehensive Financial Planning

This service includes the gathering of complete financial information regarding the client's current and historical status in the areas of net worth, income, expenses, taxes, investments, retirement plans, life insurance, health and medical insurance, business arrangements and divorce agreements, as well as future goals and objectives.

A personalized plan is then developed which may include specific recommendations in all applicable areas. The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; projections of future net worth and cash flow; discussion of probability of success in meeting financial goals and objectives, 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.

Custom Designed Modular Financial Planning

This service consists of performing the financial planning services described above, but is limited to only those areas of the client's financial situation specified by the client. The scope of the areas to be included and the extent and nature of the service to be provided will be determined and agreed upon by the client and the planner in advance.

Hourly Consultations

The services of Stephenson and Company, Inc. may be arranged for consultation regarding a specific, specialized look at a particular aspect of the client's financial situation, without engaging in any of the planning arrangements listed above.

Investment Management and Consulting Services

The Adviser provides a variety of investment management, consulting and monitoring services in addition to the financial planning services listed above.

Investment advisory services include assisting the client with the formulation of an investment policy, assessment of risk tolerance and selection of an asset allocation that is appropriate given the client's financial goals and objectives and risk tolerance.

As part of the investment advisory service, all aspects of the client's financial affairs are reviewed and realistic, measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client's financial situation and portfolio through regular contact with the client which often includes an annual meeting with the client.

The scope of work and fee for an Investment Advisory Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement may be terminated by either party in writing at any time.

Adviser may invest your assets according to one or more model portfolios developed by an unaffiliated investment manager on a discretionary or non-discretionary basis as described below. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm.

Advisor also provides investment management services in which investment portfolios are actively managed and monitored. For this type of service, Advisor may assist client in establishing a custodial clearing account with Charles Schwab & Co., Inc. ("Schwab"). The assets included in this service may include no-load mutual funds, exchange-traded funds ("ETFs") and individual stocks. Each portfolio will be constructed to suit the client's needs and risk tolerances, as best as those can be determined by the Advisor. Each portfolio will be diversified using a variety of investment vehicles of differing assets classes and management styles.

Schwab accounts invested in our model portfolios are rebalanced when funds are added or distributed from the account, or when advisor thinks a rebalancing of the account is warranted due to other factors such as market fluctuation.

The Advisor may assist the client in establishing a custodial clearing account with SEI Investments or affiliates of SEI. Based upon the client's current financial situation, risk tolerance, time horizon and asset class preference, the Advisor and client may select from one of many mutual fund asset allocation model portfolios developed by SEI and comprised of SEI's no-load mutual funds as described below.

Advisor also provides investment management services for SEI accounts in which a separate investment portfolio is actively managed and monitored within the client's existing SEI account. A separate Advisor-Guided portfolio is established within the client's existing SEI account, which may include no-load mutual funds, exchange-traded funds ("ETFs") and individual stocks. Each Advisor-Guided portfolio will be constructed to suit the client's needs and risk tolerances, as best as those can be determined by the Advisor. Each Advisor-Guided portfolio will be diversified using a variety of investment vehicles of differing assets classes and management styles.

The Advisor-Guided portfolio within an SEI account may be rebalanced when funds are added or distributed from the account, or when advisor thinks a rebalancing of the account is warranted due to other factors such as market fluctuation.

The SEI Mutual Fund Models part of the account is managed as outlined below under *Mutual Fund Models Program*.

Mutual Fund Models Program: Under this program, we act as the sole adviser to your account. SEI makes available to us a selection of asset allocation models, the underlying investments of which are generally comprised entirely of mutual funds that are managed by SEI (the "Mutual Fund Allocation Models"). The Mutual Fund Allocation Models are designed (and periodically updated) by SEI to meet with a stated investment objective or goal (i.e., defensive, short-term, moderate, market growth, core, aggressive, etc.) and are not designed to meet any particular investor's specific investment needs or circumstances. When you participate in this program, we select an initial Mutual Fund Allocation Model (or Models) in which to invest your assets based upon our evaluation of your particular investment needs and circumstances. SEI will advise us of any changes to the selected Mutual Fund Allocation Model(s) used in your account. We will contact you prior to reallocating your assets to different Mutual Fund Allocation Models, in accordance with the terms of our written non-discretionary advisory agreement with you.

Investment Consulting for Retirement Plan Participants

Stephenson and Company, Inc. provides investment advisory services for individual plan participants in 401(k) and deferred compensation plans. Advisory services include: Review and evaluation of investment objectives; selection of an asset allocation model which is appropriate for the client; review of all investment options offered by the plan; recommendation and selection of plan investment options; monitoring of investments selected and any new investment options added; and notification to client when changes or repositioning are appropriate.

Retirement Plan Consulting Services

We offer retirement plan consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These retirement plan consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of retirement plan consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the retirement plan advisory agreement may terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. The retirement plan advisory fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

Imposed Restrictions

Clients may request restrictions on an investment account, such as when a client needs to keep a minimum level of cash in the account or does not want to invest in certain securities or types of securities in the account. The Adviser reserves the right to not accept and/or terminate management of a client's account if Adviser feels that the client-imposed restrictions would limit or prevent Adviser from meeting or maintaining the client's investment strategy.

Wrap Fee Programs

We are not a wrap fee sponsor nor a portfolio manager to a wrap fee program. However, we may recommend that you invest in a wrap fee program sponsored by a third-party sponsor and is managed by a third-party portfolio manager. Wrap fee accounts are typically more appropriate for active accounts and are managed accordingly. If you participate in a wrap fee program, you will be provided with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program. You should also review this Part 2A thoroughly to evaluate any differences between the services we offer as non-wrap versus a wrap fee program.

Types of Investments

We offer advice on equity securities, mutual fund shares, exchange traded funds, corporate debt securities, certificates of deposit, municipal securities, United States government securities, real estate investment trusts ("REITs"), and money market funds. When offering advice on equity securities, our recommendations for purchasing stocks have been primarily limited to one specific stock in recent years (Berkshire Hathaway B shares). Otherwise, with respect to offering advice on equity securities, we generally advise clients on the timing of possible liquidations of existing positions in individual stocks that were previously chosen or held by clients, as opposed to purchasing more of these securities or purchasing other equity securities. Initial public offerings (IPOs) are not available through the Adviser.

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

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Assets Under Management

As of December 31, 2023, we provide continuous management services for \$197,973,835 in client assets on a discretionary basis, and \$68,399,389 in client assets on a non-discretionary basis. The Adviser also oversees on a non-continuous basis approximately \$95,933,725 in client assets, some of which are managed by third-party managers.

Item 5 Fees and Compensation

The Adviser bases its fees on a percentage of assets under management, hourly charges or fixed fees.

The initial meeting is free of charge and is considered an exploratory interview to determine the extent to which financial planning and/or investment management may be beneficial to the client.

Comprehensive Financial Planning

The fee for these services will be determined by the planner and agreed upon by the client in advance. The amount of the fee will be determined by the complexity of the client's needs, subject to a minimum of \$2,000. On occasion, the stated fee is negotiated lower.

The agreed-upon fee will be paid one-half at the time of the first appointment, with the balance due at the time of the plan presentation to the client. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200. At our discretion, we offset our financial planning fees to the extent you implement the financial plan through our Investment Management Service.

The client can cancel the services within the first five days for a complete refund of all fees paid. With a new or existing client whose financial situation has changed so dramatically that a new plan must be done, the initial gathering of information, development of the plan, presentation and explanation of the plan to the client and study and decision making by the client cover a period not to exceed six months.

Custom Designed Modular Financial Planning

The fee for these services will be determined by the planner and agreed upon by the client in advance. The amount of the fee will be determined by the complexity of the client's needs, subject to a minimum of \$1,000. On occasion, the stated fee is negotiated lower. The agreed upon fee will be paid one-half at the time of the first appointment with the balance due at the time of the plan presentation. At our discretion, we offset our financial planning fees to the extent you implement the financial plan through our Investment Management Service. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200. The client can cancel the service within the first five days for a complete refund of all fees paid.

Hourly Consultations

This arrangement will be billed on an hourly basis at a rate of \$250 - \$300 per hour, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. Payment is due on completion of the consultation.

Investment Management and Consulting

Investment accounts established with Schwab contain stocks, no-load mutual funds and exchange-traded funds ("ETFs"). Schwab charges transaction fees on purchases or sales of certain mutual funds. These transaction charges are usually small and incidental to the purchase or sale of a security.

Mutual Fund Models Program: The SEI Program Fee associated with participation in the Mutual Fund Models Program generally consists of only a custodial services fee. However, where you implement any recommendation to purchase non-SEI managed mutual funds or other securities for your account (or otherwise direct us to purchase securities or mutual funds for your account that are outside of SEI's Mutual Fund Models Program), additional fees, ticket charges and commissions will apply. Generally, SEI's custodial fee applies only where the balance in your account falls below a minimum required balance as set forth in SEI's custodial agreement with the client. Clients should be aware that for assets invested in SEI managed mutual funds through this program, the client as a shareholder of such SEI mutual funds, will pay management fees and other fund level expenses to SEI and its affiliates. We do not receive any portion of these fund level fees. Please see SEI's Firm Brochure and/or account agreements for a complete description of the SEI Program Fee associated with participation in this program.

The Adviser's current investment management and consulting fee schedule is as follows. Additionally, some legacy clients have an established fee schedule that differs from the below stated fees.

Annual and Quarterly Investment Management Fees for aggregate value of accounts up to \$1,000,000		
Value of assets under management	Annual Fee	Quarterly Fee
\$0 – \$999,999	1.0%	0.25%

Annual and Quarterly Investment Management Fees for aggregate value of accounts in excess of \$1,000,000		
Value of assets under management	Annual Fee	Quarterly Fee
First \$2 million	0.75%	0.1875%
Next \$3 million	0.50%	0.125%
Next \$5 million	0.40%	0.10%
Above \$10 million	0.30%	0.075%

Our annual portfolio management fee is billed and payable, quarterly in arrears, based on the account balance at the end of billing period which is the last calendar day of the quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances such as complexity, scope, level of administration, and legacy or familial relationships. Unless otherwise specified in the advisory agreement, our fees will be automatically debited from the client's investment account.

We use a standard industry automated billing system that collects the information reported by the custodian for our quarterly billing calculations. There can be immaterial differences between the quarter-end market value reflected on your custodial statement and the valuation as of the last business day of the calendar quarter used for billing purposes, given timing and account activity. Such differences are often caused by unsettled trades at the end of the quarter or the timing of the receipt and processing of dividends or interest by the custodian. As part of our billing oversight, we monitor for valuation differences that would cause a material impact to billing calculations.

Accounts held at SEI Private Trust Company ("SPTC") are billed quarterly in arrears. Our fee is calculated based on the account balance at the end of billing period which is the last calendar day of the quarter. Our advisory fees are negotiable. Unless otherwise specified in the advisory agreement, our fees will be automatically debited from the client's investment account.

All fees paid to our firm for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders, or those charged to clients by product sponsors or by qualified custodians and sub-advisors. Qualified custodians, such as SPTC, also charge our clients fees for their services. Fees charged by SPTC differ and their fees may be higher or lower than at other qualified custodians.

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

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

If you have any questions about the statement(s) you receive from the qualified custodian, call our main office number located on the cover page of this brochure.

Investment Consulting for Retirement Plan Participants

The fee schedule ranges from 0.35% to 0.50% of assets under management. The fee charged varies with the complexity of the investments offered to the plan participant and contains breakpoints for reduced fees for assets in excess of \$500,000 and \$1,000,000. On occasion, the stated fees are negotiated lower. Breakpoints will apply for each client and if Stephenson and Company, Inc. advises more than one plan participant in the same company's plan, advisory accounts will be combined for calculation of fee breakpoints. A one-time set up fee of \$250 can be charged and annual fees are subject to a \$1,000 minimum.

Quarterly invoices will be prepared and sent to client by the Adviser at the end of each quarter. Fees are due upon receipt of the quarterly invoice. This service can be terminated at any time upon receipt of written notice from the client. A refund of fees will be made on a prorated basis of the unused portion of the billing quarter.

Retirement Plan Consulting Services

Our advisory fees for these customized services currently range between 0.15% - 0.75% of assets under advisement. The retirement plan consulting fee is billed quarterly in arrears and based on the plan value at end of billing period. The advisory fees are deducted from the plan assets.

You can terminate the retirement plan consulting services agreement upon written notice to our firm.

Termination of Agreements

A client can terminate any of the aforementioned agreements at any time by notifying the Adviser in writing. Clients shall be charged pro rata for services provided through the date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser can terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser reserves 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 the Adviser's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded.

Additional Fees and Expenses

As part of our investment advisory services to you, we invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee, also known as an expense ratio and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

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

Fees are not based on a share of the capital gains or capital appreciation of managed securities. The Adviser does not use a performance-based fee structure.

Item 7 Types of Clients

The Adviser provides investment advice to individuals, high net worth individuals, participants of retirement plans, pension and profit-sharing plans, charitable organizations, corporations and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively. Additionally, investment consulting for retirement plan participants will be subject to a one-time set up fee of \$250 and an annual fee of \$1,000. At our discretion we may waive the stated fee.

We charge a minimum fee, depending on the advisory planning or consulting service, which ranges between \$1,000 - \$2,000. At our discretion, we can waive the minimum fee. Please see the *Fees and Compensation* section for additional details related to the services that are subject to a minimum fee.

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

Methods of Analysis

Security analysis methods include fundamental analysis, technical analysis and cyclical analysis. The main sources of information include financial newspapers, magazines and websites, research materials prepared by others, corporate rating services, annual reports and prospectuses.

Fundamental analysis performed by the Adviser with respect to purchasing stocks has been mostly limited to one specific stock in recent years (Berkshire Hathaway B shares). Berkshire Hathaway B shares are used in the model portfolios developed by the Advisor.

Otherwise, with respect to performing fundamental analysis on equity securities, we use fundamental analysis to help determine the timing of possible liquidations of (or whether it is advisable to continue to hold) existing positions in individual stocks previously chosen by clients. We are generally not performing fundamental analysis for the purposes of purchasing more of these securities or purchasing other equity securities (besides Berkshire Hathaway B shares). The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical analysis involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities. The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Investment Strategies

The primary investment strategy used with client accounts is strategic asset allocation and each client's risk tolerance and personal investment parameters and objectives are considered in the process of formulating an appropriate investment strategy. The Adviser works with the client in identifying their investment objectives, time horizon, risk tolerance, liquidity needs, tax considerations, and other various suitability factors before developing an investment strategy. Client restrictions and guidelines may affect the composition of the client's portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

Stocks, bonds, actively managed mutual funds, broad sector mutual funds and exchange-traded funds ("ETFs") may be used in the implementation of an investment strategy. Portfolios are generally globally diversified to control the risk associated with traditional markets. Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the

issuing company; and the overall health of the economy. In general, larger, better-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

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

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, an ETF may not have investment exposure to all of the securities included in its underlying Index, or its weighting of investment exposure to such securities may vary from that of the underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the underlying Index, but which are expected to yield similar performance.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher

terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit ("CD") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is risk that inflation outpaces the return of the CD. Certain CDs are traded in the marketplace and not purchased directly from a banking institution. In addition to trading risk, when CDs are purchased at a premium, the premium is not covered by the FDIC.

Cash Management: In managing the cash maintained in your account, we utilize the sole exclusive cash vehicle (money market) made available by the custodian. There may be other cash management options away from the custodian available to you with higher yields or safer underlying investments.

Portfolios hold approximately 1% of assets in cash to facilitate fee payments. Additionally, we may hold more cash for clients who are taking periodic distributions. We like to raise cash for periodic distribution twice a year - 6 months of anticipated cash needs at a time. These are rules we generally follow, however, there are exceptions.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

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

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that

can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of time.

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. Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Investors face the following investment risks:

General Risks Associated with Investing: The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize gains. Additionally, specific investments recommended by the Adviser may require significant time to realize the expected return and may experience a pricing correction in a faster-than-expected time, subjecting an investor to reinvestment risk. As a result of the nature of the Adviser's investing activities, it is possible that its financial performance may fluctuate over time and from period to period.

Interest Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. The price of most fixed income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls.

Market Volatility 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 fluctuations.

Inflation Risk: When any degree of inflation exists, a dollar today will buy more than 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.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that are traded through an exchange are generally more liquid. Securities traded over the counter or securities that do not have a ready market or are thinly traded, are less liquid and may face material discounts in price level in a liquidation situation.

Accuracy of Public Information: The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it is considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

Investments in Undervalued Securities: The Adviser may recommend an investment in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from these investments may not adequately compensate for the business and financial risks assumed. The Adviser may make recommend certain investments in securities which it believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. It is likely that a major economic recession could severely disrupt the market for such investments and severely impact their value. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such obligations to repay principal and pay interest thereon and increase the incidence of default for such securities.

Small Company Risk: The Adviser may recommend an investment in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Fixed Income Call Option Risk: Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date.

Maturity Risk: In certain situations, the Adviser may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, the Adviser will make an adjustment to account for the interest rate risk differential in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

Trading Limitations: For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the client to potential losses.

Tax Risk: The tax aspects of any investment are complicated and each investor should have a recommended investment reviewed by professional advisers familiar with the investor's personal tax situation and with the tax laws and regulations applicable to the investor.

Item 9 Disciplinary Information

Registered Investment Advisers, such as Stephenson and Company, Inc. are required to disclose all material facts regarding any legal or disciplinary event that would be material to a client's or prospective client's evaluation of the Adviser or the integrity of its management. Neither the Adviser nor its employees have been involved in legal or disciplinary events related to past or present investment clients.

Item 10 Other Financial Industry Activities and Affiliations

Stephenson and Company, Inc. does not offer any other financial services or have any affiliates in the financial industry. Stephenson and Company, Inc. does not have any affiliation with any related person who is a broker-dealer, investment company, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Selection of Other Advisers

When using SEI's platform, one of our options is to invest its clients' assets into model portfolios of mutual funds and exchange-traded funds ("ETFs") created by SIMC. This includes the SEI Asset Allocation Models ("SEI Asset Allocation Models") that consist of allocations to SEI Funds and SEI ETFs and the Independent Funds Models Program ("Independent Funds Models Program") which consists of model portfolios of allocations to certain families of third-party mutual funds or ETFs.

Under the SEI Asset Allocation Models and the Independent Funds Models Program, SIMC provides non-discretionary services to Stephenson and Company, Inc. through the publication of investment models consisting of allocations to these different funds (i.e., SEI Funds, SEI ETFs, third-party funds, or third-party ETFs) allocated to the models. Specifically, SIMC: (1) makes available the models, developed and periodically updated by SIMC designed to achieve the model's stated investment objective or goal based upon SIMC's capital market assumptions and any other criteria that SIMC, in its sole discretion, determines is relevant; and (2) periodically publishes for consideration by firm revisions to a model's percentage asset allocations among the underlying SEI Funds, SEI ETFs, third-party funds, or third-party ETFs, or adds, removes, or otherwise changes the individual SEI Funds, SEI ETFs, third-party funds, or third-party ETFs underlying an existing model.

SIMC and its affiliates earn fees from the SEI Funds and SEI ETFs, which costs are indirectly borne by clients invested in these models. As a result, SIMC does not charge Stephenson and Company, Inc. or its clients a direct fee for the use of the SEI Asset Allocation Models, although SEI Private Trust Company ("SPTC"), the custodian to the client and an affiliate of SIMC, will charge a custodial platform fee on client assets invested in SEI ETF products. In the Independent Funds Model Program, SIMC and its affiliates (including SPTC) charge direct fees that will be assessed to clients.

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

Code of Ethics

The Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Adviser.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

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

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of Charles Schwab & Co., Inc. and SEI Private Trust Company, Inc. ("SPTC") (herein referred to as "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Our selection of custodian is based on many factors, including the level of services provided, the custodian's financial stability, and the cost of services provided by the custodian to our clients, which includes the yield on cash sweep choices, commissions, custody fees and other fees or expenses.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account Custodian. As such, we will also have access to research products and services from your account custodian and/or brokerage firm. These products and services include financial publications, information about particular companies and industries, research software, discounts on compliance, marketing, research, technology and practice management products or services provided by third party vendors and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

The custodian and brokers we use

We do not maintain custody of your assets that we manage or on which we advise, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, and SEI Private Trust Company ("SPTC"), a limited purpose federally registered savings association supervised by the Office of the Comptroller of the Currency, as their qualified custodian.

We are independently owned and operated and are not affiliated with the Custodian. The Custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab and/or SPTC as custodian/broker, you will decide whether to do so and will open your account with the Custodian by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we can assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at the Custodian, and we anticipate that most trades will be executed through the Custodian, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs").

Schwab - Brokerage and custody costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers.

Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors can get institutional brokerage services from Schwab without going through us.

Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets.

The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our selection of Schwab as custodian

and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

SEI Private Trust Company - Products and services available to us

The Platform is provided to our firm at no cost and generally supports the management of our client's accounts held at SPTC. The Platform provides a front-office view of our client's custody accounts at SPTC and gives us the ability to submit instructions to SPTC on behalf of our clients, such as transactions, strategy changes, and general servicing of client accounts. In addition, the Platform includes access to SPTC's proprietary proposal system that permits our firm to develop and select investment strategies for our clients to use for accounts at SPTC. The Platform also supports the processing of advisory fees for our firm. We do not incur a cost for the Platform and is therefore incentivized to recommend SEI over other third-party managers and custodians that do charge a cost for access to a similar platform.

Our firm is eligible to receive several different types of economic benefits offered by SEI and through the SEI Advisor Benefit Program. However, we do not utilize all the economic benefits available to us. The economic benefits that we are currently use, or intend to use, have been disclosed below. These economic benefits create an incentive for our firm to recommend SEI over other custodians that do not offer this benefit.

Technology

SEI also supports the firm's use of non-integrated third-party software/systems at a reduced cost through SEI or its affiliate's arrangement with the software provider to provide discounted rates to us. We are eligible for these third-party software/systems-related benefit because we maintain a certain level of Assets Under Management with SEI. We utilize the discounted rate benefit with one third-party software vendors. The availability, and use, of the third-party discounts has created an incentive for us to recommend SEI over other third-party managers that do not offer this benefit.

In addition to the SEI Proposal system, SEI provides investment research to assist our firm in making investment recommendations/decisions for our clients' accounts. This service generally consists of SEI's investment professionals reviewing our client's current investment portfolio, future goals, and potential tax impact of an investment reallocation, as provided by us to SEI, and SEI designing a proposed investment portfolio intended to meet our clients' goals constructed using SEI's investment solutions. The proposed investment portfolio is provided by SEI to our firm. We independently review any investment proposal designed by SEI and determine whether to recommend/use the investment portfolio with our client(s) and/or to implement the portfolio at SEI. This service has created an incentive for our firm to recommend SEI over other third-party managers that do not offer this benefit.

SEI Advisor Benefit Program ("ABP")

We are eligible to participate in the ABP. Generally, firms working with SEI are eligible to participate in the ABP and receive the benefits available under this program for having met a given threshold of Assets Under Management with SEI, or a combination of Assets Under Management with SEI below \$50 million but positive (or anticipated positive) net cash flow into SEI, meeting SEI determined thresholds. As we have met the threshold for ABP participation, SEI has qualified our firm to participate in ABP.

As an ABP participant we are eligible to participate in SEI-sponsored national and/or regional conferences, seminars, practice management services, and other educational and informational events where SEI pays for part or all of the costs, including that of third-party presenters, to educate our firm

about SEI investment solutions, to support our use of the Platform, to provide practice management support and help us manage our business. The costs covered by SEI to attend these events include conference attendance expenses (including hotel expenses).

Brokerage for Client Referrals

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

Directed Brokerage

We routinely require that you direct our firm to execute transactions through Schwab and SEI. As such, we may be unable to achieve the most favorable execution of your transactions and you could pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Aggregated Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "aggregated trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you could pay higher commissions, fees, and/or transaction costs than other clients.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration the availability of advisory, institutional or retirement plan share classes, initial and ongoing share class costs, transaction costs (if any), tax implications, cost basis and other factors. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent or deferred sales charges.

Item 13 Review of Accounts

Periodic Reviews

Bradley Stephenson, President and Chief Compliance Officer, and Riley Stephenson, Chief Financial Officer, monitor your accounts on an ongoing basis and will conduct account reviews at least annually. They consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client and the on-going suitability of the investment. Full updates for financial planning clients are done as contracted for by the client and may include an update of the value of all assets and liabilities, a review of financial goals and objectives and an evaluation of how the client is progressing towards meeting their financial goals and objectives.

Review Triggers

Accounts may be reviewed more frequently when market or economic conditions dictate. Other conditions that may trigger a review are changes in tax laws, new investment information, changes in a client's financial or personal situation or at the client's request.

Regular Reports

Clients receive periodic reports from account custodians on a monthly and/or quarterly basis, depending on the custodian. These written reports may include a list of all investments held in the account, current and prior period account valuations, amounts of contributions and withdrawals and performance stated in dollars and as a percent of the account value.

Adviser provides retirement plan investment consulting clients with quarterly reports which include quarter-end account values, quarterly and year-to-date performance of the account, and as deemed appropriate, a recommendation for rebalancing the account.

Item 14 Client Referrals and Other Compensation

We receive an economic benefit from your account Custodian in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at the Custodian. You do not pay more for assets maintained at the Custodian as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by the Custodian, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Item 15 Custody**Custody Policy**

The Adviser does not obtain or permit its employees to obtain custody of client assets including cash, securities, to act as trustee, to have password access to control account activity or any other form of controlling client assets. All checks and/or wire transfers to fund client accounts are required to be made out to/sent to the account custodian.

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

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and an account application, which includes the appropriate trading authorization.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or

industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

The Adviser does not vote proxies for securities held in client accounts. The client retains the authority and responsibility for the voting of proxies. Proxies are sent directly to the client from the custodian/firm soliciting the proxy vote. When assistance on voting proxies is requested, the Adviser may provide a recommendation to the client and/or provide proxy-related information to the client. If any conflict of interest exists, it will be disclosed to the client.

Item 18 Financial Information

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. The Adviser has not been the subject of a bankruptcy petition in the last 10 years.

The Adviser is not required to provide a financial statement, as it does not serve as a custodian for client funds or securities, and does not require prepayment of more than \$1,200 in fees six or more months in advance.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Privacy Policy

Below is a summary of the Adviser's Privacy Policy regarding client personal information. A complete version of the Privacy Policy may be obtained by contacting the Compliance Officer of the Adviser.

The Adviser collects non-public, personal information about its clients from the following sources:

Account applications and other forms completed by clients; written notations; documentation provided by our clients; from brokerage/custodial firms with respect to client accounts and from other third parties, such as accountants or attorneys. The non-public information that we collect depends upon the scope of the client engagement and may include information about personal finances, health (to the extent that it is needed for the planning process), and information about transactions between clients and third parties.

The Adviser will not share such information with any affiliated or non-affiliated third party except:

When necessary to complete a transaction in a customer account; when required to maintain or service a customer account; to resolve customer disputes or inquiries; with persons acting in a fiduciary or representative capacity on behalf of the client; with persons assessing compliance with

industry standards, or with attorneys, accountants and auditors of the firm in connection with a sale or merger of the Adviser's business; to protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability; to comply with federal, state or local laws, rules and other applicable legal requirements; in connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement; in any circumstances with the customer's instruction or consent.

The Adviser restricts access to confidential client information to individuals who are authorized to have access to confidential client information for the purpose of providing services to clients.

The Adviser maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

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

IRA Rollover Considerations

A client leaving an employer typically has four options (and may engage in a combination of these options): 1) leave the money in his former employer's plan, if permitted, 2) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, 3) rollover to an Individual Retirement Account (IRA), or 4) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

As part of our investment advisory services, we may recommend that an investor roll over plan assets to an IRA managed by our firm. As a result, our firm may earn an asset-based fee; however, a recommendation that a client or prospective client leave their plan assets with their old employer will result in no compensation. Therefore, our firm has an economic incentive to encourage an investor to roll plan assets into an IRA that our firm will manage.

There are various factors that our firm may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus those of our firm, iv) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any.

No client is under any obligation to roll over plan assets to an IRA managed by our firm. It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions, please contact our firm via phone or email.