

**FORM ADV PART 2A  
DISCLOSURE BROCHURE**

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This brochure provides information about the qualifications and business practices of Trott Brook Financial, Inc. Being registered as an investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 763-213-1000. 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 TROTT BROOK FINANCIAL, INC.  
(CRD #290962) IS AVAILABLE ON THE SEC'S WEBSITE AT  
[WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV)**

## **Item 2: Material Changes**

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### **Annual Update**

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

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### **Material Changes since the Last Update**

Since the last filing of this brochure on February 19, 2024, the following changes have been made:

- The entire brochure has been updated for registration at the State level with the State of Minnesota.
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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

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## Item 4: Advisory Business

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### Firm Description

Trott Brook Financial, Inc. (“Trott Brook”) was founded in 1999 and became registered to offer investment advisory services in 2018. Trott Brook was approved to offer investment advisory services at the State level in Minnesota on \_\_\_\_\_. James Steffen is 100% owner.

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### Types of Advisory Services

#### ASSET MANAGEMENT

Trott Brook offers discretionary asset management services to advisory Clients. Trott Brook will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The Client will authorize Trott Brook discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

When deemed appropriate for the Client, Trott Brook may hire Sub-Advisors to manage all or a portion of the assets in the Client account. Trott Brook has full discretion to hire and fire Sub-Advisors as we deem suitable. Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and Trott Brook. Sub-Advisors execute trades on behalf of Trott Brook in Client accounts. Trott Brook will be responsible for the overall direct relationship with the Client. Trott Brook retains the authority to terminate the Sub-Advisor relationship at Trott Brook’s discretion.

#### ERISA PLAN SERVICES

Trott Brook provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit-sharing plans, cash balance plans, and deferred compensation plans. Trott Brook may act as a 3(21) advisor:

**Limited Scope ERISA 3(21) Fiduciary.** Trott Brook may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions. As an investment advisor Trott Brook has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using Trott Brook can help the plan sponsor delegate liability by following a diligent process.

#### 1. Fiduciary Services are:

- Provide investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan’s investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. Trott Brook acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement (“IPS”). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically

enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.

- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands Trott Brook's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Trott Brook is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Trott Brook will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Trott Brook may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Trott Brook and Client.

3. Trott Brook has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to Trott Brook on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

ONGOING FINANCIAL PLANNING AND CONSULTING

Ongoing financial planning services include an initial comprehensive evaluation of an investor's current and future financial state and will be provided by using currently known variables to predict future cash flows, asset values and withdrawal plans. Trott Brook will use current net worth, tax liabilities, asset allocation, and future retirement and estate plans in developing financial plans.

Typical topics reviewed in a financial plan may include but are not limited to:

- **Financial goals:** Based on an individual's or a family's clearly defined financial goals, including funding a college education for the children, buying a larger home, starting a business, retiring on time or leaving a legacy. Financial goals should be quantified and set to milestones for tracking.
- **Personal net worth statement:** A snapshot of assets and liabilities serves as a benchmark for measuring progress towards financial goals.
- **Cash flow analysis:** An income and spending plan determines how much can be set aside for debt repayment, savings and investing each month.
- **Retirement strategy:** A strategy for achieving retirement independent of other financial priorities. Including a strategy for accumulating the required retirement capital and its planned lifetime distribution.
- **Comprehensive risk management plan:** Identify all risk exposures and provide the necessary coverage to protect the family and its assets against financial loss. The risk management plan includes a full review of life and disability insurance, personal liability coverage, property and casualty coverage, and catastrophic coverage.
- **Long-term investment plan:** Include a customized asset allocation strategy based on specific investment objectives and a risk profile. This investment plan sets guidelines for selecting, buying and selling investments and establishing benchmarks for performance review.
- **Tax reduction strategy:** Identify ways to minimize taxes on personal income to the extent permissible by the tax code. The strategy should include identification of tax-favored investment vehicles that can reduce taxation of investment income.
- **Estate preservation:** Help update accounts, review beneficiaries for retirement accounts and life insurance, provide a second look at your current estate planning documents, and prompt you to update your plan when the legal environment changes or you have major life events such as a marriage, death, or births.

On an ongoing basis Clients should expect to receive an updated Financial statement, cashflow, annual review, unlimited email and phone support.

If a conflict of interest exists between the interests of Trott Brook and the interests of the Client, the Client is under no obligation to act upon Trott Brook's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through Trott Brook. Initial financial plans will be completed and delivered inside of sixty (60) days contingent upon timely delivery of all required documentation.

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

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. Agreements may not be assigned without written Client consent.

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### **Wrap Fee Programs**

Trott Brook does not sponsor any wrap fee programs.



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**Client Assets under Management**

Trott Brook has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$81,039,774	\$0	December 31, 2023

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**Item 5: Fees and Compensation****Method of Compensation and Fee Schedule**ASSET MANAGEMENT

Trott Brook offers discretionary direct asset management services to advisory Clients. Trott Brook charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee	Quarterly Fee
Up to \$500,000	1.40%	.3500%
\$500,000.01 to \$1,000,000	1.25%	.3125%
\$1,000,000.01 to \$2,500,000	1.00%	.2500%
\$2,500,000.01 to \$5,000,000	0.80%	.2000%
Over \$5,000,000	0.60%	.1500%

This is a tiered or breakpoint fee schedule, the entire portfolio is charged the same asset management fee. For example, a Client with \$750,000 under management would pay \$9,375 on an annual basis.  $\$750,000 \times 1.25\% = \$9,375$ .

The annual fee is not negotiable. Trott Brook Financial considers cash to be an asset class, and as such is included in fee calculations. Also, to be noted, at times fees will exceed the money market yield. Fees are billed quarterly in advance based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. After the initial 5 business days, the agreement may be terminated by Trott Brook with thirty (30) days written notice to Client and by the Client at any time with written notice to Trott Brook. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to Trott Brook. Additionally, all unearned fees will be refunded to the Client. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs. Lower fees for comparable services may be available from other sources.

Trott Brook may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios by executing a Sub-Advisor agreement with other registered investment advisor firms. When using Sub-Advisors, the Client will not pay additional fees. However, the Sub-Advisors utilized may use proprietary funds where the sub-advisor is compensated based on the internal expenses of the proprietary fund.

### ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The annual fee is negotiable and will be charged as a percentage of the Included Assets. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, Trott Brook shall be entitled to a prorated fee based on the number of days during the fee period services were provided or Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of Trott Brook for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. Trott Brook does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Trott Brook will disclose this compensation, the services rendered, and the payer of compensation. Trott Brook will offset the compensation against the fees agreed upon under the Agreement.

### ONGOING FINANCIAL PLANNING AND CONSULTING

Trott Brook charges an ongoing monthly fee ranging from \$250 - \$500 per month based on complexity and unique Client needs. Prior to the planning process the Client will be provided an estimated plan fee. Fees for financial plans are billed monthly in advance. For certain financial planning engagements, Trott Brook will provide a written summary of the Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, Trott Brook may not provide a written summary. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, the Client will be entitled to a refund based on a pro-rata portion of the remaining monthly fee. Ongoing services will remain in effect year over year unless cancelled in writing by either party by giving the other party thirty (30) days written notice.

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### **Client Payment of Fees**

Fees for asset management services are deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

Fees for ERISA services will either be deducted from Plan assets or paid directly to Trott Brook. The Client must consent in advance to direct debiting of their investment account.

Fees for financial plans will be billed to the Client and paid directly to Trott Brook.

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### **Additional Client Fees Charged**

Custodians may charge transaction fees and other related costs on the purchases or sales of mutual funds, equities, bonds, options and exchange-traded funds. Mutual funds, money market funds and exchange-traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Trott Brook does not receive any compensation from

these fees. All of these fees are in addition to the management fee you pay to Trott Brook. For more details on the brokerage practices, see Item 12 of this brochure.

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### **Prepayment of Client Fees**

Trott Brook does not require any prepayment of fees of more than \$500 per Client and six months or more in advance.

Fees for ERISA 3(21) services may be billed in advance.

Fees for ongoing financial planning are billed monthly in advance.

If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to Trott Brook.

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### **External Compensation for the Sale of Securities to Clients**

Investment Advisor Representatives of Trott Brook receive external compensation for the sale of securities to clients as a registered representative of Lasalle St Securities, L.L.C., a broker-dealer. This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As registered representatives, they do not charge advisory fees for the services offered through Lasalle St Securities, L.L.C. This conflict is mitigated by disclosures, procedures, and Trott Brook's fiduciary obligation to place the best interest of the Client first and Clients are not required to purchase any products or services. Clients have the option to purchase these products through another registered representative of their choosing.

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

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### **Sharing of Capital Gains**

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

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

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

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### **Description**

Trott Brook generally provides investment advice to individuals, high net worth individuals, corporations or business entities. Client relationships vary in scope and length of service.

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### **Account Minimums**

Trott Brook requires a minimum of \$500,000 to open an account. In certain instances, the minimum account size may be lowered or waived.

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

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

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

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### **Investment Strategy**

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to Trott Brook. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

Trott Brook generally employs a long-term investment strategy for its Clients, as consistent with the Client's financial goals. Trott Brook will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients.

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### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Trott Brook:

- *Market Risk:* The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Inflation Risk:* When any type of inflation is present, 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.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the client's portfolio may suffer.

- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.
- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- *Investment Companies Risk:* When a client invests in open end mutual funds or ETFs, the client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which client invests.
- *Foreign Securities Risk:* Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intension of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.

- *Trading risk*: Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.

The risks associated with utilizing Sub-Advisors include:

- Manager Risk
  - Sub-Advisor fails to execute the stated investment strategy
- Business Risk
  - Sub-Advisor has financial or regulatory problems
- The specific risks associated with the portfolios of the Sub-Advisor's which is disclosed in the Sub-Advisor's Form ADV Part 2.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

Trott Brook and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

Trott Brook and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

Trott Brook and its management have not been involved in any self-regulatory organizational enforcement proceedings that are material to a Client's or prospective Client's evaluation of Trott Brook or the integrity of its management.

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

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### **Broker-Dealer or Representative Registration**

Trott Brook is not registered as a broker-dealer, however, investment advisor representatives of Trott Brook are registered representatives of Lasalle St Securities, L.L.C., a FINRA/SIPC broker-dealer.

### **Futures or Commodity Registration**

Neither Trott Brook nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

James Steffen has a financial affiliated business as an independent insurance agent. Less than 1% of his time is spent on this activity. Mr. Steffen is also a registered representative with LaSalle St. Securities, L.L.C. (CRD 7191). Approximately 1% of his time is spent on this activity. He will offer Clients services from those activities. As an insurance agent and registered representative, he will receive separate yet typical compensation.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the

option to purchase these products through another insurance agent or registered representative of their choosing.

In addition, Mr. Steffen is the owner of a vacation rental. He spends approximately 5% of his time on this activity. This is not a conflict as there are no crossover clients.

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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Trott Brook may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios. Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and Trott Brook. Sub-Advisors execute all trades on behalf of Trott Brook in Client accounts. Trott Brook will be responsible for the overall direct relationship with the Client. Trott Brook retains the authority to terminate the Sub-Advisor relationship at Trott Brook's discretion.

In addition to the authority granted to Trott Brook, Clients will grant Trott Brook full discretionary authority and authorizes Trott Brook to select and appoint one or more independent investment advisors ("Advisors") to provide investment advisory services to Client without prior consultation with or the prior consent of Client. Such Advisors shall have all of the same authority relating to the management of Client's investment accounts as is granted to Trott Brook in the Agreement. In addition, at Trott Brook's discretion, Trott Brook may grant such Advisors full authority to further delegate such discretionary investment authority to additional Advisors. Trott Brook ensures that before selecting other advisors for Client that the other advisors are properly licensed or registered as an investment advisor.

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

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**Code of Ethics Description**

The affiliated persons (affiliated persons include employees and/or independent contractors) of Trott Brook have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Trott Brook affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of Trott Brook. The Code reflects Trott Brook and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

Trott Brook's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of Trott Brook may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Trott Brook's Code is based on the guiding principle that the interests of the Client are our top priority. Trott Brook's officers, directors, advisors, and other affiliated persons have a

fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

Trott Brook will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Trott Brook and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

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**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Trott Brook and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide Trott Brook with copies of their brokerage statements.

The Chief Compliance Officer of Trott Brook is James Steffen. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Trott Brook does not have a material financial interest in any securities being recommended. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide Trott Brook with copies of their brokerage statements.

The Chief Compliance Officer of Trott Brook is James Steffen. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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**Item 12: Brokerage Practices**

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**Factors Used to Select Broker-Dealers for Client Transactions**

Trott Brook will recommend the use of a particular broker-dealer based on their duty to seek best execution for the client, meaning they have an obligation to obtain the most favorable terms for a client under the circumstances. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which



the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. Trott Brook will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Trott Brook relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Trott Brook. Trott Brook does not receive any portion of the trading fees.

Trott Brook will require the use of Fidelity.

- *Research and Other Soft Dollar Benefits*  
Trott Brook does not receive any soft dollar benefits.
- *Brokerage for Client Referrals*  
Trott Brook does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.
- *Directed Brokerage*  
Trott Brook does not allow directed brokerage accounts.

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### **Aggregating Securities Transactions for Client Accounts**

Trott Brook is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Trott Brook. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis. If aggregation is not allowed or infeasible and individual transactions occur (e.g., withdrawal or liquidation requests, odd-lot trades, etc.) an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

## **Item 13: Review of Accounts**

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### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly by the Investment Advisor Representatives of Trott Brook. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target allocations of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial plans generated are updated on an ongoing basis.

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### **Review of Client Accounts on Non-Periodic Basis**

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

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### **Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by Trott Brook's custodian. Client receives confirmations of each transaction in account from custodian and an additional statement during any month

in which a transaction occurs. Performance reports will be provided by Trott Brook upon request or during Client review meetings to Clients with assets under management.

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

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### **Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Mr. Steffen receives external compensation for the sale of securities to Clients as a registered representative of LaSalle St Securities, L.L.C., a broker-dealer.

### **Advisory Firm Payments for Client Referrals**

Trott Brook does not compensate for Client referrals.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to carefully compare the account statements received directly from their custodians to any documentation or reports prepared by Trott Brook.

Trott Brook is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of Trott Brook.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

Trott Brook requires discretionary authority to manage securities accounts on behalf of Clients. Trott Brook has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

Trott Brook allows Clients to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. These restrictions must be provided to Trott Brook in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. Trott Brook does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

## **Item 17: Voting Client Securities**

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### **Proxy Votes**

Trott Brook does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, Trott Brook will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client. If the Client requires assistance or has questions, they can reach out to the investment advisor representatives of the firm at the contact information on the cover page of this document.

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**Item 18: Financial Information**

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**Balance Sheet**

A balance sheet is not required to be provided to Clients because Trott Brook does not serve as a custodian for Client funds or securities and Trott Brook does not require prepayment of fees of more than \$500 per Client and six months or more in advance.

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**Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Trott Brook has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

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**Bankruptcy Petitions during the Past Ten Years**

Trott Brook has not had any bankruptcy petitions in the last ten years.

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**Item 19: Requirements for State Registered Advisors**

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**Principal Executive Officers and Management Persons**

The education and business background for all management and supervised persons can be found in the Part 2B of this Brochure.

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**Outside Business Activities**

The outside business activities for all management and supervised persons can be found in the Part 2B of this Brochure.

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**Performance Based Fee Description**

Neither Trott Brook nor its management receive performance based fees. Please see Item 6 of the ADV 2A for more information.

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**Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons**

Neither Trott Brook nor its management have been involved in any of the following:

1. An award or otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - a. An investment or an investment-related business or activity;
  - b. Fraud, false statement(s) or omissions;
  - c. Theft, embezzlement or other wrongful taking of property;
  - d. Bribery, forgery, counterfeiting, or extortion;
  - e. Dishonest, unfair or unethical practices.
2. An award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a. An investment or an investment-related business or activity;
  - b. Fraud, false statement(s) or omissions;
  - c. Theft, embezzlement or other wrongful taking of property;
  - d. Bribery, forgery, counterfeiting, or extortion;
  - e. Dishonest, unfair or unethical practices.

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**Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities**

There are no material relationships with issuers of securities to disclose.

Item 1 Cover Page  
**SUPERVISED PERSON BROCHURE**  
FORM ADV PART 2B

James Steffen, CFP®

**Trott Brook Financial, Inc.**

**Office Address:**  
3601 Thurston Avenue, #102  
Anoka, MN 55303

**Tel:** 763-213-1000

**Fax:** 763-213-1001

**Email:** [Jim@trottbrook.com](mailto:Jim@trottbrook.com)

**Website:** [www.trottbrook.com](http://www.trottbrook.com)

March 28, 2024

This brochure supplement provides information about James Steffen and supplements the Trott Brook Financial, Inc. brochure. You should have received a copy of that brochure. Please contact James Steffen if you did not receive the brochure or if you have any questions about the contents of this supplement.

**ADDITIONAL INFORMATION ABOUT JAMES STEFFEN (CRD #2342473) IS AVAILABLE ON THE SEC'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

## Brochure Supplement (Part 2B of Form ADV)

### Supervised Person Brochure

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#### Principal Executive Officer – James Steffen, CFP®

- Year of birth: 1968
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#### Item 2 - Educational Background and Business Experience

##### Educational Background:

- University of St. Thomas; Bachelor of Arts – Business and Economics; 1991

##### Business Experience:

- Trott Brook Financial, Inc.; Investment Advisor Representative/Chief Compliance Officer; 02/2018-Present
- LaSalle St Securities, L.L.C.; Registered Representative; 02/2018-Present
- Trott Brook Financial, Inc.; President; 11/1999-Present
- Jim Steffen, Sole Proprietor; Insurance Agent; 06/1991-Present
- LPL Financial LLC.; Investment Advisor Representative; 12/2013-02/2018
- LPL Financial LLC.; Registered Representative; 12/2002-02/2018

#### Professional Certifications

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*James Steffen* has earned certifications and credentials that are required to be explained in further detail.

The **CERTIFIED FINANCIAL PLANNER™**, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold 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.

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 CFP Board’s studies have 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 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*, a set of documents outlining 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 an agreement 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.

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### **Item 3 - Disciplinary Information**

- A. Mr. Steffen has never been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction for which he:
  1. Was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) misdemeanor that involved investments or an investment-related business, fraud, false statement or omissions, wrongful taking of property, bribery, perjury, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. Was found to have been involved in a violation of an investment-related statute or regulation; or
  4. Was the subject of any order, judgement or decree permanently or temporarily enjoining, or otherwise limiting, him from engaging in any investment related activity, or from violating any investment-related statute, rule, or order.
- B. Mr. Steffen never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which he:
  1. Was found to have caused an investment-related business to lose its authorization to do business; or the subject of an order by the agency or authority;
  2. Was found to have been involved in a violation of an investment-related statute or regulation or was the subject of an order by the agency or authority
    - (a) denying, suspending or revoking the authorization of the supervised person to act in an investment-related business; (b) barring or suspending his association with an investment-related business; (c) otherwise significantly limiting his investment-related activities; or (d) imposing a civil money penalty of more than \$2,500 on him.

- C. Mr. Steffen has never been the subject of a self-regulatory organization (SRO) proceeding in which he:
1. Was found to have caused an investment-related business to lose its authorization to do business; or
  2. Was found to have been involved in a violation of the SRO's rules and was: (a) barred or suspended from membership or from association with other members, or was expelled from membership; (b) otherwise significantly limited from investment-related activities; or (c) fined more than \$2,500.
- D. Mr. Steffen has not been involved in any other hearing or formal adjudication in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct.
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#### **Item 4 - Other Business Activities**

James Steffen has a financial affiliated business as an independent insurance agent. Less than 1% of his time is spent on this activity. Mr. Steffen is also a registered representative with LaSalle St. Securities, L.L.C. (CRD 7191). Approximately 1% of his time is spent on this activity. He will offer Clients services from those activities. As an insurance agent and registered representative, he will receive separate yet typical compensation.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent or registered representative of their choosing.

In addition, Mr. Steffen is the owner of a vacation rental. He spends approximately 5% of his time on this activity. This is not a conflict as there are no crossover clients.

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#### **Item 5 - Additional Compensation**

Mr. Steffen receives commissions on the insurance and securities products he sells. He does not receive any performance-based fees and does not receive any additional compensation for performing advisory services other than what is described in Item 5 of Part 2A.

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#### **Item 6 - Supervision**

Since Mr. Steffen is the sole owner of Trott Brook and is solely responsible for all supervision and formulation and monitoring of investment advice offered to Clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual. He can be reached at [jim@trottbrook.com](mailto:jim@trottbrook.com) or 763-213-1000.

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#### **Item 7 - Requirements for State-Registered Advisors**

- A. Mr. Steffen has not been involved in any of the following:
1. An award or otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500 involving any of the following:
    - i. An investment or an investment-related business or activity;
    - ii. Fraud, false statement(s) or omissions;
    - iii. Theft, embezzlement or other wrongful taking of property;
    - iv. Bribery, forgery, counterfeiting, or extortion;
    - v. Dishonest, unfair or unethical practices.

2. An award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - i. An investment or an investment-related business or activity;
  - ii. Fraud, false statement(s) or omissions;
  - iii. Theft, embezzlement or other wrongful taking of property;
  - iv. Bribery, forgery, counterfeiting, or extortion;
  - v. Dishonest, unfair or unethical practices.
- B. Mr. Steffen has never been the subject of a bankruptcy petition.