

## **I. Cover Page**

# **Part 2A of Form ADV 3/31/2013**

### **Sterneck Capital Management, LLC**

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This brochure outlines the qualifications and business practices of Sterneck Capital Management, LLC. For questions, please contact us: 816-531-2254, or [info@sterneckcapital.com](mailto:info@sterneckcapital.com). You may also contact Regan Ervin, Chief Compliance Officer at 816-268-2237, or [rervin@sterneckcapital.com](mailto:rervin@sterneckcapital.com).

The information in this brochure has not been approved or certified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Sterneck Capital Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Sterneck Capital is a SEC Registered Investment Advisor (RIA). The RIA status does not imply a certain level of skill or training.

## II. Material Changes

### Material changes to this ADV Part 2A:

3/31/2013

- Commensurate with a change to the SCM Ethics Policy, restrictions on short-term trading within the personal accounts have been removed. In practice, this is not a frequent activity, and in light of other restrictions that exist, there is no perceived conflict with personal short-term trading.
- Language has been added to Item XIV to reflect SCM's participation in TD Ameritrade's Equity Management Program, and potential conflicts of interest that may exist.
- Reflected title change of Regan Ervin to Chief Operating Officer, and Ed Condon to Sr. Portfolio Manager. Both title changes occurred in 2012.

3/31/2012

- SCM now offers financial planning services and fiduciary advisory services to retirement plan sponsors. The details of these services have been outlined in section IV.

3/31/2011

- On July 28, 2010, the United States Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that all advisors provide to clients as required by SEC Rules. This Brochure dated 01/01/2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

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## IV. Advisory Business

### A. The Firm

Sterneck Capital Management, LLC (hereinafter “SCM” the “Investment Manager” or “Advisor”) has been in business since 1989 and is entirely owned by Frank Sterneck. SCM offers investment advice relative to the purchase and sale of securities in the management of investment portfolios.

### B. Services

SCM provides advisory services for individual and joint accounts, trusts, IRAs, 401Ks, and GRATs. SCM also provides fiduciary advisory services to retirement plan sponsors. In addition to investment advisory services, SCM may also provide financial planning services to clients. SCM is also the General Manager of Sterneck Value & Opportunity, LP, a private partnership which is made available to accredited investors only.

#### Account Management

SCM defines itself as multi-cap, value manager with a broad expertise in the equity, options and fixed income markets. The firm relies on fundamental analysis and to a lesser extent quantitative analysis, believing fundamentally sound companies are good to own, but should be purchased at the right price. Generally, SCM operates with a long-term focus and often buys on weakness and sells on strength.

Within the broad the equity and fixed income asset classes, SCM has many tools from which to choose. Each security type listed below has associated risk and return characteristics. Each is weighed by Sterneck Capital when constructing and managing a diversified portfolio designed to realize a client’s articulated goals while reducing portfolio risk.

The types of securities frequently considered by Sterneck Capital:

Equity Oriented	Fixed Income Oriented
<ul style="list-style-type: none"><li>• Common Stock</li><li>• Preferred Stock</li><li>• Master Limited Partnerships (MLPs)</li><li>• Real Estate Investment Trusts (REITs)</li><li>• Open-Ended Mutual Funds</li><li>• Closed-Ended Mutual Funds</li><li>• Exchange Traded Funds (ETFs)</li><li>• Call/Put Options</li><li>• Private Placements</li></ul>	<ul style="list-style-type: none"><li>• Corporate Bonds</li><li>• Municipal Bonds</li><li>• Agency Bonds</li><li>• Mortgage-Backed Notes</li><li>• Index-Linked Notes</li></ul>

*\*Securities listed may not be appropriate for all clients*

#### Financial Planning

Financial planning is a service that may be offered to clients. There is no fee for this service.

Financial advisory services provided by SCM may include the analysis of a client's situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help clients meet their specific financial objectives. Such services may include a written financial analysis and specific or general investment and/or planning recommendations.

When preparing a financial plan, SCM may address any or all of the six areas of financial planning established by the National Endowment for Financial Education and endorsed by the Certified Financial Planner Board of Standards, depending on a client's specific needs. These include: financial position, protection planning, investment planning, income tax planning, retirement planning, and estate planning.

SCM specific services in preparing a plan may include:

- Determining appropriate income planning strategies for both pre- and post-retirement;
- Reviewing existing and proposed investment asset mixes to help a client meet their financial objectives. This would include reviewing risk/return issues and a suggested plan of action consistent with a client's risk tolerance and overall financial objectives.
- Calculating a client's pre-retirement savings and investing needs;
- Assessing a client's overall financial position including net worth, cash flow, and debt;
- Providing a comprehensive analysis of IRA-related issues including rollover, distribution, and inheritance planning options;
- Evaluating strategies designed to maximize the utilization and protection of IRA assets;
- Estimating federal estate taxes and suggesting a plan of action to help meet estate planning objectives. This is not to be a substitute for professional tax advice from a qualified tax professional.
- Reviewing and determining a life and disability insurance needs;
- Providing suggestions for minimizing federal and state income tax obligations; and
- Developing investment strategies consistent with business ownership succession and transition planning, if applicable.

#### Retirement Plan Advisory

The Retirement Plan Advisory Service is offered to retirement plan sponsors and is generally charged an asset-based management fee which is negotiable based on the scope of service.

The Retirement Plan Advisory Services offered by SCM consists of assuming fiduciary responsibility from the employer plan sponsors as SCM establishes, monitors and reviews a company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising can include: third-party administrator and record keeper selection, plan structure, investment options, participant education.

SCM will establish a plan sponsor's needs and objectives through an initial meeting to collect data, review plan information, and assist in developing or updating the plan's provisions. Ongoing services may include selection and review of unaffiliated mutual funds that, in SCM's judgment, are suitable for plan assets to be invested. SCM periodically reviews the investment options to determine

whether to keep or replace plan investment options as appropriate. SCM performs a comprehensive review of potential service providers or vendors and will assist with converting the plan from the incumbent service provider to a new administrator and record keeper, as applicable.

Services available under an Investment Advisory Agreement permit SCM to provide financial education to the plan participants. The scope of education provided to participants and delivery method is agreed upon but will not constitute “investment advice” within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan. SCM may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants, as agree upon.

### **C. Tailored Service**

Prior to initiating an investment program, Sterneck Capital Management, LLC attempts to learn each client’s total net worth, liquid net worth, marital status, current income, income needs, investment experience, investment time horizon, financial goals and objectives and willingness and ability to tolerate risk (generally regarded as price volatility and probabilities of negative outcomes). Clients have the ability to specify securities or asset classes they do not want to own.

Within this strategic framework, a target asset allocation will be established. Once agreed upon, Sterneck Capital will begin the tactical implementation by using a value-oriented investment style to identify investment securities the firm is willing to buy and sell. This value focus transcends size, sector and capital structure. It is an effort focused on identifying securities where risk-adjusted returns appear favorable in an absolute sense and/or relative to historic metrics.

With proper agreements in place between SCM and client, and brokerage firm and client, SCM has full authority in its discretion to purchase, sell, tender, exchange, convert or exercise and otherwise acquire or dispose of and trade and deal in or with securities described in Part II, Item 3 of Form ADV, to sell short, on margin or otherwise, and to cover such short sales, to write, buy and sell options on securities, and to borrow funds from the brokerage firm with which the investment advisory clients’ accounts are maintained for the purpose of trading on margin and to execute such assignments, instruments of transfer, orders and other instruments and to enter into such agreements as may be necessary and proper in connection with the management of Sterneck Capital Management, LLC’s investment advisory clients’ portfolios.

### **D. Wrap Fee Programs**

Not applicable - Sterneck Capital Management has no Wrap Fee Program

### **E. Client Assets Under Management**

Client assets under management as of 12/31/2012:

Asset Category	Assets Under Management
Discretionary	\$ 356,232,876
Non-Discretionary	\$ 4,639,921
TOTAL	\$ 360,872,798

## V. Fees and Compensation

### A. Description

SCM is compensated for advisory services through asset-based management fee, flat-fee rate, and/or performance-based fees.

Annual asset-based fees range from 0.3% to 1.75%, with a 1% management fee being most typical. Certain consulting arrangements are performed on a flat-fee basis, with fees commensurate to the agreed upon scope of service. A performance-based fee is applicable to Sterneck Value & Opportunity, LP, a private partnership available to accredited investors only.

Management fees are subject to negotiation. The management fee outlined in each client's Management Agreement is largely a factor of the household's assets under management, investment mandate, and continuity of former fee arrangements. In cases where a purchase agreement with another Investment Advisor resulted in the transition of client relationships to Sterneck Capital Management, the clients' management fee did not change. In some cases, this results in clients paying fees at the high end of the management fee scale.

### B. Billing Method

Each client has a choice whether to pay their management fees via check or have it deducted directly from the account. Clients are billed quarterly a percentage of the gross assets of the account at the end of each fiscal quarter, adjusted for contributions and withdrawals made during the quarter. Fees may be assessed on all assets under management, including securities, cash and money market balances. Margin debit balances do not reduce the value of assets under management. Such fees are payable within ten days following the end of each fiscal quarter and shall be prorated for periods less than a full calendar quarter.

### C. Other Fees

Clients may experience other indirect fees such as:

*Transaction fees* – Prime Brokers charge a transaction fee for processing the purchase or sale of a security in the client account. The fee will vary based on the security type being transacted.

*Mutual fund management fees* – SCM may invest client portfolio assets in mutual funds or exchange traded funds ("ETFs"). Mutual funds and ETFs have certain underlying expenses, detailed in the prospectuses provided to clients, borne indirectly by their owners. To the extent that SCM charges a



direct fee to the portfolio (or its owner), such a fee is in addition to the indirect cost of owning a mutual fund and/or ETF.

*Executing Broker commission (equity)*—For equity transactions effected through Executing Brokers, client accounts generally pay \$.06 per share plus a transaction fee to the Prime Broker. For transactions effected at the Prime Broker, client accounts also pay the transaction fee then current at their Prime Broker.

*Executing broker commission (bonds)*—For bond transactions effected through Executing Brokers, the security price offered by the Executing Broker includes a commission payable to the broker. For transactions effected at the Prime Broker, client accounts also pay the transaction fee then current at their Prime Broker.

SCM receives no form of compensation other than the management fee outlined in each client’s management agreement. SCM has no vested interest in any of these other fees, other than taking advantage of research and access to securities for the benefit of client portfolios. All broker-dealers selected by SCM to act as either Prime Broker or Executing Broker for its clients’ accounts are unaffiliated third parties.

#### **D. Fees Paid in Advance**

Individually managed accounts pay their management fee in arrears, based on the value of the assets at the end of the quarter (see section V.B. for more detail). The only account paying management fees in advance is Sterneck Value & Opportunity, LP, a private partnership for accredited investors. The offering document limits capital flows to the end of each quarter, thus the need to prorate fees for a partial quarter is not applicable.

#### **E. Sales Commission**

Not applicable – SCM receives no form of compensation resembling a sales commission.

## **VI. Performance Based Fees and Side-By-Side Management**

SCM is the General Partner of Sterneck Value & Opportunity, LP (SVO), a private partnership available only to accredited investors. In addition to the management fee SCM receives a performance incentive fee. Up to 20% of the annual net profits (allocation is subject to each LP’s “highwater mark”) of the limited partnership are allocated to the general partner, SCM. The amount of net profits is determined by, and paid following, an annual independent audit performed by Certified Public Accountants.

To the extent that SCM may enter into “incentive based advisory contracts”, any such contract will be consistent with Rule 205-3 under the Investment Advisers Act of 1940.

A potential conflict of interest exists in the fact that this performance-based fee account is managed side-by-side with client accounts, and one account may be favored over the other. This conflict is mitigated in part through transacting purchases in the average-price account, so all clients, and SVO receive the same price when transacting the same security on the same day. Further, industry regulations require all trades to be allocated to accounts by close of business each day. In conjunction with average pricing, this limits the possibility of price scalping.

To address conflicts associated with trading ahead of clients or buying after a sale, SVO is subject to the 13-day blackout periods and short-term trading policies outlined in the SCM Code of Ethics (Code of Ethics available upon request).

Finally, most of the securities purchased across accounts are widely held securities that have high trade volume. Thinly traded securities typically have a risk profile suitable only to a small number of accounts in need of higher-risk securities. In other words, even with thinly traded securities, rationing is not a common issue. Note: As policy, SVO is the only account managed by SCM that participates in hot issues of individual equity-oriented securities.

## **VII. Types of Clients**

The types of clients SCM generally provides advice to are individuals, trustees, plan sponsors and SVO (private partnership). There is no stated minimum account size. One must be an accredited investor to invest in SVO, and the minimum investment for this particular private partnership is \$250,000, though the General Partner has the ability to change this from time-to-time.

## **VIII. Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Methods, Strategies and Risk**

Sterneck Capital has defined a security selection process with the SCM Investment Committee at the center. The output of the selection process is specific buy/sell/hold decision. The inputs for the process are the varying sources of information and tools used by the Investment Committee in making their buy/sell/hold decisions. These sources of information are equity screens, industry journals/periodicals, SCM independent research, sales brokers, and watch lists.

SCM applies a value-focus when evaluating the merits of individual securities and ideas. The committee typically focuses on identifying securities and sectors believed to be temporarily mispriced. Often, this leads the committee to out-of-favor asset class and industry sectors. Likewise, in euphoric phase of a market cycle, SCM maintains a focus on realistic security valuations.

This contrarian approach requires independent thinking. The committee has the freedom to construct portfolios designed to realize clients' articulated goals while attempting to reduce portfolio risk.

Investing in securities carries an inherent risk of loss investors must be prepared to bear. The committee recognizes *diversification* and *discipline* are two keys to successful portfolio design that can dampen risk to the portfolio. Diversification is a tool rooted in humility, knowing future market events are unpredictable, and prudent investment behavior diversifies asset classes and holdings so no single security selection determines success or failure. Discipline prompts the committee's continuous and dispassionate reexamination of prior investment decisions in light of new information.

## **B. Material Risk**

Sterneck Capital Management believes diversification is a key to dampening risk (volatility) within a portfolio. Larger accounts typically are comprised of 30 or more individual equities, with approximately 15-30% turnover. Individual bond positions typically comprise no more than 5% of the portfolio. In practice, SCM uses mutual funds in smaller accounts in order to achieve a prudent level of diversification. It is not Sterneck Capital's practice to use margin in client accounts, though it is a tool made available to help cover short-term cash needs. Generally, use of significant or long-term margin is done at the specific request of the client.

## **C. Security Types**

Sterneck Capital recommends a broad array of security types. For larger accounts, SCM does have a bias toward individual securities, whether it is specific companies or specific bonds. Singularly speaking, these represent non-diversified positions. Thus, the performance of any particular security can be significantly more volatile than the broad equity market.

The utilization of options also has inherent risks that can subject assets to great losses. The types of options strategies (buy-writes and covered calls) most commonly used by SCM represent strategies designed to dampen risk, though this activity does not result in a hedged positions.

## IX. Disciplinary Information

### A. Criminal or Civil Action

#### 1. *Convicted, Guilty, No Contest*

**Not applicable – Sterneck Capital has had no incident** involving the firm or management persons which resulted in a conviction to a felony, misdemeanor, or conspiracy involving investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion.

#### 2. *Named Subject*

**Not applicable – Sterneck Capital has had no incident** in which the firm or management persons has been the named subject of a pending criminal proceeding that involved an investment related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or conspiracy to commit any of these offenses.

#### 3. *Violation of Statute or Regulation*

**Not applicable – Sterneck Capital has had no incident** in which the firm or management persons were found to have been involved in a violation of an investment-related statute or regulation.

#### 4. *Subject of*

**Not applicable – Sterneck Capital has had no incident** in which the firm or management persons were the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or management person from engaging in any investment-related activity, or from violating any investment-related statute, rule or order .

### B. Administrative Proceeding Before the SEC

#### 1. *Found to have Caused*

**Not applicable – Sterneck Capital has had no incident** in which the firm or management persons was found to have caused an investment-related business to lose its authorization to do business.

#### 2. *Found to have been Involved*

**Not applicable – Sterneck Capital has had no incident** in which the firm or management persons was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority a) denying, suspending, or revoking the authorization to act in an investment-related business; b) barring or suspending the association with an investment-related business; c) otherwise significantly limiting investment-related activities; or d) imposing a civil money penalty of more than \$2,500.

## **X. Other Financial Industry Activities and Affiliations**

### **A. Broker Dealer / Registered Representative**

Not applicable – Sterneck Capital and its management persons are not registered, nor are there any pending registrations, as a broker-dealer or registered representative of a broker-dealer.

### **B. Futures Commission Merchant or Commodity Pool Operator**

Not applicable – Sterneck Capital and its management persons are not registered, nor are there any pending registrations, as futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Material Relationships**

#### ***General Statement***

From time to time, Sterneck Capital Management clients express the need for certain professional services, and SCM is in a position to refer clients to trusted accountants, lawyers, estate planners, and insurance agents, etc. Occasionally these professionals will refer clients to Sterneck Capital. There is no formal arrangement, nor is there any form of remuneration for such referrals, thus there is no material conflict of interest.

#### ***1. Broker Dealers, Bond Dealers***

Sterneck Capital works with equity sales brokers, bond dealers and prime broker dealers to execute security transactions and to custody client assets. The cost of these services is paid for by the client, based on the transaction costs. (See section V.C. for more detail). In return, Sterneck Capital may receive research and use of technology systems and tools.

#### ***2. Pooled Investment Vehicles***

Sterneck Capital routinely invests client assets in publicly traded mutual funds and closed-ended mutual funds, master limited partnerships, exchange traded funds, etc. These investments have their own underlying expense (see section V.C. for more detail). There is no material conflict of interest.

Sterneck Capital is the General Partner of Sterneck Value & Opportunity, LP, a private partnership available only to accredited investors. In addition to prime brokerage accounts, the partnership maintains a checking account held at a local bank. Funds can be issued to third-parties from this checking account, including payment of management fees to the General Partner. The partnership undergoes an annual audit by a separate, national CPA firm. Any potential conflict of interest related to SVO is disclosed in this document (see section IV for more detail).

Sterneck Capital is the Managing Member of SCM Energy Partners, LLC, a pooled investment vehicle formed to make specific investments in two energy related projects. As Managing Member, Sterneck Capital oversees the preparation of annual K-1s for the members, and corporate tax filings, facilitates distribution payments to the members, and selects the individuals to fill two board seats

belonging to SCM Energy Partners, one of which is occupied by Edward Condon. Sterneck Capital can be replaced as the Manager of SCM Energy Partners with a vote by the members. Sterneck Capital receives no compensation as Managing Member, and Sterneck Capital, nor Edward Condon, receives any compensation as board member. Additionally, SCM Energy Partners maintains a checking account for purposes of paying annual accounting and audit expenses. Funds can be issued to third-parties from this checking account. The entity undergoes an annual surprise examination. There is no material conflict.

### ***3. Other Investment Adviser or Financial Planner***

Not applicable – see General Statement above for more detail.

### ***4. Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor***

From time to time Sterneck Capital Management may invest client assets in investment vehicles that may have exposure in the futures markets and commodity derivatives. These investments are not common practice and typically are reserved for clients who have a sophisticated understanding of risk.

### ***5. Banking or Thrift Institution***

Not applicable – see General Statement above for more detail.

### ***6. Accountant or Accounting Firm***

Sterneck Capital works with an accountant for its own business, and engages with accounting and tax professionals for services related to Sterneck Value & Opportunity, LP and SCM Energy Partners, LLC. (See section X.C.2 for more detail, and see General Statement above). There is no material conflict.

### ***7. Lawyer or Law Firm***

Sterneck Capital works with a lawyer for its own business, and occasionally engages with law professionals for services related to Sterneck Value & Opportunity, LP and SCM Energy Partners, LLC. (See section X.C.2 for more detail, and see General Statement above). There is no material conflict.

### ***8. Insurance Company or Agency***

Not applicable – see General Statement above for more detail.

### ***9. Pension Consultant***

Not applicable

### ***10. Real Estate Broker or Dealer***

Not applicable – see General Statement above for more detail.

### ***11. Sponsor or Syndicator of Limited Partnerships***

From time to time Sterneck Capital will evaluate non-public investment opportunities. These occasions have been infrequent, and often performed as a courtesy to clients and non-clients. Any such opportunity will have fee structures clearly defined for all potential investors, both the fees to

the Manager of the non-public investment, and any management fee to be charged by Sterneck Capital Management. There is no material conflict.

#### **D. Selecting Other Investment Advisers**

Not applicable – Sterneck Capital does not select nor recommend other investment advisors.

## **XI. Code of Ethics, Interest in Client Transactions & Personal Trading**

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

A copy of the Sterneck Capital Code of Ethics will be furnished to any client or prospective client upon request.

The Code of Ethics sets forth standards of conduct expected of Sterneck Capital Management, LLC (“the Firm”) personnel and addresses conflicts that arise from personal trading by personnel. The Code of Ethics will address, among other things, personal trading, gifts, prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The ethical culture of the Firm is of critical importance and must be supported at the highest levels of our firm. The Code of Ethics is designed to:

- Protect the Firm’s clients by deterring misconduct;
- Educate personnel regarding the Firm’s expectations and the laws governing their conduct;
- Remind personnel that they are in a position of trust and must act with complete propriety at all times;
- Protect the reputation of the Firm;
- Guard against violation of the securities laws; and,
- Establish procedures for personnel to follow so that the Firm may determine whether its personnel are complying with the Firm’s ethical principles

Honesty, integrity and professionalism are hallmarks of the Firm. The Firm maintains the highest standards of ethics and conduct in all of its business relationships. The Code of Business Conduct and Ethics covers a wide range of business practices and procedures and applies to all personnel in their conduct of the business and affairs of the Firm

The activities of any officer, director or personnel of the Firm will be governed by the following general principals: (1) honest and ethical conduct will be maintained in all personal securities transactions and such conduct will be in a manner that is consistent with the Code of Ethics thus avoiding or appropriately addressing any actual or potential conflict of interest or any abuse of a personnel’s position of trust and responsibility, (2) personnel shall not take inappropriate advantage of their positions with the Firm, (3) personnel shall have a responsibility to maintain the

confidentiality of the information concerning the identity of securities holdings and financial circumstances of all clients, and (4) independence in the investment decision-making process is paramount.

## **B. Buys and Sells for Client in which SCM has a Material Financial Interest**

As noted in Section V.A., SCM is the general partner of an investment-limited partnership, Sterneck Value & Opportunity, L.P. SCM offers limited partnership interests in Sterneck Value & Opportunity, L.P. to accredited investors under the terms and conditions specified in the partnership's Confidential Offering Memorandum. The Confidential Offering Memorandum is delivered to prospective limited partners of the investment-limited partnership. Among other things, the Confidential Offering Memorandum discloses potential conflicts of interest between SCM, its related persons and the prospective limited partner. Frank Sterneck makes himself available to discuss any potential conflicts of interest with prospective limited partners.

## **C. Investing in Same Securities**

Sterneck Capital and Sterneck Capital personnel do invest in the same securities that it recommends to clients. To address potential conflicts and to ensure fair treatment of all clients, Sterneck Capital's Code of Ethics requires:

- Intraday trades (buys and sells) impacting multiple accounts must be performed in the average-price account, ensuring all clients and SCM personnel receive the same price.
- No Code Person may purchase or sell a security within the seven (7) calendar days immediately on, before or after, including the same calendar day (thirteen days total), on which security is purchased in a client account. As previously noted, same day trades are allowable but must be performed in the average-price account. This black-out period applies only when transaction volume exceeds 5% of the market's average daily volume for the position.
- No participation in Initial Public Offerings in personal accounts.
- All limit or private offerings must receive pre-clearance from Sterneck Capital's Chief Compliance Officer.
- The firm maintains a list of restricted securities, which are prohibited from being purchased or sold in personnel accounts.
- Prohibition from participating in investment clubs.

Exceptions exist, and SCM personnel can also receive an exception through pre-clearance from the Chief Compliance Officer if the basis for the exception is deemed fair and reasonable. Sterneck Capital will make its Code of Ethics available upon request.

## **D. Intraday Trades**

On an intraday basis, Sterneck Capital and Sterneck Capital personnel do invest in the same securities it buys and sells for clients. In these scenarios, all trades receive the average of the execution price.



The Code of Ethics prohibits Sterneck Capital personnel and clients from being on opposite sides of a trade.

## **XII. Brokerage Practices**

### **A. Broker-Dealer Selection Practices**

#### **1. *Research and Other Soft Dollar Benefits***

- a) Sterneck Capital is a proponent of the Prime Brokerage system for those managed accounts which are Prime Brokerage eligible. Through this channel, both Prime Broker and Executing Brokers provide SCM with proprietary and third-party research, systems and tools for which Sterneck Capital does pay.
- b) The Prime Broker typically recommended by SCM charges a competitive transaction expense for execution. This transaction expense, paid for by the client, is comparable to rates charged by others in the industry.

Using an Executing Broker, within the Prime Brokerage rubric, allows each account to pay directly an Executing Broker on a pro rata basis for the value of the research in which SCM participates for the client's benefit. This incremental cost may not result in the client receiving the best execution price.

- c) SCM receives no form of compensation other than the management fee outlined in each client's management agreement. SCM has no vested interest in any of these other fees, other than taking advantage of research and supply for the benefit of client portfolios. All broker-dealers selected by SCM to act as either Prime Broker or Executing Broker for its clients' accounts are unaffiliated third parties.

For additional information see Section V.C.

- d) Clients may pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits. For additional information see Sections V.C and XII.A.1.b.
- e) From time-to-time, Sterneck Capital may purchase securities through Executing Brokers within the Prime Brokerage system. This is not common practice. Typically, scarcity is not an issue, thus any account eligible for Prime Brokerage can participate at SCM's discretion. As SCM policy, the only account eligible to participate in IPOs and hot issues through an executing broker is Sterneck Value & Opportunity, LP. To avoid conflict, the General Partner of SVO, Sterneck Capital, is prohibited from participating, thus the General Partner is carved out of such participation.

- f) Types of products and services acquired with client brokerage commissions include equity research, trade publications, books, equity screening tools, access to new issues, hot issues and IPOs, consulting advice, access to supplies of bonds and bond analysis.
- g) Sterneck Capital is contacted by executing brokers with research, analysis and/or securities to transact (bids). Most of the information is reviewed and quickly discarded. When the information is deemed useful by the SCM Investment Committee, SCM begins to determine which accounts should receive an allocation based on the investment mandate, and weighing the need for such exposure. With an allocation being determined and a total transaction quantity communicated to the broker, the trade is transacted and the Prime Broker is instructed as to which accounts to allocate the shares.

## **2. Brokerage for Client Referrals**

- a) SCM participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. SCM receives some benefits from TD Ameritrade through its participation in the Program. (See the disclosure under Item 14. below.)
- b) The only broker-dealer client referrals received by Sterneck Capital are from TD Ameritrade. In all cases, accounts for new clients were opened at TD Ameritrade. Through the Prime Brokerage system client transactions may be performed away from TD Ameritrade, however these executing brokers have not referred clients to Sterneck Capital.

## **3. Directed Brokerage**

- a) Not applicable – Sterneck Capital does not recommend or require that a client direct the use of a specific broker dealer.
- b) As a general rule, SCM does not permit a client to direct brokerage. There are unique and specific arrangements in which a particular brokerage firm is utilized for their capability to accommodate a specific investment mandate. In these unique cases, the fee charged by the brokerage firm is commensurate with the expertise and capability being delivered.

## **B. Aggregate Purchase and Sales**

When the opportunity allows, Sterneck Capital aggregates purchase and sales transaction which consolidates trading with a primary custodian ensuring all clients receive the price benefits associated with high volume.

## **XIII. Review of Accounts**

### **A. Frequency and Nature**

Accounts are reviewed no less than weekly, and typically on a daily basis. The Chief Investment Officer and Sr. Portfolio Managers conduct most reviews, ensuring account allocation is in line with each clients' investment mandate. Such factors as investment objectives, tax consequences, industry concentrations, future prospects of each issue and percentage invested are considered. The use of technology facilitates a more accurate and more efficient means for conducting frequent reviews.

### **B. Non-Periodic Reviews**

Reviews frequently are performed on a non-periodic basis. Events that may trigger such reviews:

- Preparation for a client meeting
- Macro economic, political or environmental developments that prompt the SCM Investment Committee to change underlying assumptions about particular asset classes.
- Strategic security selection which requires a broad adjustment within a portfolio

### **C. Frequency of Reporting**

*Monthly* - Managed account clients receive a monthly brokerage statement, as well as individual confirmations whenever a trade is executed. These are provided by a qualified, third party custodian. The SVO limited partnership investors receive unaudited monthly capital account reports.

*Quarterly* - Letter to investment limited partnership investors reporting unaudited performance and commentary. Managed accounts receive billing statements including a written offer to furnish SCM's Form ADV Part II; and, unaudited account performance report for the most recent quarter and year to date.

*Annually* – Taxable managed account clients receive an annual Form 1099 from their qualified, third party custodian. All clients receive annual performance reports. Additionally, upon request SCM can furnish taxable accounts with realized gains and loss statements, income reports, and expense reports. Such reports are considered supplemental. (Prior to 2013 it was common practice for SCM to distribute these reports annually. However, the Custodian's reporting is inherently more accurate as they have invested heavily in the systems and processes to enable dynamic reclassification of data. With this improvement the Custodian began making similar reporting available to account holders. ) The investment limited partnership investors receive an independently audited financial report and a K-1 from the partnership's CPA firm.

## **XIV. Client Referrals and Other Compensation**

### **A. Economic Benefits to SCM**

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between SCM's participation in the program and the investment advice it gives to its Clients, although SCM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to SCM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by SCM's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit SCM but may not benefit its Client accounts. These products or services may assist SCM in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help SCM manage and further develop its business enterprise. The benefits received by SCM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, SCM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by SCM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence SCM's choice of TD Ameritrade for custody and brokerage services.

### **B. Compensation from SCM**

SCM is willing to enter into written solicitor agreements with other investment advisors and or financial planning firms appropriately registered with either the US SEC or the State(s) in which they operate. Pursuant to such an agreement, SCM will remunerate the solicitor for directing clients to the investment manager. As a matter of policy any client acquired by the investment manager through such an arrangement will pay the same fees as the investment manager's other clients of similar size receiving similar services and no additional charges or costs will be incurred by any client by virtue of their having been introduced by a third party.

#### TD AdvisorDirect Program

SCM may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in

AdvisorDirect, SCM may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with SCM and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise SCM and has no responsibility for SCM's management of client portfolios or SCM's other advice or services. SCM pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to SCM ("Solicitation Fee"). SCM will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by SCM from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired SCM on the recommendation of such referred client. SCM will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

SCM's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, SCM may have an incentive to recommend to clients that the assets under management by SCM be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, SCM has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. SCM's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

#### TD Ameritrade Equity Management Program

Advisor may receive succession planning, practice valuation, and equity management services from third-party vendors through Advisor's participation in the TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, Advisor may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and the trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between TD Ameritrade and Advisor. TD Ameritrade has established the TD Ameritrade Institutional Equity Management Program as a means of assisting independent unaffiliated Advisors to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise Advisor

and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services to clients.

Advisor's participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. Advisor may encourage their clients to custody their assets as TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, Advisor may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Advisor's participation in the TD Ameritrade Institutional Equity Management Program does not relieve the Advisor of the duty to seek best execution of trades for client accounts.

## **XV. Custody**

SCM does not have custody of client assets for individually managed accounts. There are two very specific circumstances in which SCM has potential custody of client assets: 1) as General Manager of Sterneck Value & Opportunity, LP, SCM maintains a checking account to issue expense payments and accommodate partner capital flows; and 2) as Managing Member of SCM Energy Partners, SCM maintains a checking account to issue expense payments and distributions. In both cases third-party payments can be made from the account, thus initially meeting the custody definition according to SEC rules. However, SEC rules exempt SCM from reporting requirements since both investment vehicles undergo an annual audit or surprise examination, and SCM distributes audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or members) within 120 days of the end of its fiscal year.

<http://www.sec.gov/rules/final/ia-2176.htm#IID2>

## **XVI. Investment Discretion**

Sterneck Capital manages accounts on a discretionary basis. This means SCM has the authority, as set forth in Management Agreement signed by each client, and/or the Limited Power of Attorney required by the Custodian, to make buy and sell decisions for the client's investment account without first getting client approval for each transaction.

Any investment discretion SCM exercises is subject to the provisions of the client's account documents, and in the Investment Policy Statement. The Investment Policy Statement addresses specific trade restrictions and preferences disclosed by the client, as well as investment objectives and agreed upon asset allocation.

## **XVII. Voting Client Securities**

Sterneck Capital does not have the authority to vote proxy statements on behalf of individually managed client accounts. Proxy statements should be sent by the issuer directly to the each account owner. As General Manager of Sterneck Value & Opportunity, LP, Sterneck Capital has the authority to vote proxy statements for the partnership at its discretion.

## **XVIII. Financial Information**

### **A. Prepayment of management fees**

Not applicable – Sterneck Capital does not require prepayment of management fees.

### **B. Financial Condition**

Sterneck Capital has no financial condition that is reasonably likely to impair its ability to meet contractual commitment to clients.

### **C. Bankruptcy Petition**

Not applicable – Sterneck Capital has not been the subject of a bankruptcy petition at any time.

## **XIX. Requirements for State-Registered Advisers**

Not applicable – Sterneck Capital registers with the SEC.



**Form ADV, Part 2B  
Brochure Supplement: Frank M. Sterneck  
updated 3/31/2013**

**Sterneck Capital Management, LLC**

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This brochure supplement provides information about Frank Sterneck that supplements the Sterneck Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact [info@sterneckcapital.com](mailto:info@sterneckcapital.com) if you did wish to receive Sterneck Capital Management's brochure, or if you have any questions about the contents of this supplement.



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

Frank M. Sterneck (dob 3/21/2006), Chief Investment Officer, founded Sterneck Capital Management in 1989. Prior to establishing SCM, Frank was a Vice-President at Salomon Brothers, Inc.

As Chief Investment Officer, Frank oversees client relationships and leads the portfolio management team in the construction and implementation of client portfolios. Frank received a B.A. in Economics and an M.B.A. in Finance from Tulane University in 1982.

## **Item 3 Disciplinary Action**

Frank M. Sterneck has had no legal or disciplinary events material to a client's or prospective client's evaluation of him. SCM has no material facts to disclose.

## **Item 4 Other Business Activities**

Frank M. Sterneck is a sub-advisor for Westport Resources Management in Westport, CT. The sub-advisory role stems from a legacy arrangement with WRM, and only continues with a de minimis number of accounts. All income generated as a sub-advisor is allocated to Sterneck Capital Management, LLC.

Mr. Sterneck is also a board member for the Jewish Heritage Foundation and investment committee chair. The JHF board uses outside investment consultants and money managers. No compensation is given for this role.

## **Item 5 Additional Compensation**

Mr. Sterneck receives no other compensation than what he receives from Sterneck Capital Management, LLC.

## **Item 6 Supervision**

Regan P. Ervin, Compliance Officer, is the person responsible for supervising Mr. Sterneck. Mr. Ervin's direct contact info is 816-268-2237, [rervin@sterneckcapital.com](mailto:rervin@sterneckcapital.com). Frank Sterneck meets with the investment selection committee and onboarding committee as a member and participant. Additionally, Mr. Sterneck meets with the team at SCM prior to delivering investment advice to clients.



**Form ADV, Part 2B**  
**Brochure Supplement: Edward L. Condon**  
**3/31/2013**

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This brochure supplement provides information about Edward Condon that supplements the Sterneck Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact [info@sterneckcapital.com](mailto:info@sterneckcapital.com) if you did wish to receive Sterneck Capital Management's brochure, or if you have any questions about the contents of this supplement.

**Item 2 Business Experience and Educational Background**

Edward L. Condon (dob 1/20/1963), Sr. Portfolio Manager, began working with Sterneck Capital Management in 1993, after being employed by Wagner, Stott & Co., a NYSE Member Firm. Mr. Condon has a particular focus on building strategic relationships for the firm and focusing on fixed income securities.

In addition, Mr. Condon designs and implements investment decisions in coordination with Frank Sterneck. Ed has a B.A. in Economics awarded by Fairfield University in 1985.

**Item 3 Disciplinary Action**

Edward L. Condon, Sr. Portfolio Manager, has had no legal or disciplinary events material to a client's or prospective client's evaluation of him. SCM has no material facts to disclose.

**Item 4 Other Business Activities**

Edward L. Condon is a member of the Boards of Directors of Conestoga Energy Partners, Bonanza Bioenergy and Arkalon Energy Partners. He was appointed board member to serve the interests of SCM Energy Partners, LLC. Mr. Condon receives no compensation for this function.

**Item 5 Additional Compensation**

Mr. Condon receives no other compensation than what he receives from Sterneck Capital Management, LLC.

**Item 6 Supervision**

Frank M. Sterneck, Chief Investment Officer, is the person responsible for supervising Mr. Condon. Mr. Sterneck's direct contact info is 816-268-2230, [fsterneck@sterneckcapital.com](mailto:fsterneck@sterneckcapital.com). Mr. Condon meets with the team at SCM prior to delivering investment advice to clients.



**Form ADV, Part 2B**  
**Brochure Supplement: Regan P. Ervin**  
**3/31/2013**

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This brochure supplement provides information about Regan Ervin that supplements the Sterneck Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact [info@sterneckcapital.com](mailto:info@sterneckcapital.com) if you did wish to receive Sterneck Capital Management's brochure, or if you have any questions about the contents of this supplement.

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

Regan P. Ervin (dob 4/29/1976), Chief Operating Officer and Chief Compliance Officer, began working for Sterneck Capital Management in 2007. Prior to his employment with SCM, Mr. Ervin worked corporate management and as a consultant. He ensures the firm is compliant with all local and federal regulations, and make certain the firm's fiduciary responsibility is supported by a strong culture of compliance. In addition, Mr. Ervin is responsibility for the day-to-day operations of the firm as and has oversight of the firm's systems and processes.

Mr. Ervin received a B.S. in Business Administration from the University of Missouri-KC in 1999, and an M.B.A. from the University of Kansas in 2007.

## **Item 3 Disciplinary Action**

Regan P. Ervin has had no legal or disciplinary events material to a client's or prospective client's evaluation of him. SCM has no material facts to disclose.

## **Item 4 Other Business Activities**

Mr. Ervin owns investment real estate in the Kansas City area, as a Managing Member of Southside Real Estate, LLC. This is a personal endeavor with a family member and has not been in a growth mode since 2006. There are no material facts to disclose.

## **Item 5 Additional Compensation**

Mr. Ervin receives no other compensation than what he receives from Sterneck Capital Management, LLC.

## **Item 6 Supervision**

Frank M. Sterneck, Chief Investment Officer, is the person responsible for supervising Mr. Ervin. Mr. Sterneck's direct contact info is 816-268-2230, [fsterneck@sterneckcapital.com](mailto:fsterneck@sterneckcapital.com). Mr. Ervin meets with the investment selection committee and onboarding committee as a member and participant.



**Form ADV, Part 2B**  
**Brochure Supplement: Henry S. Lane**  
**3/31/2013**

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This brochure supplement provides information about Henry Lane that supplements the Sterneck Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact [info@sterneckcapital.com](mailto:info@sterneckcapital.com) if you did wish to receive Sterneck Capital Management's brochure, or if you have any questions about the contents of this supplement.

**Item 2 Business Experience and Educational Background**

Henry S. Lane (dob 6/23/1961), Sr. Portfolio Manager, began working for Sterneck Capital Management in 2005. Prior to joining Sterneck Capital, Mr. Lane was a Sr. Manager of Energy trading for Westar Energy in Topeka, KS. His prior investment experience includes managing portfolios of currencies, equity securities, domestic and international bonds, energy derivatives, agricultural products and precious metals.

As a Portfolio Manager, Mr. Lane designs and implements investment decisions in coordination with Frank Sterneck. He was awarded a B.S. in Finance from the University of South Florida in 1985.

**Item 3 Disciplinary Action**

Henry S. Lane has had no legal or disciplinary events material to a client's or prospective client's evaluation of him. SCM has no material facts to disclose.

**Item 4 Other Business Activities**

Mr. Lane has no other business activities to report.

**Item 5 Additional Compensation**

Mr. Lane receives no other compensation than what he receives from Sterneck Capital Management, LLC.

**Item 6 Supervision**

Frank M. Sterneck, Chief Investment Officer, is the person responsible for supervising Mr. Lane. Mr. Sterneck's direct contact info is 816-268-2230, [fsterneck@sterneckcapital.com](mailto:fsterneck@sterneckcapital.com). Mr. Lane meets with the investment selection committee and onboarding committee as a member and participant. Additionally, Mr. Lane meets with the team at SCM prior to delivering investment advice to clients.



**Form ADV, Part 2B**  
**Brochure Supplement: Robert J. McElwain**  
**3/31/2013**

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This brochure supplement provides information about Robert McElwain that supplements the Sterneck Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact [info@sterneckcapital.com](mailto:info@sterneckcapital.com) if you did wish to receive Sterneck Capital Management's brochure, or if you have any questions about the contents of this supplement.



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

Robert J. McElwain (dob 11/28/1940), Portfolio Manager, joined Sterneck Capital Management in 2010 after operating North American Capital Management for the previous 25 years. Prior to serving in the investment advisory business, Mr. McElwain was an investment banker with discretionary management over foreign and domestic accounts.

As Portfolio Manager, Mr. McElwain designs and implements investment decisions in coordination with Frank Sterneck. Mr. McElwain earned a B.S. from the University of Illinois.

## **Item 3 Disciplinary Action**

Robert J. McElwain has had no legal or disciplinary events material to a client's or prospective client's evaluation of him. SCM has no material facts to disclose.

## **Item 4 Other Business Activities**

Mr. McElwain has served on the Board of Advisors for the Westar Institute and continues an active role with this organization, managing their endowment. He receives no compensation for this role.

Mr. McElwain also sits on the Board of Community Bank of Wichita, KS, and is a shareholder. Board members receive \$300 for board meetings and \$100 for committee meetings. A small number of clients are shareholders of the bank.

## **Item 5 Additional Compensation**

Mr. McElwain receives no other compensation than what he receives from Sterneck Capital Management, LLC, and what is disclosed in Item 4, above.

## **Item 6 Supervision**

Regan P. Ervin, Compliance Officer, is the person responsible for supervising Mr. McElwain. Mr. Ervin's direct contact info is 816-268-2237, [rervin@sterneckcapital.com](mailto:rervin@sterneckcapital.com). Mr. McElwain meets with the team at SCM prior to delivering investment advice to clients.



**Form ADV, Part 2B**  
**Brochure Supplement: Laura W. Greenbaum**  
**3/31/2013**

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This brochure supplement provides information about Laura Greenbaum that supplements the Sterneck Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact [info@sterneckcapital.com](mailto:info@sterneckcapital.com) if you did wish to receive Sterneck Capital Management's brochure, or if you have any questions about the contents of this supplement.

**Item 2 Business Experience and Educational Background**

Laura W. Greenbaum (dob 9/19/1960), Director of Client Relationships, joined Sterneck Capital Management in 2004. Her primary responsibility is to cultivate potential clients and develop new relationships for Sterneck Capital Management. She received a B.A. in Communications from Tulane University in 1982.

**Item 3 Disciplinary Action**

Laura Greenbaum has had no legal or disciplinary events material to a client's or prospective client's evaluation of her. SCM has no material facts to disclose.

**Item 4 Other Business Activities**

Ms. Greenbaum has no other business activities to report.

**Item 5 Additional Compensation**

Ms. Greenbaum receives no other compensation than what she receives from Sterneck Capital Management, LLC.

**Item 6 Supervision**

Frank M. Sterneck, Chief Investment Officer, is the person responsible for supervising Ms. Greenbaum. Mr. Sterneck's direct contact info is 816-268-2230, [fsterneck@sterneckcapital.com](mailto:fsterneck@sterneckcapital.com). Ms. Greenbaum meets with the team at SCM prior to delivering investment advice to clients.



**Form ADV, Part 2B**  
**Brochure Supplement: Zach R. Emslie**  
**3/31/2013**

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This brochure supplement provides information about Zach Emslie that supplements the Sterneck Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact [info@sterneckcapital.com](mailto:info@sterneckcapital.com) if you did wish to receive Sterneck Capital Management's brochure, or if you have any questions about the contents of this supplement.

**Item 2 Business Experience and Educational Background**

Zach R. Emslie (dob 8/6/1982), Retirement Planning Specialist, joined Sterneck Capital Management in 2011. His primary responsibility is to cultivate potential clients and develop new relationships for Sterneck Capital Management. This includes relationships on the individual account management side, and retirement plan sponsors. Zach also provides Certified Financial Planning services to select clients. Mr. Emslie received a B.A. in Finance and Risk Management from Missouri State University in 2005.

**Item 3 Disciplinary Action**

Zach Emslie has had no legal or disciplinary events material to a client's or prospective client's evaluation of him. SCM has no material facts to disclose.

**Item 4 Other Business Activities**

Mr. Emslie has no other business activities to report.

**Item 5 Additional Compensation**

Mr. Emslie receives no other compensation than what he receives from Sterneck Capital Management, LLC.

**Item 6 Supervision**

Frank M. Sterneck, Chief Investment Officer, is the person responsible for supervising Mr. Emslie. Mr. Sterneck's direct contact info is 816-268-2230, [fsterneck@sterneckcapital.com](mailto:fsterneck@sterneckcapital.com). Mr. Emslie meets with the team at SCM prior to delivering investment advice to clients.