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## **Stonefield Investment Advisory, Inc.**

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

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Form ADV: Part 2A

### **Item 1 – Cover Page**

This Brochure provides information about the qualifications and business practices of Stonefield Investment Advisory, Inc. If you have any questions about the contents of this Brochure, please contact us at 319-377-7811. 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.

Stonefield Investment Advisory, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Stonefield Investment Advisory, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 2011 is a new document prepared according to the SEC’s new requirements/rules and in accordance with the revisions to Form ADV Part II. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require; therefore, the amended Form ADV IIa and ADV IIb has been adopted for use by the State of Iowa.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jon R Werner, Chief Compliance Officer of Stonefield Investment Advisory, Inc. at 319-377-7811 or [jwerner@stonefield.us](mailto:jwerner@stonefield.us). Our Brochure is also available on our website [www.StonefieldInvestments.com](http://www.StonefieldInvestments.com) provided free of charge.

Additional information about Stonefield Investment Advisory, Inc. is available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website provides information about any persons affiliated with Stonefield Investment Advisory, Inc. who are registered, or are required to be registered, as Investment Adviser Representatives.

### **Item 3 – Table of Contents**

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	4
Item 6 – Performance-Based Fees and Side-By-Side Management.....	7
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 – Disciplinary Information.....	9
Item 10 – Other Financial Industry Activities and Affiliations.....	9
Item 11 – Code of Ethics.....	10
Item 12 – Brokerage Practices.....	12
Item 13 – Review of Accounts.....	14
Item 14 – Client Referrals and Other Compensation.....	15
Item 15 – Custody.....	15
Item 16 – Investment Discretion.....	15
Item 17 – Voting Client Securities.....	16
Item 18 – Financial Information.....	17
Item 19 – Requirements for State-Registered Advisers.....	17
Brochure Supplement(s)	

#### **Item 4 – Advisory Business**

Stonefield Investment Advisory, Inc. offers an array of financial planning and asset management services, including but not limited to individuals, pension, profit-sharing and 401k plans, trusts, charitable organizations and small businesses and corporations. Individuals who are properly licensed and/or registered to provide these services are known as Investment Adviser Representatives (“IARs”).

Financial Planning Services may be provided to Clients on an ala carte basis, as needed. Typically, Clients requesting Financial Planning Services from Stonefield Investment Advisory, Inc. can select and chose two or more different Financial Planning Services.

Financial planning services include, but are not limited to, the following services:

- Asset Allocation / Investment Planning / Investment Policy Statements;
- Retirement Planning / Retirement Income Distribution Planning;
- Capital Needs Analysis (Goal Funding);
- Asset Protection Planning;
- Estate Planning;
- Education Planning;
- Risk Management (Life, Disability & Long Term Care Insurance);
- Business Continuation / Succession / Exit Planning;
- Executive Compensation Planning Strategies;
- Business Retirement Plan Needs Analysis.

Stonefield Investment Advisory, Inc. offers a wide range of investment advisory and financial planning services to its Clients. Stonefield Investment Advisory, Inc. will analyze the Client’s financial goals and objectives and design an investment portfolio for the Client. Stonefield Investment Advisory, Inc. will manage the account by evaluating mutual funds, exchange listed securities, over-the-counter securities, fixed and variable annuities and various other marketable securities to determine specific investments.

Stonefield Investment Advisory, Inc. and/or its Associated Persons will gather information related to Client's financial needs, goals and objectives. It is the Client's responsibility to provide all pertinent information in order for Stonefield Investment Advisory, Inc. to assess a financial plan or to provide advice and recommendations that are suitable for the Client.

During the financial planning process, it may be necessary to consult with other professional advisors whom the Client utilizes, such as Client's attorney or accountant. Neither Stonefield Investment Advisory, Inc. nor its Associated Persons are attorneys or accountants and therefore do not provide legal or tax advice. However, Stonefield Investment Advisory, Inc. will consult with Client in finding a professional advisor should the Client request Stonefield Investment Advisory, Inc. to do so.

Financial Planning Services will be billed at \$150.00 per hour.

A typical Financial Plan would cost an average of \$600.00 with four hours of work anticipated. As the complexity of the plan increases the total billable hours will increase. A detailed analysis for a business involving multiple partners, outside consultations, or complex planning strategies will be billed at the hourly rate of \$150.00, as well. These fees are not contingent and are not affected by assets placed in fee-based accounts. At no time will Stonefield Investment Advisory, Inc. require any prepayment of greater than \$500.00 for Financial Planning Services delivered more than six (6) months in advance. The Client will be provided an estimated hourly cost, Stonefield Investment Advisory, Inc. will notify the Client prior to the additional work needed for approval and Client will be invoiced for any additional time spent over the estimated cost.

Client should be aware that implementation of a financial plan is not required through Stonefield Investment Advisory, Inc. and that the Client may select any Advisor of their choosing. However, IARs of Stonefield Investment Advisory, Inc. are Registered Representatives ("RR") of Pacific West Securities, Inc., a Registered Broker Dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"), and as such are licensed to buy and sell securities.

Investment Adviser Representatives may also be licensed as independent insurance agents to sell insurance products on behalf of various insurance agencies. Should Client wish to implement any securities and/or insurance transactions through any of Stonefield Investment Advisory, Inc.'s Associated Persons, Clients should be aware that a commission will be earned from the sale of these products. When commissions are earned by the Associated Person who prepares and implements the plan, the financial planning fee will be offset by the commissions earned.

All securities transactions will be conducted through Pacific West Securities.

Stonefield Investment Advisory, Inc. also manages investment portfolios and pension consulting services for Clients as a percentage of assets under management.

The typical fee charged by Stonefield Investment Advisory, Inc. is disclosed in the following fee schedule, based on the quarterly percentage charge:

Assets Under Management	Annual Fee
\$0.00 - \$99,999.99	0.40%
\$100,000.00 - \$499,999.99	0.30%
\$500,000.00 - \$999,999.99	0.25%
\$1,000,000.00 & Above	0.22%

Annual management fees may range from  $\frac{1}{2}$  (.50) of 1% to  $2\frac{1}{2}$  (2.5) %, depending on the size and complexity of the client account. Stonefield Investment Advisory, Inc. reserves the right to negotiate the annual advisory fee charged to the Client for asset management. Fees are charged quarterly in advance and are based on the value of the account as of the last day of the previous quarter.

Stonefield Investment Advisory, Inc. will also provide pension services to individuals who request assistance with their 401(k). Clients will be charge under the same fee agreement as the above schedule.

Stonefield Investment Advisory, Inc. may have either discretionary or non-discretionary authority to execute investment recommendations. Discretionary authority allows Stonefield Investment Advisory, Inc. to act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without the Client's prior approval. Non-discretionary authority requires Stonefield Investment Advisory, Inc. to obtain Client's prior approval of each specific transaction prior to executing investment recommendations; as well as, for the selection and retention of sub-advisors to the account.

Stonefield Investment Advisory, Inc. will act in accordance with a Statement of Investment Policy (or similar document used to establish Client's objectives and suitability), regardless of whether authority is discretionary or non-discretionary.

Stonefield Investment Advisory, Inc. and Client will enter into an Investment Advisory Agreement which details the scope of the relationship and responsibilities of both Stonefield Investment Advisory, Inc. and Client. Advice and services provided under the Investment Advisory are tailored to the stated objectives of the Client(s).

Stonefield Investment Advisory, Inc. or client can terminate an advisory relationship by providing prior written notification to the other party. Clients should receive this disclosure or its equivalent at least 48 hours prior to or upon engagement of advisory services. Clients have five (5) business days to terminate the advisory contract without penalty. Should Client terminate a contract in the beginning or in the middle of a quarter, unearned fees will be pro-rated back to the Client.

Stonefield Investment Advisory, Inc. may determine that it may be more suitable to place a Client's assets with a Third Party Money Manager, based on the Client's goals, objectives, time horizon and suitability, on the Client's behalf. When Stonefield Investment Advisory, Inc. or its Associated Persons does so, Stonefield Investment Advisory, Inc. is responsible for providing to the Client a copy of the money manager's Form ADV Part II or Disclosure Brochure equivalent, disclosure regarding Stonefield Investment Advisory, Inc.'s relationship with the Third Party Money Manager, including the amount of the advisory fee paid to Stonefield Investment Advisory, Inc. for soliciting the Client to the Third Party. Stonefield Investment Advisory, Inc. is responsible for gathering the Client's information, providing any updated.

#### **Item 5 – Fees and Compensation**

Compensation to Stonefield Investment Advisory, Inc. for its services will be calculated in accordance with "Schedule A" of the Investment Advisory Agreement, which may be amended from time to time by Stonefield Investment Advisory, Inc. upon 30 days prior written notice to Client.

Fees are charged quarterly in arrears based upon the market value of the Account at the end of the quarter. Market value means the values of all assets in the Account (not adjusted by any margin debit). For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotation from one or more dealers.

Management fees shall be pro-rated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals).

New accounts are pro-rated from the time Stonefield Investment Advisory, Inc. begins charging a fee to the Client. Fees for partial quarters at the commencement or termination of this Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the Account was open during the quarter. Stonefield Investment Advisory, Inc. will provide a detailed notice to the Client of the fee submitted to the custodian, detailing the amount of the fee, the value of the Client's assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the Account.

The custodian will send Client's statements at least quarterly reflecting the Client's Account value.

The fee will be calculated as follows:

1. The agreed upon rate per annum
2. Multiplied by the market value of the account
3. Divided by the number of days in the agreed upon year
4. Multiplied by the number of days in the quarter.

Advisors Standard Fee Schedule for Portfolio Management and Pension Consultant Services:

Assets Under Management	Annual Fee
\$0.00 - \$99,999.99	0.40%
\$100,000.00 - \$499,999.99	0.30%
\$500,000.00 - \$999,999.99	0.25%
\$1,000,000.00 & Above	0.22%

Where Stonefield Investment Advisory, Inc. manages the portfolios of one or more immediate family members, Advisors will aggregate and bill the portfolio as a family account. When an individual or family account moves upward or downward during the quarter to the next tier, it will be billed that respective tier's percentage fee for the entire quarter.



## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Stonefield Investment Advisory, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

## **Item 7 – Types of Clients**

Stonefield Investment Advisory, Inc. provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other US and international institutions.

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

“Investing in securities involves risk of loss that Clients should be prepared to bear.”

Stonefield Investment Advisory, Inc. offers advice on investment primarily including (but not limited to) the following:

- Equity Securities such as:
  - Exchange-listed Securities
  - Securities trade over-the-counter
  - Foreign Issuers
- Corporate Debt Securities
- Commercial Paper
- Certificate of Deposit
- Municipal Securities
- Investment Company Securities such as:
  - Variable Life Insurance
  - Variable Annuities
  - Mutual Fund Shares
- United States Government Securities

- Options Contract on:
  - Securities
- Interests in partnerships investing in:
  - Real Estate
  - Oil and Gas

Stonefield Investment Advisory, Inc. will primarily research and review securities using traditional methods such as charting, cyclical, fundamental and technical analysis. The primary investment strategies used to implement investment advice given to clients include long term (securities held at least one year) and short term (securities sold within a year) purchases.

The main sources of information Stonefield Investment Advisory, Inc. relies upon when researching and analyzing securities include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, filings with the SEC, as well as research materials prepared by others, company press releases and corporate rating services. Stonefield Investment Advisory, Inc. also subscribes to various professional publications and software deemed to be consistent and supportive of Stonefield Investment Advisory, Inc.'s investment philosophy.

Any investing in securities involves risk of loss that Clients should be prepared to bear. While Stonefield Investment Advisory, Inc. will use its best judgment and good faith efforts in rendering services to Clients, not every investment decision or recommendation made by Stonefield Investment Advisory, Inc. will be profitable. Stonefield Investment Advisory, Inc. cannot warrant or guarantee any particular level of Account performance, or that an Account will be profitable over time.

Client assumes all market risk involved in the investment of Account assets in the Investment Advisory Agreement and understands that investment decisions made for this Account are subject to various markets, currency, economic, political, and business risks. Except as may otherwise be provided by law, Stonefield Investment Advisory, Inc. will not be liable to Client for (a) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Stonefield Investment Advisory, Inc. with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from Stonefield Investment Advisory, Inc.'s adherence to Client's instructions or lack thereof; or (c) any act or failure to act by a custodian of Client's Account.

Nothing in this Agreement shall relieve Stonefield Investment Advisory, Inc. from any responsibility or liability Stonefield Investment Advisory, Inc. may have under state or federal statutes.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Stonefield Investment Advisory, Inc. or the integrity of Stonefield Investment Advisory, Inc.'s management. Stonefield Investment Advisory, Inc. has no information applicable to this Item 9.

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

In addition to giving advice, the Investment Advisor Representatives of Stonefield Investment Advisory, Inc. are also Registered Representatives of Pacific West Securities, Inc., and are engaged in the selling of securities. Investment Advisor Representatives may also be licensed and appointed with various insurance agencies to sell insurance products for sales commissions. Approximately 40% of the week is devoted to these activities.

As stated in Item 7 above, when effecting securities transactions through Pacific West Securities, Inc. as a Registered Representative or insurance products as a licensed insurance agent, Investment Advisor Representatives of Stonefield Investment Advisory, Inc. earn a sales commission. There is a conflict of interest as advice is given on securities and/or various insurance products sold for a commission.

From time to time, Stonefield Investment Advisory, Inc. or one or more of its Investment Advisor Representatives or employees may purchase or own the same securities or variable insurance products that Stonefield Investment Advisory, Inc. or the Client's Investment Advisor Representative recommended to the Client. When the recommendation to the Client involves individual stocks, stock options, or bonds there could be a conflict of interest with the Client. Stonefield Investment Advisory, Inc. has adopted policies and procedures to ensure that such conflicts are fully disclosed and that neither Stonefield Investment Advisory, Inc. nor its Investment Advisor Representatives nor employees may trade ahead or otherwise against the interest of Clients.

Stonefield Investment Advisory, Inc. can have arrangements with unrelated Third Party providers, to provide certain services in regards to Client's Accounts. These services may include, but are not limited to the following:

- Research,
- Due Diligence,
- Reporting,
- Portfolio Analysis,
- Portfolio Management, and
- Back Office Administration.

Third Party Providers will not have any direct contact with Stonefield Investment Advisory, Inc.'s Clients. Third Party Providers enter into any Advisory Contracts directly with Stonefield Investment Advisory, Inc.'s Clients. Third Party Provider provides services directly to Stonefield Investment Advisory, Inc. who is solely responsible for Client Accounts. Upon entering into an Agreement for Investment Management Services with Stonefield Investment Advisory, Inc.. Clients authorize Stonefield Investment Advisory, Inc. to use Third Party Providers to service the Client's Account, including billing and the deduction of fees from the Client accounts. Clients agree to allow Stonefield Investment Advisory, Inc. to share non-public, personal information with the Third Party Provider for the purpose of administering and managing Client's Account. Stonefield Investment Advisory, Inc. requires Third Party Providers to execute a Confidentiality Agreement and not share Client information with any unauthorized person or entity.

The use of Third Party Providers will not cause Client to incur any additional fees. Stonefield Investment Advisory, Inc. pays Third Party Providers for services out of the total advisory fee charged to the Client. Stonefield Investment Advisory, Inc.'s fee schedule is disclosed under Item 5 above.

#### **Item 11 – Code of Ethics**

Stonefield Investment Advisory, Inc. has established a Privacy Policy in accordance with Regulation S-P to protect Clients' non-public information. A copy of Stonefield Investment Advisory, Inc.'s Privacy Policy is provided initially to Clients along with this ADV Part II disclosure document upon engagement of advisory services, and will be delivered to all Advisory Clients annually thereafter. A complete copy of Stonefield Investment Advisory, Inc.'s Privacy Policy may be obtained upon request by contacting Stonefield Investment Advisory, Inc. by phoning 319-377-7811 or via the website, [www.StonefieldInvestments.com](http://www.StonefieldInvestments.com).

Stonefield Investment Advisory, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics included provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Stonefield Investment Advisory, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

As a fiduciary, Stonefield Investment Advisory, Inc. has an affirmative duty to render continuous and unbiased investment advice and at all times act in the Client's best interest.

Stonefield Investment Advisory, Inc. anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which Stonefield Investment Advisory, Inc. has management authority to effect, and will recommend to investment advisory Clients or Prospective Clients, the purchase or sale of securities in which Stonefield Investment Advisory, Inc., its affiliates and/or Clients, directly or indirectly, has a position of interest.

None of Stonefield Investment Advisory, Inc.'s associated persons may effect for himself or herself, or his or her immediate family (i.e. – spouse, minor children, and adults living in the same household as the associated person), or for trusts for which the associated person may serve as trustee or in which the associated person has a beneficial interest, ahead of its Clients.

Stonefield Investment Advisory, Inc.'s employees and persons associated with Stonefield Investment Advisory, Inc. are required to follow Stonefield Investment Advisory, Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Stonefield Investment Advisory, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Stonefield Investment Advisory, Inc.'s Clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Stonefield Investment Advisory, Inc. will not interfere with (i) making decisions in the best interest of Stonefield Investment Advisory, Inc.'s Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Stonefield Investment Advisory, Inc.'s Clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to Client trading activity.

Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Stonefield Investment Advisory, Inc. and its Clients.

Certain affiliated accounts may trade in the same securities with Client Accounts on an aggregated basis when consistent with Stonefield Investment Advisory, Inc.'s obligation of best execution. In such circumstances, the affiliated and Client Accounts will share commission costs equally and receive securities at a total average price. Stonefield Investment Advisory, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Complete orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is Stonefield Investment Advisory, Inc.'s Policy that the firm will not affect any principal or agency cross securities transactions for Client Accounts. Stonefield Investment Advisory, Inc. will also not cross trades between Client Accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client Account. An agency cross transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Stonefield Investment Advisory, Inc.'s Clients or Prospective Clients may request a copy of the firm's Code of Ethics by contacting Jon R Werner (319-377-7811 or email: [jwerner@stonefield.us](mailto:jwerner@stonefield.us) ).

## **Item 12 – Brokerage Practices**

Except to the extent that the Client directs otherwise, Stonefield Investment Advisory, Inc. may use its discretion in selecting or recommending the broker-dealer/custodian. The Client is not obligated to effect transactions through and broker-dealer/custodian. In recommending broker-dealers/custodians, Stonefield Investment Advisory, Inc. will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The broker-dealer's / custodian's facilities, reliability and financial responsibility;
- The ability of the broker-dealer / custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such broker or dealer or custodian to Stonefield Investment Advisory, Inc., notwithstanding that the Account may not be the direct or exclusive beneficiary of such services; and
- Any other factors Stonefield Investment Advisory, Inc. considers to be relevant.

Soft dollar benefits are not limited to those Clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular Clients or groups of Clients. And/or soft dollar benefits are not proportionally allocated to any Accounts that may generate different amounts of the soft dollar benefits.

On fee-based accounts that are discretionary, the Investment Advisor Representative has Client's consent to buy and sell securities in the Account in the amount deemed appropriate for the Client's objectives and risk temperament. Any withdrawals from an account by the IAR are prohibited.

Discretionary transactions are limited to general securities, mutual funds, government securities and occasionally options.

Investment Advisor Representatives of Stonefield Investment Advisory, Inc. have two types of Clients; fee and commissions. If a Client is paying an hourly fee, the Investment Advisor Representative will suggest different brokers to Clients; although, they are free to select any broker they wish. Recommendations will be based on broker costs, skill, reputation, dependability and compatibility with the Client, and not for a financial arrangement between Stonefield Investment Advisory, Inc. and recommended broker. Clients paying commissions may have the recommendations of the IAR implemented through the Investment Advisor Representatives broker/dealer, Pacific West Securities, Inc.

Investment Advisor Representatives are licensed to sell securities in the capacity of a Registered Representative through Stonefield Investment Advisory, Inc.'s broker-dealer. Investment Advisor Representatives who are Registered Representatives licensed are restricted by certain FINRA rules and policies from maintaining Client Accounts at or executing Client transactions in such Client Accounts through any broker/dealer or custodian that is not approved by Stonefield Investment Advisory, Inc.'s broker/dealer. Currently, Stonefield Investment Advisory, Inc.'s broker/dealer permits Investment Advisor Representatives to maintain investment advisory accounts at Pershing, NFS, Charles Schwab, Fidelity, Datalynx, Rydes, SEI, Marshall & Ilsley Trust Company N.A. (M&I), TD Ameritrade, and other approved firms. Stonefield Investment Advisory, Inc. will, on occasion, add or remove custodial platforms without Client notification. Stonefield Investment Advisory, Inc. permits Investment Advisory Representatives to use NFS and Pershing because it has fully-disclosed clearing arrangements with these broker-dealers, which include services such as, but not limited to, account custody, trade execution services, clearing services for Stonefield Investment Advisory, Inc., access to information and, for a fee, electronic trade entry and account information look-up services for Registered Representatives and Clients, record-keeping services, exception reporting and access to various financial products, including 'No Transaction Fee' Mutual Funds ("NTFs"). NTFs are standard mutual funds that may be purchased for investment advisory accounts at no cost to Stonefield Investment Advisory, Inc. or.

Client's Advisor / Investment Advisor Representative. Client should be aware, however, that mutual funds in this NTF program may have higher internal expenses than mutual funds that are not in the NTF program. Investment Advisor Representatives that direct Clients to Charles Schwab, Fidelity, Datalynx, Rydes, SEI, M&I, TD Ameritrade or other approved firms for custody of and order execution for the Client's Investment Advisory Account may receive various benefits and support services at no charge or at reduced prices based on the dollar amount of Client's assets the Investment Advisor Representative maintains at these platforms. These benefits and services may include such things as research, performance reporting, discounted quarterly advisory fee billing, account information and trade entry services, mutual funds that may be available otherwise only to institutional accounts or with substantial minimum investments, customized account statements, duplicate copies of Client confirmations and statements, business-related products and services, seminars and conferences.

Clients should consider, in light of the broker-dealer's limited approved trading platforms for Investment Advisory Accounts and the fact that only some of the approved trading platforms may accommodate the investment strategy recommended by the Client's Investment Advisor Representative, that Investment Advisor Representatives are limited in their ability to obtain the best execution price and lowest execution costs for each transaction or the product with the lowest internal expenses. Therefore, Clients may pay higher commissions or trade execution charges through the trading platforms approved by Stonefield Investment Advisory, Inc.'s broker-dealer than through broker-dealers that have not been approved by Pacific West Securities, Inc. as trading platforms for its Investment Advisory Accounts. Certain Investment Advisor Representatives of Stonefield Investment Advisory, Inc. may receive 12b-1 fees. The Investment Advisor Representative is compensated by a 12b-1 fee for the marketing of a mutual fund or investment and the salesperson (Investment Advisor Representative) receives a "commission" or fee for the sale of the mutual fund or investment.

### **Item 13 – Review of Accounts**

Client Accounts are reviewed by Stonefield Investment Advisory, Inc. The frequency of reviews is determined based on the Client's investment objectives, but in no event less than annually. Stonefield Investment Advisory, Inc. will monitor the performance of investments in Client's Account and may recommend changes. More frequent reviews may also be triggered by a change in Client's investment objectives, tax considerations, large deposits or withdrawals, large sales or purchases, loss of confidence in corporate management, or changes in macro-economic climate.



Financial Planning Clients receive Financial Plans and recommendations at time service is completed. The Custodian will provide Investment Advisory Clients, as least quarterly, a list of all asset held in the Account, asset values, and all transactions affecting the Account assets, including any additions or withdrawals.

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

Providers of software to Third Party Providers used to deliver services under this agreement, require each individual user to be licensed. As such, Stonefield Investment Advisory, Inc. must be licensed to use the following software:

- LaserApp,
- Advent (APX),
- Laserfiche,
- Finamerica.

Under separate agreement Third Party Providers pay the cost of Advisor's initial license, as well as the annual maintenance fees (estimated to be \$2,000.00) for Stonefield Investment Advisory, Inc.

#### **Item 15 – Custody**

Except for Stonefield Investment Advisory, Inc.'s ability to debit fees, Stonefield Investment Advisory, Inc.'s does not otherwise have custody over Client funds and securities, and shall have no liability to the Client for any loss or other harm to any property in the Account.

Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified Custodian that holds and maintains Client's investment assets. Stonefield Investment Advisory, Inc. urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

Stonefield Investment Advisory, Inc. usually receives discretionary authority from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client Account.

Generally, Stonefield Investment Advisory, Inc. has the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the Client on a case by case basis. Stonefield Investment Advisory, Inc. makes it a practice to question Clients to determine if there are any limitations to Stonefield Investment Advisory, Inc.'s discretionary authority on the above matters.

When selecting securities and determining amounts, Stonefield Investment Advisory, Inc. observes the investment policies, limitations and restrictions of the Clients for which it advises. Unless otherwise instructed by Client, Stonefield Investment Advisory, Inc. has ongoing and continuous discretionary authority to purchase and sell securities and instruments in this Account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf on the Client in most matters necessary or incidental to the handling of the Account, including monitoring certain assets. Discretionary authority allows Stonefield Investment Advisory, Inc. to make decisions without prior approval of Client. However, Stonefield Investment Advisory, Inc. will exercise this discretion in a manner consistent with the stated investment objectives for the particular Client Account. All transactions shall be made in accordance with the directions and preferences provided to IAR by the Client. For registered investment companies, Stonefield Investment Advisory Inc.'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Client will provide written instructions regarding Stonefield Investment Advisory, Inc.'s trading authority as required by each Custodian. Investment guidelines and restrictions must be provided to Stonefield Investment Advisory, Inc. in writing (Trading Authorization).

#### **Item 17 – Voting Client Securities**

Unless specifically directed otherwise in writing by the Client, as a matter of firm policy and practice, Stonefield Investment Advisory, Inc. does not have any authority to and does not vote proxies on behalf of advisory Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. At the request of the Client, Stonefield Investment Advisory, Inc. may provide advice to Clients regarding the Clients' voting of proxies.

## **Item 18 – Financial Information**

Registered Investment Advisors are required in this Item to provide you with certain financial information or disclosures about Stonefield Investment Advisory Inc.'s financial condition. Stonefield Investment Advisory, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding. Stonefield Investment Advisory, Inc. does not have discretionary authority or custody of Client funds, securities, require/solicit prepayment of more than \$500.00 in fees per Client six months in advance.

## **Item 19 – Requirements for State-Registered Advisers**

Business Background of Stonefield Investment Advisory, Inc. is as follows: Stonefield Investment Advisory, Inc. (formerly Cornerstone Capital Management, Inc.) is an SEC Registered Investment Adviser and has been registered with the state of Iowa as a Registered Investment Adviser since 1998.

The Executive Officers of Stonefield Investment Advisory, Inc. consists of Stephen R. Mickelson, Chief Executive Officer and Chief Operating Officer, and Jon R. Werner, President and Chief Compliance Officer. With over forty years of experience in the securities industry, the leadership of Stonefield Investment Advisory, Inc. is uniquely qualified in managing a prestigious RIA.

Stephen R. Mickelson, born 1967, received his BA degree from the University of Northern Iowa. He became a registered representative in 1991 and joined the RIA in 2005. He became an Investment Advisor in 2002 and holds the necessary licenses and education to offer securities, insurance products, and fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc. and a Registered Representative with Pacific West Securities, Inc., the broker/dealer.

Jon R. Werner, born 1969, received his BA degree from the University of Iowa. He began his career as a registered representative in 1992 and established the RIA in 1998 and serves as the registered principal. He became an investment advisor in 1998 and holds the necessary licenses and education to offer securities, insurance products, and fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc. and a Registered Representative with Pacific West Securities, Inc., the broker/dealer.

Patrick J. Mickelson, born 1975, received his 2 BA degrees from the University of Northern Iowa and his MBA from Touro University International. He became a registered representative in 1999 and joined the RIA in 2005. He became an Investment Advisor in 2004 and holds the necessary licenses and education to offer securities,

insurance products, and fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc. and a Registered Representative with the Pacific West Securities, Inc., the broker/dealer.

Scott M. Bridgford, born 1960, received his BA degree from Western Illinois. He became a registered representative in 1999 and joined the RIA in 2005. He became an Investment Advisor in 2003 and holds the necessary licenses and education to offer securities, insurance products, and fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc. and a Registered Representative with Pacific West Securities, Inc., the broker/dealer.

Andrew J. Schroeder, born 1983, received his BA degree from the University of Iowa. He became a registered representative in 2010 and joined the RIA in 2010. He became an Investment Advisor in 2010 and holds the necessary licenses and education to offer securities, insurance products, and fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc. and a Registered Representative with Pacific West Securities, Inc., the broker/dealer.

Neither Stonefield Investment Advisory, Inc. nor any management personnel of Stonefield Investment Advisory, Inc. have been found liable or required to pay any award for an arbitration claim or other civil proceeding related to an investment related activity.

This Brochure Supplement provides information about Jon R. Werner and can accompany the General Disclosure Brochure for our firm, Stonefield Investment Advisory, Inc. These together create a complete disclosure. If you did not receive the General Disclosure Brochure or if you have questions concerning this Form ADV: Part 2B – Brochure Supplement for Jon R. Werner, please use the following contact information listed to the right.

The SEC website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) is able to provide additional information about Jon R. Werner. Please note that not all states require SEC registration and the website may reflect this. However, you may, also, phone FINRA – Financial Industry Regulatory Authority, Inc. 1-301-590-6500 for state registration.

## **Jon R. Werner**

CRD #2454413

Birthdate: 03/26/1969

## **EDUCATIONAL BACKGROUND**

University Of Iowa, BA – Communication Studies  
& Psychology

## **BUSINESS EXPERIENCE**

IA Rep, Pacific West Securities, Inc.,  
October 2010 – Present

CCO, Stonefield Investment Advisory, Inc.  
December 2005 – Present

IA Rep, Cambridge Investment Research, Inc.  
November 1998 – October 2010

Robert W. Baird & Company Incorporated  
May 1998 – November 1998

Northwestern Mutual Investment Services, LLC  
April 1994 – November 1998

## **Part 2B of Form ADV: Brochure Supplement January 12, 2012**

**Jon R. Werner**  
425 Second Street SE  
Suite 1200  
Cedar Rapids, Iowa 52401  
(319) 377-7811

## **SUPERVISION**

Rod Ehrlich  
555 S. Renton Village  
Place Suite 700  
Renton, WA 98057  
(425) 271-3550

Brochure Supplemental  
January 12, 2012

## PROFESSIONAL DESIGNATIONS

None.

## DISCIPLINARY INFORMATION

None.

## OTHER BUSINESS ACTIVITIES

In addition to serving as your licensed Investment Advisor Representative, Jon R. Werner, is engaged in the following business activities:

Independent Insurance Agent for various  
Independent Insurance Companies.

RIA Consulting

Partner/Owner of Stonefield Partners.

Advisor Rep/Partner/Owner of Stonefield Investment  
Advisory, Inc. a Registered Investment Advisor.

Business activities of an Investment Advisor Representative may present potential conflicts of interest. Additional disclosure information is found below and may be relevant to the Outside Business Activities. These may be potential conflicts of interest; however, it is your Advisor's fiduciary duty to act in the best interest of the Client. Questions about the disclosures should be addressed by your Advisor, so that the Client may take advantage of an opportunity to better understand the relationship between the Client and the Advisor's activities.

Jon R Werner, an Advisor, is a Registered Representative with Pacific West Securities, Inc., a Registered Securities Broker/Dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). As a Registered Representative of Pacific West Securities, Inc. Jon may sell, for commissions, general securities products to Advisory Clients. Clients are not required to purchase or sell securities through Pacific West Securities, Inc. or their Advisor. If a Client chooses to establish an account with the Advisor, it is important to understand that due to regulatory constraints, the Advisor must place all purchases and sales of securities products in commission-based accounts through Pacific West Securities, Inc. or other institutions approved by Pacific West Securities, Inc.

Receipt of commissions may create incentive for an Advisor to recommend those products for which they would receive a commission. Consequently, the objectivity of the advice rendered to Clients could be biased by the Advisor. The Advisor takes responsibility of this potential conflict of interest by discussing with Clients their individual needs, the benefits and non-benefits of establishing a fee-based account through Stonefield Investment Advisory, Inc. versus establishing a commission-based account through Pacific West Securities, Inc., and the compensation arrangements for each of these scenarios.

In addition, the Advisor may receive 12b-1 fees from certain mutual fund companies. This is outlined in the fund's prospectus. 12b-1 fees are considered marketing fees and come from fund assets and indirectly from Client assets through fund expenses. There are a number of reasons why your Advisor would recommend a certain mutual fund. It is possible the receipt of fees could represent an incentive for the Advisor to recommend funds that have 12b-1 fees over funds that have no fees or lower fees. 12b-1 fees can be earned in fee-based accounts managed by Stonefield Investment Advisory, Inc. if 12b-1 fee paying mutual funds are held in that managed account. The Advisor will discuss the selection of a 12b-1 or other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the event such types of compensation are received.

The Advisor is independently licensed to sell insurance and annuity products through various insurance firms. The Advisor will receive commissions for selling insurance and annuity products. In most cases insurance companies only offer commission based compensation. Clients may choose any Independent Insurance Agent and Insurance Firm to purchase insurance products. A Client is not required to purchase them through our Advisors. The receipt of compensation in the form of commission and other potential incentive benefits creates an incentive to recommend products to Clients. Discussion of products available, the Client's needs, and compensation arrangements the insurance company provides will take place at the time of recommendations by the Advisor.

Advisors of Stonefield Investment Advisory, Inc. are affiliated with Stonefield Investment Advisory, Inc. RIA (Registered Investment Advisory). Stonefield Investment Advisory, Inc. does provide financial planning services.

Clients that engage Stonefield Investment Advisory, Inc. will receive a copy of the Stonefield Investment Advisory, Inc. General Disclosure and will execute a Client Agreement (Exhibit to Financial Services Agreement) specifying the services provided and fees charged by Stonefield Investment Advisory, Inc.

## **ADDITIONAL COMPENSATION**

Product Sponsors may provide the Advisor with economic benefits as a result of your Advisor's recommendation or sale of the Product Sponsors' investments. Financial assistance or the sponsorship of conferences/educational sessions, marketing support, incentive awards, payment of travel expenses and tools to assist the Advisor in providing various services to Clients are some of the economic benefits the Advisor could receive but are not limited to these listed. The benefits may be directly given to the Advisor or indirectly received through Pacific West Securities, Inc. who has entered into specific arrangements with Product Sponsors. Benefits could influence the Advisor to recommend certain Product Sponsor's Investments or programs over others. Please review the Stonefield Investment Advisory, Inc. and Pacific West Securities, Inc. Disclosures located at [www.stonefieldinvestments.com](http://www.stonefieldinvestments.com) and [www.pwfinancial.com](http://www.pwfinancial.com) for further information and available upon request.

The Advisor's Investment Advisory activities are supervised by Rod Ehrlich. Rod Ehrlich monitors the recommendations given by the Advisor and any transactions executed in the advisory accounts. Supervision is conducted through electronic reporting, personal communications, and visits with the Advisor.

This Brochure Supplement provides information about Stephen R. Mickelson and can accompany the General Disclosure Brochure for our firm, Stonefield Investment Advisory, Inc. These together create a complete disclosure. If you did not receive the General Disclosure Brochure or if you have questions concerning this Form ADV: Part 2B – Brochure Supplement for Stephen R. Mickelson, please use the following contact information listed to the right.

The SEC website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) is able to provide additional information about Stephen R. Mickelson. Please note that not all states require SEC registration and the website may reflect this. However, you may, also, phone FINRA – Financial Industry Regulatory Authority, Inc. 1-301-590-6500 for state registration.

## **Stephen R. Mickelson**

CRD #2175835

Birthdate: 05/22/1967

### **EDUCATIONAL BACKGROUND**

University Of Northern Iowa, BA –  
Human Resources

### **BUSINESS EXPERIENCE**

IA Rep, Pacific West Securities, Inc.,  
October 2010 – Present

CEO, Stonefield Investment Advisory, Inc.  
December 2005 – Present

IA Rep, Cambridge Investment Research, Inc.  
September 2003 – October 2010

Thrivent Investment Management, Inc.  
July 2002 – September 2003

Lutheran Brotherhood Securities Corporation  
November 1991 – July 2002

### **Part 2B of Form ADV: Brochure Supplement January 12, 2012**

Stephen R. Mickelson  
425 Second Street SE  
Suite 1200  
Cedar Rapids, Iowa 52401  
(319) 377-7811

### **SUPERVISION**

Rod Ehrlich  
555 S. Renton Village  
Place Suite 700  
Renton, WA 98057  
(425) 271-3550

Brochure Supplemental  
January 12, 2012



## PROFESSIONAL DESIGNATIONS

None.

## DISCIPLINARY INFORMATION

None.

## OTHER BUSINESS ACTIVITIES

In addition to serving as your licensed Investment Advisor Representative, Stephen R. Mickelson, is engaged in the following business activities:

Independent Insurance Agent for various  
Independent Insurance Companies.

RIA Consulting

Partner/Owner of Stonefield Partners.

Advisor Rep/Partner/Owner of Stonefield Investment  
Advisory, Inc. a Registered Investment Advisor.

Business activities of an Investment Advisor Representative may present potential conflicts of interest. Additional disclosure information is found below and may be relevant to the Outside Business Activities. These may be potential conflicts of interest; however, it is your Advisor's fiduciary duty to act in the best interest of the Client. Questions about the disclosures should be addressed by your Advisor, so that the Client may take advantage of an opportunity to better understand the relationship between the Client and the Advisor's activities.

Stephen R. Mickelson, an Advisor, is a Registered Representative with Pacific West Securities, Inc., a Registered Securities Broker/Dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). As a Registered Representative of Pacific West Securities, Inc. Stephen may sell, for commissions, general securities products to Advisory Clients. Clients are not required to purchase or sell securities through Pacific West Securities, Inc. or their Advisor. If a Client chooses to establish an account with the Advisor, it is important to understand that due to regulatory constraints, the Advisor must place all purchases and sales of securities products in commission-based accounts through Pacific West Securities, Inc. or other institutions approved by Pacific West Securities, Inc.

Receipt of commissions may create incentive for an Advisor to recommend those products for which they would receive a commission. Consequently, the objectivity of the advice rendered to Clients could be biased by the Advisor. The Advisor takes responsibility of this potential conflict of interest by discussing with Clients their individual needs, the benefits and non-benefits of establishing a fee-based account through Stonefield Investment Advisory, Inc. versus establishing a commission-based account through Pacific West Securities, Inc., and the compensation arrangements for each of these scenarios.

In addition, the Advisor may receive 12b-1 fees from certain mutual fund companies. This is outlined in the fund's prospectus. 12b-1 fees are considered marketing fees and come from fund assets and indirectly from Client assets through fund expenses. There are a number of reasons why your Advisor would recommend a certain mutual fund. It is possible the receipt of fees could represent an incentive for the Advisor to recommend funds that have 12b-1 fees over funds that have no fees or lower fees. 12b-1 fees can be earned in fee-based accounts managed by Stonefield Investment Advisory, Inc. if 12b-1 fee paying mutual funds are held in that managed account. The Advisor will discuss the selection of a 12b-1 or other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the event such types of compensation are received.

The Advisor is independently licensed to sell insurance and annuity products through various insurance firms. The Advisor will receive commissions for selling insurance and annuity products. In most cases insurance companies only offer commission based compensation. Clients may choose any Independent Insurance Agent and Insurance Firm to purchase insurance products. A Client is not required to purchase them through our Advisors. The receipt of compensation in the form of commission and other potential incentive benefits creates an incentive to recommend products to Clients. Discussion of products available, the Client's needs, and compensation arrangements the insurance company provides will take place at the time of recommendations by the Advisor.

Advisors of Stonefield Investment Advisory, Inc. are affiliated with Stonefield Investment Advisory, Inc. RIA (Registered Investment Advisory). Stonefield Investment Advisory, Inc. does provide financial planning services.

Clients that engage Stonefield Investment Advisory, Inc. will receive a copy of the Stonefield Investment Advisory, Inc. General Disclosure and will execute a Client Agreement (Exhibit to Financial Services Agreement) specifying the services provided and fees charged by Stonefield Investment Advisory, Inc.

## **ADDITIONAL COMPENSATION**

Product Sponsors may provide the Advisor with economic benefits as a result of your Advisor's recommendation or sale of the Product Sponsors' investments. Financial assistance or the sponsorship of conferences/educational sessions, marketing support, incentive awards, payment of travel expenses and tools to assist the Advisor in providing various services to Clients are some of the economic benefits the Advisor could receive but are not limited to these listed. The benefits may be directly given to the Advisor or indirectly received through Pacific West Securities, Inc. who has entered into specific arrangements with Product Sponsors. Benefits could influence the Advisor to recommend certain Product Sponsor's Investments or programs over others. Please review the Stonefield Investment Advisory, Inc. and Pacific West Securities, Inc. Disclosures located at [www.stonefieldinvestments.com](http://www.stonefieldinvestments.com) and [www.pwfinancial.com](http://www.pwfinancial.com) for further information and available upon request.

The Advisor's Investment Advisory activities are supervised by Rod Ehrlich. Rod Ehrlich monitors the recommendations given by the Advisor and any transactions executed in the advisory accounts. Supervision is conducted through electronic reporting, personal communications, and visits with the Advisor.

This Brochure Supplement provides information about Andrew J. Schroeder and can accompany the General Disclosure Brochure for our firm, Stonefield Investment Advisory, Inc. These together create a complete disclosure. If you did not receive the General Disclosure Brochure or if you have questions concerning this Form ADV: Part 2B – Brochure Supplement for Andrew J. Schroeder, please use the following contact information listed to the right.

The SEC website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) is able to provide additional information about Andrew J. Schroeder. Please note that not all states require SEC registration and the website may reflect this. However, you may, also, phone FINRA – Financial Industry Regulatory Authority, Inc. 1-301-590-6500 for state registration.

**Andrew J. Schroeder**  
CRD #5745768  
Birthdate: 03/2/1983

## **EDUCATIONAL BACKGROUND**

University Of Iowa, BA – Finance & Economics

## **BUSINESS EXPERIENCE**

IA Rep, Pacific West Securities, Inc.,  
November 2010 – Present

IA Rep, Cambridge Investment Research, Inc.  
February 2010 – November 2010

## **Part 2B of Form ADV: Brochure Supplement January 12, 2012**

**Andrew J. Schroeder**  
425 Second Street SE  
Suite 1200  
Cedar Rapids, Iowa 52401  
(319) 377-7811

## **SUPERVISION**

Rod Ehrlich  
555 S. Renton Village  
Place Suite 700  
Renton, WA 98057  
(425) 271-3550

Brochure Supplemental  
January 12, 2012

## PROFESSIONAL DESIGNATIONS

None.

## DISCIPLINARY INFORMATION

None.

## OTHER BUSINESS ACTIVITIES

In addition to serving as your licensed Investment Advisor Representative, Andrew J. Schroeder, is engaged in the following business activities:

Independent Insurance Agent for various  
Independent Insurance Companies.

Advisor Rep of Stonefield Investment Advisory, Inc.,  
A Registered Investment Advisor.

Business activities of an Investment Advisor Representative may present potential conflicts of interest. Additional disclosure information is found below and may be relevant to the Outside Business Activities. These may be potential conflicts of interest; however, it is your Advisor's fiduciary duty to act in the best interest of the Client. Questions about the disclosures should be addressed by your Advisor, so that the Client may take advantage of an opportunity to better understand the relationship between the Client and the Advisor's activities.

Andrew J. Schroeder, an Advisor, is a Registered Representative with Pacific West Securities, Inc., a Registered Securities Broker/Dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). As a Registered Representative of Pacific West Securities, Inc. Andrew may sell, for commissions, general securities products to Advisory Clients. Clients are not required to purchase or sell securities through Pacific West Securities, Inc. or their Advisor. If a Client chooses to establish an account with the Advisor, it is important to understand that due to regulatory constraints, the Advisor must place all purchases and sales of securities products in commission-based accounts through Pacific West Securities, Inc. or other institutions approved by Pacific West Securities, Inc.

Receipt of commissions may create incentive for an Advisor to recommend those products for which they would receive a commission. Consequently, the objectivity of the advice rendered to Clients could be biased by the Advisor. The Advisor takes responsibility of this potential conflict of interest by discussing with Clients their individual needs, the benefits and non-benefits of establishing a fee-based account through Stonefield Investment Advisory, Inc. versus establishing a commission-based account through Pacific West Securities, Inc., and the compensation arrangements for each of these scenarios.

In addition, the Advisor may receive 12b-1 fees from certain mutual fund companies. This is outlined in the fund's prospectus. 12b-1 fees are considered marketing fees and come from fund assets and indirectly from Client assets through fund expenses. There are a number of reasons why your Advisor would recommend a certain mutual fund. It is possible the receipt of fees could represent an incentive for the Advisor to recommend funds that have 12b-1 fees over funds that have no fees or lower fees. 12b-1 fees can be earned in fee-based accounts managed by Stonefield Investment Advisory, Inc. if 12b-1 fee paying mutual funds are held in that managed account. The Advisor will discuss the selection of a 12b-1 or other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the event such types of compensation are received.

The Advisor is independently licensed to sell insurance and annuity products through various insurance firms. The Advisor will receive commissions for selling insurance and annuity products. In most cases insurance companies only offer commission based compensation. Clients may choose any Independent Insurance Agent and

Insurance Firm to purchase insurance products. A Client is not required to purchase them through our Advisors. The receipt of compensation in the form of commission and other potential incentive benefits creates an incentive to recommend products to Clients. Discussion of products available, the Client's needs, and compensation arrangements the insurance company provides will take place at the time of recommendations by the Advisor.

Advisors of Stonefield Investment Advisory, Inc. are affiliated with Stonefield Investment Advisory, Inc. RIA (Registered Investment Advisory). Stonefield Investment Advisory, Inc. does provide financial planning services.

Clients that engage Stonefield Investment Advisory, Inc. will receive a copy of the Stonefield Investment Advisory, Inc. General Disclosure and will execute a Client Agreement (Exhibit to Financial Services Agreement) specifying the services provided and fees charged by Stonefield Investment Advisory, Inc.

## **ADDITIONAL COMPENSATION**

Product Sponsors may provide the Advisor with economic benefits as a result of your Advisor's recommendation or sale of the Product Sponsors' investments. Financial assistance or the sponsorship of conferences/educational sessions, marketing support, incentive awards, payment of travel expenses and tools to assist the Advisor in providing various services to Clients are some of the economic benefits the Advisor could receive but are not limited to these listed. The benefits may be directly given to the Advisor or indirectly received through Pacific West Securities, Inc. who has entered into specific arrangements with Product Sponsors. Benefits could influence the Advisor to recommend certain Product Sponsor's Investments or programs over others. Please review the Stonefield Investment Advisory, Inc. and Pacific West Securities, Inc. Disclosures located at [www.stonefieldinvestments.com](http://www.stonefieldinvestments.com) and [www.pwfinancial.com](http://www.pwfinancial.com) for further information and available upon request.

The Advisor's Investment Advisory activities are supervised by Rod Ehrlich. Rod Ehrlich monitors the recommendations given by the Advisor and any transactions executed in the advisory accounts. Supervision is conducted through electronic reporting, personal communications, and visits with the Advisor.

This Brochure Supplement provides information about Patrick J. Mickelson and can accompany the General Disclosure Brochure for our firm, Stonefield Investment Advisory, Inc. These together create a complete disclosure. If you did not receive the General Disclosure Brochure or if you have questions concerning this Form ADV: Part 2B – Brochure Supplement for Patrick J. Mickelson, please use the following contact information listed to the right.

The SEC website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) is able to provide additional information about Patrick J. Mickelson. Please note that not all states require SEC registration and the website may reflect this. However, you may, also, phone FINRA – Financial Industry Regulatory Authority, Inc. 1-301-590-6500 for state registration.

## **Patrick J. Mickelson**

CRD #4022461

Birthdate: 07/25/1975

## **EDUCATIONAL BACKGROUND**

University Of Northern Iowa, BA – Marketing &  
Spanish, Certificate in International Business

MBA - Touro University International

## **BUSINESS EXPERIENCE**

CO Rep, Pacific West Securities, Inc.,  
November 2010 – Present

CO Rep, Cambridge Investment Research, Inc.  
April 2004 – October 2010

September 2003 – March 2004  
A I M Distributors

February 2001 – September 2003  
Invesco Distributors, Inc.

## **Part 2B of Form ADV: Brochure Supplement January 12, 2012**

**Patrick J. Mickelson**  
8457 S REED ST #101  
LITTLETON, CO 80128  
(720) 272-9715

## **SUPERVISION**

Rod Ehrlich  
555 S. Renton Village  
Place Suite 700  
Renton, WA 98057  
(425) 271-3550

Brochure Supplemental  
January 12, 2012

## PROFESSIONAL DESIGNATIONS

None.

## DISCIPLINARY INFORMATION

None.

## OTHER BUSINESS ACTIVITIES

In addition to serving as your licensed Investment Advisor Representative, Patrick J. Mickelson, is engaged in the following business activities:

Independent Insurance Agent for various  
Independent Insurance Companies.

Advisor Rep of Stonefield Investment Advisory, Inc.,  
A Registered Investment Advisor.

Business activities of an Investment Advisor Representative may present potential conflicts of interest. Additional disclosure information is found below and may be relevant to the Outside Business Activities. These may be potential conflicts of interest; however, it is your Advisor's fiduciary duty to act in the best interest of the Client. Questions about the disclosures should be addressed by your Advisor, so that the Client may take advantage of an opportunity to better understand the relationship between the Client and the Advisor's activities.

Patrick J. Mickelson, an Advisor, is a Registered Representative with Pacific West Securities, Inc., a Registered Securities Broker/Dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). As a Registered Representative of Pacific West Securities, Inc. Patrick may sell, for commissions, general securities products to Advisory Clients. Clients are not required to purchase or sell securities through Pacific West Securities, Inc. or their Advisor. If a Client chooses to establish an account with the Advisor, it is important to understand that due to regulatory constraints, the Advisor must place all purchases and sales of securities products in commission-based accounts through Pacific West Securities, Inc. or other institutions approved by Pacific West Securities, Inc.

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In addition, the Advisor may receive 12b-1 fees from certain mutual fund companies. This is outlined in the fund's prospectus. 12b-1 fees are considered marketing fees and come from fund assets and indirectly from Client assets through fund expenses. There are a number of reasons why your Advisor would recommend a certain mutual fund. It is possible the receipt of fees could represent an incentive for the Advisor to recommend funds that have 12b-1 fees over funds that have no fees or lower fees. 12b-1 fees can be earned in fee-based accounts managed by Stonefield Investment Advisory, Inc. if 12b-1 fee paying mutual funds are held in that managed account. The Advisor will discuss the selection of a 12b-1 or other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the event such types of compensation are received.

The Advisor is independently licensed to sell insurance and annuity products through various insurance firms. The Advisor will receive commissions for selling insurance and annuity products. In most cases insurance companies only offer commission based compensation. Clients may choose any Independent Insurance Agent and

Insurance Firm to purchase insurance products. A Client is not required to purchase them through our Advisors. The receipt of compensation in the form of commission and other potential incentive benefits creates an incentive to recommend products to Clients. Discussion of products available, the Client's needs, and compensation arrangements the insurance company provides will take place at the time of recommendations by the Advisor.

Advisors of Stonefield Investment Advisory, Inc. are affiliated with Stonefield Investment Advisory, Inc. RIA (Registered Investment Advisory). Stonefield Investment Advisory, Inc. does provide financial planning services.

Clients that engage Stonefield Investment Advisory, Inc. will receive a copy of the Stonefield Investment Advisory, Inc. General Disclosure and will execute a Client Agreement (Exhibit to Financial Services Agreement) specifying the services provided and fees charged by Stonefield Investment Advisory, Inc.

## **ADDITIONAL COMPENSATION**

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The Advisor's Investment Advisory activities are supervised by Rod Ehrlich. Rod Ehrlich monitors the recommendations given by the Advisor and any transactions executed in the advisory accounts. Supervision is conducted through electronic reporting, personal communications, and visits with the Advisor.



This Brochure Supplement provides information about Scott M. Bridgford and can accompany the General Disclosure Brochure for our firm, Stonefield Investment Advisory, Inc. These together create a complete disclosure. If you did not receive the General Disclosure Brochure or if you have questions concerning this Form ADV: Part 2B – Brochure Supplement for Scott M. Bridgford, please use the following contact information listed to the right.

The SEC website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) is able to provide additional information about Scott M. Bridgford. Please note that not all states require SEC registration and the website may reflect this. However, you may, also, phone FINRA – Financial Industry Regulatory Authority, Inc. 1-301-590-6500 for state registration.

## **Scott M. Bridgford**

CRD #3176428

Birthdate: 09/13/1960

### **EDUCATIONAL BACKGROUND**

Western Illinois, BS – Ag Business

### **BUSINESS EXPERIENCE**

IL Rep, Pacific West Securities, Inc.,  
November 2010 – Present

IL Rep, Cambridge Investment Research, Inc.  
September 2003 – December 2004  
December 2005 – November 2010

FSC Securities Corporation  
May 2003 – August 2003

The Planning Center  
March 2003 – September 2003

American Express Financial Advisors, Inc.  
IDS Life Insurance Company  
January 1999 – August 2002

### **Part 2B of Form ADV: Brochure Supplement January 12, 2012**

**Scott M. Bridgford**  
501 15th Street, Ste.301  
Moline, IA 61265  
(309) 743-1150

### **SUPERVISION**

Rod Ehrlich  
555 S. Renton Village  
Place Suite 700  
Renton, WA 98057  
(425) 271-3550

Brochure Supplemental  
January 12, 2012

## PROFESSIONAL DESIGNATIONS

None.

## DISCIPLINARY INFORMATION

None.

## OTHER BUSINESS ACTIVITIES

In addition to serving as your licensed Investment Advisor Representative, Scott M. Bridgford, is engaged in the following business activities:

Independent Insurance Agent for various  
Independent Insurance Companies.

Advisor Rep of Stonefield Investment Advisory, Inc.,  
A Registered Investment Advisor.

Business activities of an Investment Advisor Representative may present potential conflicts of interest. Additional disclosure information is found below and may be relevant to the Outside Business Activities. These may be potential conflicts of interest; however, it is your Advisor's fiduciary duty to act in the best interest of the Client. Questions about the disclosures should be addressed by your Advisor, so that the Client may take advantage of an opportunity to better understand the relationship between the Client and the Advisor's activities.

Scott M. Bridgford, an Advisor, is a Registered Representative with Pacific West Securities, Inc., a Registered Securities Broker/Dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). As a Registered Representative of Pacific West Securities, Inc. Scott may sell, for commissions, general securities products to Advisory Clients. Clients are not required to purchase or sell securities through Pacific West Securities, Inc. or their Advisor. If a Client chooses to establish an account with the Advisor, it is important to understand that due to regulatory constraints, the Advisor must place all purchases and sales of securities products in commission-based accounts through Pacific West Securities, Inc. or other institutions approved by Pacific West Securities, Inc.

Receipt of commissions may create incentive for an Advisor to recommend those products for which they would receive a commission. Consequently, the objectivity of the advice rendered to Clients could be biased by the Advisor. The Advisor takes responsibility of this potential conflict of interest by discussing with Clients their individual needs, the benefits and non-benefits of establishing a fee-based account through Stonefield Investment Advisory, Inc. versus establishing a commission-based account through Pacific West Securities, Inc., and the compensation arrangements for each of these scenarios.

In addition, the Advisor may receive 12b-1 fees from certain mutual fund companies. This is outlined in the fund's prospectus. 12b-1 fees are considered marketing fees and come from fund assets and indirectly from Client assets through fund expenses. There are a number of reasons why your Advisor would recommend a certain mutual fund. It is possible the receipt of fees could represent an incentive for the Advisor to recommend funds that have 12b-1 fees over funds that have no fees or lower fees. 12b-1 fees can be earned in fee-based accounts managed by Stonefield Investment Advisory, Inc. if 12b-1 fee paying mutual funds are held in that managed account. The Advisor will discuss the selection of a 12b-1 or other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other trail paying mutual funds. Stonefield Investment Advisory, Inc. and the Advisor may lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the event such types of compensation are received.

The Advisor is independently licensed to sell insurance and annuity products through various insurance firms. The Advisor will receive commissions for selling insurance and annuity products. In most cases insurance companies only offer commission based compensation. Clients may choose any Independent Insurance Agent and

Insurance Firm to purchase insurance products. A Client is not required to purchase them through our Advisors. The receipt of compensation in the form of commission and other potential incentive benefits creates an incentive to recommend products to Clients. Discussion of products available, the Client's needs, and compensation arrangements the insurance company provides will take place at the time of recommendations by the Advisor.

Advisors of Stonefield Investment Advisory, Inc. are affiliated with Stonefield Investment Advisory, Inc. RIA (Registered Investment Advisory). Stonefield Investment Advisory, Inc. does provide financial planning services.

Clients that engage Stonefield Investment Advisory, Inc. will receive a copy of the Stonefield Investment Advisory, Inc. General Disclosure and will execute a Client Agreement (Exhibit to Financial Services Agreement) specifying the services provided and fees charged by Stonefield Investment Advisory, Inc.

## **ADDITIONAL COMPENSATION**

Product Sponsors may provide the Advisor with economic benefits as a result of your Advisor's recommendation or sale of the Product Sponsors' investments. Financial assistance or the sponsorship of conferences/educational sessions, marketing support, incentive awards, payment of travel expenses and tools to assist the Advisor in providing various services to Clients are some of the economic benefits the Advisor could receive but are not limited to these listed. The benefits may be directly given to the Advisor or indirectly received through Pacific West Securities, Inc. who has entered into specific arrangements with Product Sponsors. Benefits could influence the Advisor to recommend certain Product Sponsor's Investments or programs over others. Please review the Stonefield Investment Advisory, Inc. and Pacific West Securities, Inc. Disclosures located at [www.stonefieldinvestments.com](http://www.stonefieldinvestments.com) and [www.pwfinancial.com](http://www.pwfinancial.com) for further information and available upon request.

The Advisor's Investment Advisory activities are supervised by Rod Ehrlich. Rod Ehrlich monitors the recommendations given by the Advisor and any transactions executed in the advisory accounts. Supervision is conducted through electronic reporting, personal communications, and visits with the Advisor.