

## Item 1 – Cover Page

# Stratford Consulting LLC

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This brochure was last updated March 1, 2011

**This brochure provides information about the qualifications and business practices of Stratford Consulting LLC. If you have any questions about the contents of this brochure, please contact us at (972)960-3780 or by e-mail at [susan.schildt@stratfordLLC.com](mailto:susan.schildt@stratfordLLC.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Stratford Consulting LLC 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 Stratford Consulting LLC is also 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 State 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 1, 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.

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 materials 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 Susan Schildt, Managing Principal, at (972)960-3780 or [susan.schildt@stratfordLLC.com](mailto:susan.schildt@stratfordLLC.com).

Additional information about Stratford Consulting is also available via the SEC's web site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Stratford Consulting who are registered, or are required to be registered, as investment adviser representatives of Stratford Consulting.

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## Item 4 – Advisory Business

### Firm Description

Stratford Consulting LLC ("Stratford Consulting") provides financial planning and investment advisory services. The firm was founded in 2007. J. Michael Hemp is a 50% stockholder and Susan G. Schildt is a 50% stockholder. Michael Hemp and Susan Schildt are the Managing Principals ("Principals") of the firm.

This narrative brochure provides clients with information regarding Stratford Consulting and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of Stratford Consulting.

Prior to engaging Stratford Consulting to provide services, clients are required to enter into an agreement with Stratford Consulting setting the terms and conditions of the engagement (including termination) and describing the scope of the services to be provided. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Stratford Consulting. It remains the client's responsibility to promptly notify Stratford Consulting if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising Stratford Consulting's previous recommendations and/or services.

### Types of Advisory Services Offered

#### Financial Planning Services

Stratford Consulting's financial planning service includes taking clients through a wealth management program which results in the delivery of a financial plan. This process involves:

- Discovery of the current situation – Both quantitative and qualitative information is collected, which may include but is not limited to: goals and objectives, family tree, risk tolerance, assets and liabilities, investment statements, income and expenses, tax returns, insurance coverage, estate planning documents, trusts, premarital agreements, and business succession documents.

- Diagnosis of the present condition – Analysis may include, but is not limited to: financial independence modeling, education modeling, a review of investment accounts and current asset allocation, a review of insurance needs and existing insurance policies, a review of estate documents.
- Design of strategic alternatives – Stratford Consulting will develop observations and recommendations, where applicable, in the areas of Accumulation and Independence Planning, Protection Planning and Distribution Planning. These may include but are not limited to recommendations for repositioning of investment assets, retitling, changes to insurance coverage, and suggested modifications to estate documents.
- Delivery of the financial plan – Stratford Consulting delivers to clients a financial plan which summarizes the information collected, analysis, and recommendations.

While specific recommendations are provided as part of the financial plan, implementation of the plan is at the discretion of the client.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to Stratford Consulting. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. Stratford Consulting cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, the client must notify Stratford Consulting promptly.

#### Investment Advisory Services

Most clients choose to have Stratford Consulting manage their assets in order to obtain ongoing monitoring and in-depth advice. Stratford Consulting provides investment supervisory services for assets for which it places trades for clients under a limited power of attorney. While Stratford consulting provides specific investment advice for these assets, it does not act as a direct custodian - clients always maintain asset control. Stratford Consulting also offers investment advice on investments not directly supervised.

Supervised assets are invested primarily in exchange traded funds and no-load or load waived mutual funds. Investments may also include corporate debt securities, commercial paper, certificates of deposit, municipal securities, U.S. government securities and stocks.

#### Tailored Relationships

Stratford Consulting tailors services to each client's objectives and individual situation based upon information collected from interviews, document reviews and assessments such as risk tolerance questionnaires. Stratford Consulting's client relationship management system documents this information.

Clients may impose restrictions on investing in certain securities or types of securities.

#### **Trade Error Policy**

Should they occur, losses resulting from Stratford Consulting's trade errors shall be reimbursed by Stratford Consulting, but Stratford Consulting shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within Stratford Consulting's custodian firm account, and while Stratford Consulting does not receive any net benefit, Stratford Consulting retains the net gains and losses to be used against any future trade errors that may occur.

#### **Client Obligations**

In performing its services, Stratford Consulting is not required to verify any information received from the client or from the client's other professionals. Moreover, each client is advised that it remains his or her responsibility to promptly notify Stratford Consulting if there is ever any change in the client's financial situation or investment objectives during the client engagement.

#### **Disclosure Statement**

A copy of Stratford Consulting's written brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or at the same time as, the execution of the Investment Advisory Agreement. Any client who has not received a copy of Stratford Consulting's written brochure at least 48 hours prior to executing the Investment Advisory Agreement shall have five business days subsequent to executing the agreement to terminate the Stratford Consulting's services without penalty.



**Non-Participation in Wrap Fee Programs**

Stratford Consulting, as a matter of policy and practice, does not sponsor any wrap fee program. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment supervisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions.

**Our Policy on Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Stratford Consulting has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Stratford Consulting has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where Stratford Consulting receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate if the client has authorized contact in this manner.

**Charitable Donations**

Periodically upon request, Stratford Consulting may make donations to charities to which our clients also contribute. Typically our contribution is no more than \$100.00.

**Client Assets Managed**

As of February 1, 2010, Stratford Consulting manages approximately \$157,462,751 in assets for approximately 112 clients. Approximately \$148,661,977 is managed on a discretionary basis and \$8,800,775 is managed on a non-discretionary basis.

## Item 5 – Fees and Compensation

### Description

Stratford Consulting bases its compensation on fixed fees, fees based upon a percentage of assets under management or, in cases of insurance only, commissions. Fees are negotiable and Stratford Consulting may, in its sole discretion, adjust fees based upon certain criteria (complexity of work, servicing requirements, anticipated future additional assets, account composition, etc.).

### Fee Billing

#### Financial Planning Services Fees

The fee for a financial plan is determined based upon the facts known at the start of an engagement. Stratford Consulting's fee range for financial plans is \$1,500 to \$10,000 and the fee is due by the delivery of the plan.

#### Investment Advisory Services Fees

Stratford Consulting's annual investment advisory service fee is based upon a percentage of the investable assets according to the schedule outlined below. Household accounts are aggregated for the purpose of the fee calculation.

- 1.25% when assets total less than \$1,500,000
- 1.00% when assets total \$1,500,000 to \$5,000,000
- 0.90% when assets total \$5,000,001 to \$10,000,000
- 0.80% when assets total \$10,000,001 or more

A client's written investment advisory agreement with Stratford Consulting establishes the process for charging investment advisory fees. Stratford Consulting generally bills investment advisory fees on a quarterly basis, in advance. Clients elect to either authorize Stratford Consulting to debit fees from their accounts or be billed directly. Management fees are prorated for each capital contribution of \$100,000 or more in any account. Fee credits are issued to for any partial withdrawal of \$100,000 or more from any one account in a single day. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. A client may terminate an investment advisory

agreement at any time and upon termination any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

#### Other Fees and Compensation

Stratford Consulting's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses incurred by clients. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Exchange-traded funds and mutual funds also charge internal management fees, which are disclosed in fund prospectuses.

Such charges, fees and commissions are exclusive of and in addition to Stratford Consulting's fee, and Stratford Consulting shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Stratford Consulting considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

As described in Item 10, Stratford Consulting's principals are licensed to represent clients for insurance purchases. While most client engagements do not involve the sale of insurance, when requested life, disability or long term care coverage can be placed by the firm and the principals are compensated through commissions by the companies with which the insurance is placed.

The vast majority of clients pay Stratford Consulting's fees based upon a percentage of the assets advised upon. This is a very common form of compensation for registered investment supervisory firms.

Asset-advised-upon percentage method of compensation can still at times lead to conflicts of interest between our firm and our client as to the advice we provide. For example, conflicts of interest may arise relating to the following financial decisions in life: incur or pay down debt; gift funds to charities or to individuals; purchases of a (larger) home or cars or other non-investment assets; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; investment in private equity investments (private real estate ventures, closely held businesses, etc.),

and the amount of funds to place in non-managed cash reserve accounts. Stratford Consulting's goal is that the firm's advice to the client remains at all times in the client's best interest, disregarding any impact of the decision upon Stratford Consulting.

### **Termination**

The client may terminate any new agreement without penalty by providing written notice of such cancellation to Stratford Consulting within five (5) business days of the date of signing the agreement. Thereafter, either party may terminate the agreement without penalty upon notice in writing to the other party. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, with the refund calculations based pro rata to the date of termination. Upon the termination of the agreement, Stratford Consulting will not possess any obligation to recommend or take any action with regard to the securities, cash, or other investments in a client's account.

Stratford Consulting believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. A client could invest in mutual funds directly, without the services of Stratford Consulting. In that case, the client would not receive the services provided by Stratford Consulting which are designed, among other things, to assist the client in determining which investments are most appropriate to each client's financial condition and objectives, undertake a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same, and to avoid ad hoc emotional reactions to shorter-term market events. Also, some of the funds used by the firm may not be available to the client directly without the use of an investment adviser granted access to such funds.

Stratford Consulting's relationship with each client is non-exclusive; in other words, Stratford Consulting provides investment supervisory services and financial planning services to multiple clients. Stratford Consulting seeks to avoid situations in which one client's interest may conflict with the interest of another of its clients.

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

Stratford Consulting 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) due to the potential for conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Item 7 – Types of Clients

Stratford Consulting generally provides financial planning and investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, charitable organizations, corporations, businesses, trusts and estates.

Client relationships vary in scope and length of service. Stratford Consulting requires a \$1 million account minimum for investment management services. Stratford Consulting, in its sole discretion, may charge a lesser management fee, or choose to reduce or waive the minimum account size, based upon certain criteria (i.e., pre-existing financial planning client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.)

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

### **Methods of Analysis**

Security and portfolio analysis methods include assessments of diversification, historical performance versus benchmarks, and tax and expense efficiency. Stratford Consulting may evaluate portfolio efficiency by utilizing firms which provide portfolio optimization modeling.

Stratford Consulting relies upon sources of information such as financial periodicals, industry journals, research materials prepared by others, corporate ratings services, prospectuses, annual reports, filings with the Securities and Exchange Corporation and company press releases. Other sources of information which Stratford Consulting may use include Morningstar Principia information, various internet sources and Fidelity's Advisor Channel program.

### **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation utilizing passively-managed index and exchange traded funds as the core investments for the equity component of the portfolio and exchange-traded funds, mutual funds or individual debt instruments for the fixed income component.

Stratford Consulting bases the investment strategy and target allocation for a specific client on the objectives stated by the client during consultations. Clients may change these objectives at any time. Each client is asked to complete a risk tolerance assessment for use in the development of their strategy.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Stratford Consulting's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Inflationary Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.



**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 Stratford Consulting or the integrity of Stratford Consulting's management. Stratford Consulting, its principals and employees have not been involved in any legal or disciplinary events related to past or present clients.

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

Stratford Consulting's Managing Principals are licensed to sell insurance products. On occasions when there is a demonstrated need and the client requests, the firm's principals may provide insurance product advice, sell insurance products and receive commissions from the companies underwriting the policies.

Neither Stratford Consulting, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Stratford Consulting, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

Stratford Consulting does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.

Stratford Consulting does not recommend or select other investment advisors for its clients.

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

### **Code of Ethics**

Stratford Consulting 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 includes 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 Stratford Consulting must acknowledge the terms of the Code of Ethics annually, or as amended.

Stratford Consulting's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Susan Schildt.

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

Stratford Consulting and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

### **Personal Trading**

The Chief Compliance Officer of Stratford Consulting is Susan Schildt. She reviews all employee trades each quarter. Her trades are reviewed by J. Michael Hemp and Stacy D. Dove. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Most employee trades are relatively small exchange-traded fund trades or mutual fund trades and they do not affect the securities markets.

## Item 12 – Brokerage Practices

### Selecting Brokerage Firms

Stratford Consulting recommends custodians based upon the proven integrity and financial responsibility of the firm, its disaster recovery capabilities and the best execution of orders at reasonable costs. Stratford Consulting typically recommends Fidelity Brokerage Services LLC ("Fidelity") as a custodian for client assets, and Fidelity assists in the administration of investment advisory fees charged by Stratford Consulting to Stratford Consulting clients. Stratford Consulting does not receive fees or commissions from Fidelity due to this arrangement.

Stratford Consulting performs ongoing assessments of the effectiveness of Fidelity as a custodian for clients' assets. These measures may include visits to Fidelity's facility, meetings with Fidelity executives, analysis of Fidelity's charges to clients, and review of industry reports assessing Fidelity's competitiveness in terms of offerings, services and costs.

Stratford Consulting can advise and report on client assets not held at Fidelity.

### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Stratford Consulting may receive from Fidelity (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Stratford Consulting to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Stratford Consulting may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Stratford Consulting in furtherance of its investment supervisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Stratford Consulting in managing and administering client accounts.

Others do not directly provide such assistance, but rather assist Stratford Consulting to manage and further develop its business enterprise.

Stratford Consulting's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by Stratford Consulting Fidelity or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Stratford Consulting's Chief Compliance Officer, Susan Schildt, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

### **Aggregation of Client Trades**

To the extent that Stratford Consulting provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Stratford Consulting decides to purchase or sell the same securities for several clients at approximately the same time. Stratford Consulting may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Stratford Consulting's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Stratford Consulting shall not receive any additional compensation or remuneration as a result of such aggregation.

Stratford Consulting's employees are not registered representatives of Fidelity or any other custodian/broker-dealer and do not receive any commissions or fees from recommending these services.

### **Directed Brokerage**

Some clients may instruct Stratford Consulting to use one or more particular brokers for the transactions in their accounts. Clients who may want to direct Stratford Consulting to use a particular broker should understand that this may prevent Stratford Consulting from effectively negotiating brokerage compensation on their behalf. This arrangement

may also prevent Stratford Consulting from obtaining the most favorable net price and execution. Thus, when directing brokerage business, clients should consider whether the commission expenses and execution, clearance and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that Stratford Consulting would otherwise obtain for its clients. Clients are encouraged to discuss available alternatives with their advisory representative.

### **Item 13 – Review of Accounts**

Stratford Consulting conducts reviews with clients not less frequently than annually or as agreed to by the client and Stratford Consulting. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, Stratford Consulting will monitor for changes or shifts in the economy, changes to the management and structure of the company in which client assets are invested, and market shifts and corrections. Clients are advised that they should notify Stratford Consulting promptly of any changes to their financial goals, objectives or financial situation as such changes may require Stratford Consulting to review the client's portfolio and make recommendations for changes.

Reviews are conducted by J. Michael Hemp and Susan Schildt, principals. There are no accounts assigned specifically to Michael Hemp or Susan Schildt. All clients are served by the firm.

Clients are provided with account statements reflecting the transactions occurring in their accounts on at least a quarterly basis by the account custodian. Clients are provided with confirmations for all securities transaction executed in their accounts.

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

### **Incoming Referrals**

Stratford Consulting has been fortunate to receive client referrals from current clients, estate planning attorneys, accountants, employees, personal friends and similar sources. Stratford Consulting does not compensate referring parties for referrals.

### **Outgoing Referrals**

Stratford Consulting does not accept referral fees or any form of remuneration from other professionals when a prospective client is referred to them.

As referenced in Item 12 above, Stratford Consulting may receive an indirect economic benefit from Fidelity. Stratford Consulting, without cost (and/or at a discount), may receive support services and/or products from Fidelity.

Stratford Consulting may receive client referrals from websites where they may be listed. In no case will the client pay any additional fees to Stratford Consulting for services if the referral comes from any of these listings.



**Item 15 – Custody**

It is Stratford Consulting's policy to not accept custody of a client's securities. In other words, Stratford Consulting is not granted access to the clients' accounts which would enable Stratford Consulting to withdraw or transfer or otherwise move funds or cash from any client account to Stratford Consulting's accounts or the account of any third party (other than for purposes of fee deductions, as explained below). This is for the safety of the clients' assets.

However, with a client's consent, Stratford Consulting may be provided with the authority to seek deduction of Stratford Consulting's fees from a client's accounts; this process generally is more efficient for both the client and the investment adviser, and there may be tax benefits for the client to this method when fees can be paid from certain tax-deferred accounts of clients.

The account custodian does not verify the accuracy of Stratford Consulting's advisory fee calculation.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains their investment assets. Stratford Consulting urges you to carefully review such statements and compare such official custodial records to the performance report statements that we may provide to you.

**Item 16 – Investment Discretion**

Stratford Consulting usually accepts discretionary authority from the client at the outset of an advisory relationship, allowing it to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought and sold. However, Stratford Consulting may consult with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given. In all cases, discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

**Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Stratford Consulting 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. Stratford Consulting may provide advice to clients regarding the clients' voting of proxies.

Clients will receive their proxies or other solicitations directly from their broker-dealer/custodian.

**Item 18 – Financial Information**

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Stratford Consulting's financial condition. Stratford Consulting does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance. Stratford Consulting 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.