



## **Form ADV Part 2A: *Firm Brochure***

### **Item 1 – Cover Page**

#### **Standard Family Office, LLC**

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Updated March 2020

This brochure provides information about the qualifications and business practices of Standard Family Office, LLC (“Standard Family Office”), an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Registration with the SEC does not imply that Standard Family Office, its owners, its directors, its officers, or its employees have a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities regulator. Please contact Standard Family Office if you have any questions about the information in this brochure.

You can find additional information about Standard Family Office (search CRD number 301865) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Standard Family Office's initial registration with the Securities and Exchange Commission was approved on August 29, 2019. This item 2 includes material changes made to the initial brochure dated August of 2019, including Standard Family Office's new basis for eligibility to register with the SEC.

Standard Family office serves as the manager of and provides investment advisory services to various private investment funds. Standard Family Office is the sole manager of each fund. All fund assets are held at qualified custodians, which provide quarterly statements to fund investors. Each fund is subject to a surprise examination, annually, by an audit firm registered with and subject to regular inspection by the Public Company Accounting Oversight Board. The private funds provide a convenient means to diversify prospective clients' assets and to allow eligible and participating investors to share fairly in available private and public investment opportunities available to Standard Family Office. As manager of each fund, Standard Family Office receives an investment advisory fee, which investment advisory fee is disclosed to fund investors in each fund's private placement memorandum. Investment in Standard Family Office's affiliated funds are not necessarily suitable for all Clients so not all Clients are offered the opportunity to invest in Standard Family Office's affiliated funds.

Through its management of its affiliated funds' assets, Standard Family Office, as of October 31, 2019, is eligible to register with the SEC because it has \$1,103,204,566 of discretionary assets under management. Standard Family Office does not manage any assets on a non-discretionary basis.

Standard Holdings, LLC, the owner of Standard Family Office, has established a new affiliated company, Standard Services, LLC, to provide human resource and employee services to Standard Family Office and Standard Trust.

Standard Family Office, as manager of its affiliated funds, has established, on behalf of the funds, bank accounts at American Bank & Trust, a financial institution for which Scott A. Erickson serves as a member of the Board of Directors.

Standard Family Office will ensure that its Clients receive a summary of any material changes to this and subsequent annual disclosure brochures no later than April 30 each year. At that time, Standard Family Office will also offer or provide a copy of the most current disclosure brochure. Standard Family Office may also provide to its Clients other ongoing disclosure information about material changes as required by applicable law or regulation.

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#### **Item 4 – Advisory Business**

Standard Family Office was founded to serve a group of families and their businesses with objective, comprehensive, and independent investment advisory services, all implemented by professional fiduciaries.

Standard Family Office is a registered investment advisor located in Sioux Falls, South Dakota. It was founded in 2019. The majority of Standard Family Office is indirectly owned by employees working in and on Standard Family Office's business every day on behalf of its Clients. The indirect principal owners of Standard Family Office are its chairman, Scott A. Erickson, and its Chief Executive Officer and Chief Compliance Officer, Matthew P. Bock. Standard Family Office is wholly owned by Standard Holdings, LLC. Standard Holdings, LLC is owned by Wilbur Alan Capital, LLC and Hidewood Capital, LLC.

As of December 31, 2019, Standard Family Office managed \$1,288,094,550, on a discretionary basis and advised \$0 on a non-discretionary basis.

Standard Family office is primarily engaged in the purchase and sale of securities on behalf of its Clients. Standard Family Office will provide discretionary investment management services to trusts, individuals, charitable organizations, closely held family entities, and pooled and individual investment funds ("funds") (individually a "Client" and collectively, "Clients"). Services are provided only subject to a signed, written agreement between Standard Family Office and a Client, including a description of the specific services to be performed and the fees charged for the services ("Engagement Agreement").

**Multi-Family Office & Wealth Management Services** – We consider our firm to be a "whole-picture" family wealth advisor. We provide advisory services in the form of on-going planning and consultations. Our services will provide for a combination of formal, written plans along with consultative meetings. Generally speaking, our planning services can be described as helping clients determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management and other areas. One of our key roles is to help clients understand their overall financial situation and set financial objectives. Specific topics and areas covered by our firm include, but are not necessarily limited, to the following:

- Holistic Financial Planning
- Asset Allocation, Investment Planning, Portfolio Reviews, and Risk Management
- College/Education Planning, and Risk Management
- Family Gifting
- Business Succession
- Real Estate Planning and Analysis
- Tax Management & Planning
- Cash Management & Budgeting
- Philanthropy & Charitable Planning

We continuously monitor all plans, meeting with you to update plans and help you track overall progress. Overall wealth management services are specific and unique to each client taking into account the client's unique circumstances. Planning services are prepared with the intention and presumption of clients implementing investment recommendations through our Asset Management Services. However, you are not required or obligated to do so and can work with any financial professional of your choosing.

**Asset Management Services** – Standard Family Office provides asset management services in combination with our Multi-Family Office & Wealth Management Services. Asset Management Services involve Standard Family Office providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client’s benefit.

### **Limits Advice to Certain Types of Investments**

Standard Family Office provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- US Government Securities
- Interests in Partnerships Investing in Real Estate
- Securities Properly Exempted from Registration

- Hedge Funds

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives. It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

### **Tailor Advisory Services to Individual Needs of Clients**

Standard Family Office's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Standard Family Office's investment management services begin by determining a Client's investment objectives, including a Client's risk tolerance, liquidity needs, and tax strategies. Based on a Client's stated investment objectives, Standard Family Office will create an investment policy statement. A Client's investment policy statement will guide Standard Family Office in creating a Client's investment portfolio using passive and active strategies in public and private securities markets. Standard Family Office manages a Client's assets using Standard Family Office's discretion. Standard Family Office may advise on a Client's assets on a non-discretionary basis.

### **Private Funds**

Standard Family Office serves as the manager of and provides investment advisory services to various private investment funds. Standard Family Office is the sole manager of each fund. Fund assets are held at qualified custodians, which provide quarterly statements to fund investors. Each fund is subject to a surprise examination, annually, by an audit firm registered with and subject to regular inspection by the Public Company Accounting Oversight Board.

Every private fund we manage is exempt from registration as an investment company under the Investment Company Act of 1940. The offer and sale of interests in every private fund is also exempt from registration under the Securities Act of 1933 and similar state laws. As investment adviser, Standard Family Office will have sole and complete responsibility for managing the private funds' investment portfolios pursuant to the investment objectives and investment policies of the private fund.

The private funds are intended to provide a convenient means to diversify prospective clients' assets and to allow eligible and participating investors to share fairly in available private and public investment opportunities available to Standard Family Office. As manager of each fund, Standard Family Office receives an investment advisory fee, which investment advisory fee is disclosed to fund investors in each fund's private placement memorandum (see Item 5 for details). Standard Family Office has discretionary authority and is responsible for establishing and implementing each private fund's investment objectives and policies. (See Item 15 – Investment Discretion for more information).

Investment in Standard Family Office's affiliated funds are not necessarily suitable for all Clients so not all Clients are offered the opportunity to invest in Standard Family Office's affiliated funds. Recommending private funds under our management as investment opportunities to our Asset Management Services clients is a conflict of interest, and consequently the investment advice provided by Standard Family Office about the merits of investing in a private fund sponsored by our firm is biased. Please refer to Items 5, 10 and 11 for more information about this conflict of interest and our procedures designed to mitigate the conflict of interest.

Potential investors receive a copy of the applicable Confidential Private Placement Memorandum and are required to execute a subscription agreement in order to subscribe for interests in of a private fund managed by our firm.

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

Standard Family Office's compensation is fully transparent. Fees for Standard Family Office's investment management services are based on a Client's assets under Standard Family Office's management. Fee descriptions below are general in nature. A Client's fee is negotiable and is described in a Client's written agreement with Standard Family Office. Fees charged for our services are negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account (i.e. equities versus mutual funds), and the total amount of assets under management for the client, as well as anticipated future earning capacity, anticipated future additional assets because of a liquidity event, related accounts, pre-existing relationship, or account retention.

In addition to unrelated Clients, Standard Family Office may provide services to related Clients, including Standard Family Office's employees, officers, directors, and owners and their affiliates. Related Clients may not be charged investment management fees, performance fees, or family office service fees but will have the same rights and obligations of unrelated Clients.

Standard Family Office's fees do not include fees charged by other service providers, including custodians and brokers. Third party fees will include custodial fees, brokerage commissions, transaction fees, government and regulatory fees, legal fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees, costs, and expenses. A client's account includes investments in mutual funds or exchange traded funds that charge internal management fees, which are disclosed in those funds' prospectuses. Standard Family Office does not receive any portion of any other service provider's commissions, fees, or costs.

The following is Standard Family Office's base asset management fee schedule:

<u>Assets Under Management</u>	<u>Annual Fees % (Basis Points)</u>
\$15 million – \$50 million	1.0% (100 basis points)
\$50 million – \$100 million	.75% (75 basis points)
\$100 million – \$250 million	.50% (50 basis points)
\$250 million – \$500 million	.28% (28 basis points)
\$500 million and above	.14% (14 basis points)

Only one rate is charged against all of a client's assets under management. Standard Family Office's fee schedule is not a "blended" annual fee schedule in which each tier of assets is charged a different rate creating the effect of a blended fee rate used at the time of billing. Standard Family Office may allow related parties to aggregate assets with other related parties to meet higher breakpoints in order to pay lower fees. Irrespective of whether any Client aggregates assets for purposes of paying a lower fee, each Client's information and Engagement Agreement is confidential and unavailable to any other Client.

Through 2019, Standard Family Office's fees are billed in advance on a quarterly, calendar year basis. Starting in 2020, Standard Family Office's fees are billed in arrears on a quarterly, calendar year basis. The fee is calculated based on the fair market value of a Client's assets under Standard Family Office's management as of the last business day of the previous calendar quarter, except Standard Family Office's initial fee, which is based on the fair

market value of a Client's assets, and is due, on the day the assets come under Standard Family Office's management. In 2020, the fee is calculated based on the average daily market value of the assets under management or advisement during the prior calendar quarter. For any of a Client's assets that come under or leave Standard Family Office's management on a day other than the first business day of a calendar quarter, fees are prorated (**based** on the number of days service is provided during a calendar quarter).

A Client's fees are deducted from a Client's account and paid directly to Standard Family Office by the Client's custodian. A Client must authorize its custodian to deduct fees from a Client's account and pay such fees directly to Standard Family Office. The Custodian will send to a Client its account statements and a Client should verify that appropriate fees are being deducted from a Client's account. A custodian will not verify the accuracy of Standard Family Office's fees deducted.

Services continue until terminated by either Standard Family Office or a Client under the terms of a Client's Engagement Agreement. Any prepaid, unearned fees are promptly refunded to a Client by Standard Family Office.

Standard Family Office believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

#### **Private Fund Management Fee**

The private funds pay Standard Family Office an annual management fee based on the net asset value attributed to the limited partner interests at the same rates other Clients pay as outlined above. Annual fees are divided and paid in accordance with the same procedures outlined above. The management fee paid by a fund is the only fee Standard Family Office collects for the assets managed by Standard Family Office and held by a fund.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Item 6 is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

#### **Item 7 – Types of Clients**

Standard Family Office is a "multi-family office" firm and provides services to family offices including their related trusts, beneficiaries and other corporations/legal entities formed for the benefit of the family office as well as trusts, individuals, charitable organizations, and closely held family entities.

Standard Family Office requires a minimum investment amount of \$15,000,000 to become a Client of Standard Family Office. Standard Family Office, in its sole discretion, may accept Clients with smaller investment amounts based on criteria including anticipated future earning capacity, anticipated future additional assets because of a liquidity event, related accounts, pre-existing relationship, or account retention. No Client relationship is formed with Standard Family Office until a Client and Standard Family Office execute a written agreement describing the fees charged for the specific services performed.

Standard Family Office serves as investment adviser to the private funds under our management. All funds are exempt from registration as private pooled investment vehicles--private hedge funds.



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

### Methods of Analysis

Standard Family Office's primary method of analysis is Fundamental. This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be **wrong and** could therefore lead to an unfavorable investment decision.

### *Third-Party Research Providers*

We will have paid arrangements with one or more third-party investment advisers to receive their research and investment recommendations. We will receive regular updates from the third-party investments advisers and use the information they provide to develop our internal investment recommendations.

Third-party investment advisers provide only impersonal sub-advisory services (e.g., non-discretionary research, individual security recommendations and commentary on recommendations) to Standard Family Office. This means third-party investment advisers will not have any information concerning the investment objectives or financial circumstances of any Standard Family Office client and will not be obligated to or responsible for determining the suitability of any investment advice given or investment decisions made based on individual circumstances and objections of any Standard Family Office client. Standard Family Office will have sole responsibility for all such individual investment advice and approving or rejecting the investment recommendations of third-party investment advisers.

### Investment Strategies

Standard Family Office uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

We follow a Value-Investing strategy that attempts to acquire at reasonable valuations publicly traded businesses that can deliver sustainable excess returns. We focus on a long-only strategy. Long term strategies are designed to identify and select investments to be held for multiple years. We will also invest in value oriented special situations with shorter expected holding periods.

Value Investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

#### Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

#### Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Any investment with Standard Family Office involves a risk of loss, including a risk of loss of a Client's entire investment amount. The performance of Standard Family Office will depend, among other things, upon the ability of Standard Family Office to invest profitably in the public and private markets. No assurance can be given that Standard Family Office will be able to do so. Decisions made by Standard Family Office may cause Standard Family Office to incur losses or to miss profit opportunities on which it may otherwise have capitalized. In managing and directing Standard Family Office's investments, moreover, Standard Family Office may rely on certain personnel whose departure or inability to fulfill certain duties may adversely affect Standard Family Office's investments. Standard Family Office has a compliance policy that details controls and procedures through which it seeks to minimize compliance risks to its business; however, no assurances can be given that Standard Family Office will be able to identify or prevent compliance-related risks. Clients will have no right or power to participate in the day-to-day management or control of the business of Standard Family Office, nor an opportunity to evaluate the specific strategies used, or investments made, by Standard Family Office or the terms of any investment. While Standard Family Office will devote its best efforts to the management of Standard Family Office' portfolios, there can be no assurance that Standard Family Office will not incur losses. Investments in public and private markets may experience extended periods of loss. Investment risks include:

*Market Risk* - The rate of return of Standard Family Office's investment decisions depends largely upon the price movements of stocks, bonds and other asset classes. There can be no assurance that Standard Family Office will be able to predict those price movements accurately or capitalize on any such movements. The global financial

markets have gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention was in certain cases implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition-as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action-these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. Standard Family Office may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to Standard Family Office from banks, dealers and counterparties will be reduced in disrupted markets. Such a reduction may result in substantial losses to Standard Family Office. Market disruptions may cause dramatic losses for Standard Family Office, and such events can result in otherwise historically low-risk strategies performing with volatility and risk.

*Economic Risk.* Investment returns are affected by economic activity both on a domestic and global scale. Factors that may result in changes to investment values include interest rates, credit availability, inflation rates, commodity prices, economic uncertainty, regulatory changes, global trade, currency controls, and geographic, industry, or political policy intervention.

*Public Equities.* Standard Family Office may invest in equity securities. Standard Family Office may also invest in equity-related securities and instruments, such as convertible securities, warrants, stock options, and individual stock futures. There are no absolute restrictions in regard to the size or operating experience of the companies in which Standard Family Office may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize). The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even the loss of a key executive, among other things, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. Stock which Standard Family Office have sold short may be favorably impacted (to the detriment of Standard Family Office) by the same factors (e.g., decreased competition or costs or a decrease in interest rates). In addition, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk, and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which Standard Family Office invest and can result in significant losses.

*Fixed Income Securities.* Standard Family Office may invest in fixed income securities. Investment in these securities may offer opportunities for income and capital **appreciation and** may also be used for temporary defensive purposes and to maintain liquidity. Fixed income-related securities are obligations of the issuer to Standard Family Office make payments of principal and/or interest on future dates, and include, among other securities: bank debt, bonds, notes, and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed income related securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market

perception of the creditworthiness of the issuer, and general market liquidity (i.e., market risk). Standard Family Office' fixed income-related investments may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by Standard Family Office earlier than expected. This may happen when there is a decline in interest rates or when a borrower's performance allows the refinancing of certain classes of debt with lower cost debt. To the extent early prepayments increase, they may have a material adverse effect on Standard Family Office' investment objectives and the profits on capital invested in fixed income-related investments. When interest rates decline, the value of Standard Family Office' fixed income-related securities with a fixed coupon can be expected to rise, and when interest rates rise, the value of those securities can be expected to decline. As with other investments made by Standard Family Office, there may not be a liquid market for any of the debt-related instruments in which Standard Family Office invests, which may limit Standard Family Office' ability to sell these debt-related instruments or to obtain the desired price.

*ETFs and Mutual Funds.* ETF and Mutual Fund investments are subject to the risks stemming from the issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent net asset value per share ("NAV"), which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. Certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Shares of open-end mutual funds are distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf at the NAV computed after receipt of the subscription or redemption request deemed "in good order." The actual trading price at which a share is transacted is equal to a fund's NAV, plus any applicable sales loads, transaction fees, or redemption fees. The NAV of an open-end mutual fund upon which subscriptions and redemptions are processed is currently most commonly calculated at the end of each business day, usually 4:00 p.m. ET, although some mutual funds have more than one pricing time during the day.

*Emerging Markets Risk.* Standard Family Office may invest in undeveloped, non-U.S. countries that are considered "emerging markets." Emerging markets present certain risks, more frequently than countries that are not "emerging markets" including government instability, political risk, lack of or less than transparent priority of the rights held by various groups of security holders, the imposition of currency controls, expropriation risk and the application of various laws and regulations, including anti-money laundering laws and non-U.S. tax laws. Fundamental investing strategies in emerging markets are subject to increased risks due to the risk of other market participants having better access to relevant market information.

*International Investing.* Investing outside the United States can involve greater risks than investing in the United States. International investment risks include: (i) limits on publicly available information; (ii) foreign governmental regulation and supervision; (iii) difficulty enforcing legal rights in a foreign country; and (iv) uncertainty in the interpretation and application of foreign laws. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies. Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of Standard Family Office are **uninvested**, and no return is earned thereon. The inability of Standard Family Office to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause Standard Family Office to miss investment opportunities. The inability to dispose of a security due to settlement problems could result either in losses to Standard Family Office due to subsequent declines in the value of such security or if Standard Family Office have entered into a contract to sell the security, in a possible

liability to the purchaser. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies.

*Use of Private Investment Funds.* Standard Family Office may recommend that certain Clients invest in privately placed collective investment funds (e.g., hedge funds, private equity funds, etc.). The managers of these investments have broad discretion in selecting the investments. There are generally few limitations on the types of securities or other financial instruments which can be traded and often no requirement to diversify. Hedge funds have the ability to trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the investments are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

- A security exempt from registering with the U.S. Securities and Exchange Commission and state securities regulator is often referred to as a private placement or unregistered offering.
- Only an “accredited” investor should invest in a private placement offering. To qualify as “accredited” investor, the investor must (a) have a net worth (not including primary residence) of at least \$1 million, or (b) have an income exceeding \$200,000 in each of the 2 most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year.
- Private placement offerings often are speculative, high risk and illiquid investments. An investor can lose his or her entire investment in a private placement offering.
- Private placement offerings are not subject to same laws and regulations, which are designed to protect investors, as registered securities offerings.
- Private placement offerings have not been reviewed by a regulator to make sure risks associated with the risks of private placement investment have been adequately disclosed to prospective investors.
- Private placement offerings often project higher rates of return, but this is typically because the risks of the underlying the private placement investment are also higher.
- Private placement offerings are generally illiquid, meaning there are limited opportunities to resell the underlying security of the private placement. Therefore, an investor may be forced to hold the private placement security indefinitely.
- Investors in a private placement offering are usually provided with less disclosure information than they would receive in a public securities offering. Consequently, investors know much less about the private placement investment and the people behind it.
- Private placement offerings have been used by fraudsters in the past, and consequently private placement offerings are one of the most frequent sources of enforcement cases conducted by state securities regulators. It may be very difficult or impossible for an investor in a private placement offering to recover the money invested from the sponsor of the private placement offering if such offering turns out to be fraudulent.
- Before investing in a private placement offering, an investor should carefully read and fully understand the subscription agreement and the offering memorandum/private placement memorandum.
- For additional details about private placement offerings and red flags associated with such offerings, please visit [http://www.sec.gov/oiea/investor-alerts-bulletins/ib\\_privateplacements.html#.VDane410yUk](http://www.sec.gov/oiea/investor-alerts-bulletins/ib_privateplacements.html#.VDane410yUk).

*Use of Margin.* Standard Family Office may recommend the use of margin in the management of a Client's investment portfolios. The use of margin borrowing can substantially improve returns. But margin borrowing can also increase overall portfolio risk. In general, Standard Family Office's use of margin borrowings, if such borrowings occur, will result in additional risks to Standard Family Office. Trading securities on margin, will result in interest charges and, depending on the amount of trading activity, such charges could be substantial. For example, should the securities pledged to brokers to secure Standard Family Office' margin borrowings decline in value, Standard Family Office could be subject to "margin calls," pursuant to which Standard Family Office must either deposit additional funds with such brokers or suffer mandatory close-out of the margin borrowings, including liquidation of some or all of the pledged securities to compensate for such decline in value. In the event of a sudden and large drop in the value of Standard Family Office' assets, Standard Family Office might not be able to liquidate assets quickly enough to pay off their margin borrowings and the sale of assets under such circumstances would adversely impact the value of Standard Family Office's investment portfolios.

*Disparity in Debt Offerings.* Terms of certain of the debt in which Standard Family Office may invest may provide the obligors substantial flexibility to: incur additional indebtedness; make dividends; investments and other restricted payments; incur liens and engage in affiliate transactions; as well as other flexibilities. Under certain market conditions, terms of indebtedness offered in the debt markets impose less stringent covenants on the issuers of such indebtedness than the covenants included in the terms of debt offered in other periods. In addition, many loans may not require obligors to observe and maintain financial ratios or other financial covenants, such as covenants requiring companies to maintain a maximum leverage ratio, a minimum interest or fixed charge coverage ratio, a minimum cash flow or maximum capital expenditures. Even if such covenants are included in the loans held by Standard Family Office, the terms of the loan documentation may provide obligors substantial flexibility in determining compliance with such covenants. The absence of such covenants or the flexibility in measuring compliance with such covenants could cause obligors to experience significant downturn in their results of operation without triggering any default that would permit holders of the debt to accelerate their indebtedness. Any such delay in the ability of holders of the debt to accelerate the indebtedness may lower the ultimate recoveries received by Standard Family Office in any insolvency or restructuring of the indebtedness of holders of debt.

*Availability of Private Investment Opportunities.* There can be no assurance that Standard Family Office will be able to find suitable private opportunities consistent with its private investment approach. Market conditions may limit the availability of private investment opportunities. Such limitations may cause delays in deploying Standard Family Office' capital and may negatively impact Standard Family Office' returns.

*Investment Management Risk.* The success of an investment with Standard Family Office varies with the success and failure of Standard Family Office's investment strategies, research, analysis and portfolio construction. If Standard Family Office's investment strategies do not produce expected returns, the value of the investment may decrease.

*Use of Independent Managers.* Standard Family Office may employ independent money managers to manage Client funds. Standard Family Office will continue to conduct due diligence of such managers, but a Client's investment results depend on the Independent Managers' ability to successfully implement their investment strategies. In addition, Standard Family Office generally has no direct supervisory oversight of the Independent Managers on a day-to-day basis. There is an independent money manager will not be successful or will not meet expectation and Standard Family Office's decision to hire an independent money manager could cause a Client to experience losses or miss profit opportunities.

*Reliance on Key Personnel.* The operations of Standard Family Office and its strategies are substantially dependent upon the skill, judgment and expertise of key personnel. The death, disability or other unavailability of key personnel could be material and adverse to Standard Family Office and its strategies.

*Transaction Costs.* Standard Family Office may limit itself to the use of custodians, brokers, clearinghouses, exchanges or other counterparties that meet certain criteria determined by Standard Family Office. These limitations may result in Standard Family Office paying more for such services than would be the case if it solely chose such persons on the basis of price.

*Interest Rate Risk.* Changes in interest rates can cause asset prices to change. If interest rates rise, bond investments could lose value.

*Inflation Risk.* Inflation may reduce the purchasing power of an investment portfolio over time.

*Currency Risk.* Investments can be subject to the change in the value of the dollar against foreign currencies, which can cause investments to lose value.

*Reinvestment Risk.* This risk is presented when capital is re-invested at lower rates of return, which commonly occurs with fixed income securities, or bonds, purchased when capital market assumptions are lower.

*Concentration Risk - Investments.* Standard Family Office may at certain times hold large positions in a relatively limited number of investments. Standard Family Office could be subject to significant losses if it holds a large position in a single issuer, industry, market or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. Standard Family Office's investments could potentially be concentrated in relatively few strategies, issuers, industries or markets.

*Concentration Risk - Vendors.* Standard Family Office may at certain times have a material portion of their assets exposed to the credit risk of a particular custodian, broker, clearinghouse, exchange, or counterparty. Such a concentration could magnify the risks to Standard Family Office of a failure of one or more of such custodians, brokers, clearinghouses, exchanges or counterparties. Standard Family Office is also reliant upon the proper performance of duties and obligations of its respective vendors. Standard Family Office may be adversely impacted in a material manner if one or more of the vendors to Standard Family Office fails to adequately perform their functions.

*Illiquidity Risk.* Private investments, including private equity, venture capital, and hedge funds involve restrictions on the right to sell an investment, which can limit the right to receive full or partial liquidity in an investment. Illiquidity can cause a portfolio to lose value or miss opportunities to invest in other assets.

*Fraud.* In making investments, Standard Family Office may rely upon the accuracy and completeness of representations made by the issuer of such investments, but Standard Family Office cannot guarantee the accuracy or completeness of such representations. The issuer of a security may make a material misrepresentations or omissions with respect to itself. Such inaccuracy or incompleteness may adversely affect Standard Family Office or the valuation of any investment. Instances of fraud and other deceptive practices committed by senior management of certain companies in which Standard Family Office may invest may undermine the ability of Standard Family Office to conduct effective due diligence on, or successfully exit investments made in, such companies. In addition, financial fraud may contribute to overall market volatility, which can negatively impact Standard Family Office' investments. Under certain circumstances, such as an issuer's bankruptcy, payments to Standard Family Office may be reclaimed if they are later determined to have been made with an intent to defraud creditors or legally determined to be a preferential payment.

*Non-Public Information.* Although internal policies are in place to prevent the receipt or use of non-public information, Standard Family Office, its affiliates and their respective officers, directors, partners, members, employees and agents may come into possession of such information. Under applicable securities laws, this may limit Standard Family Office's ability to buy or sell portfolio securities. Standard Family Office's investment

flexibility may be constrained as a consequence of Standard Family Office's inability to use such information for investment purposes.

*Additional Information Available to Certain Clients.* Certain Clients obtain information from Standard Family Office regarding Standard Family Office that is not generally available to other Clients, which may provide the recipient with greater insights into Standard Family Office's activities than are included in standard reports to Clients. In determining whether to provide such information to certain Clients, Standard Family Office will take into account factors that it deems relevant in its sole discretion, which may include, without limitation, the type or nature of the information requested, confidentiality concerns, potential uses for such information, and the intentions of the requesting Client with respect to such information. Generally, unless a particular Client is subject to specific regulatory requirements that limit a Client's ability to maintain certain information as confidential, Standard Family Office will generally only make such reports and information available to a Client if Standard Family Office is satisfied, in its sole discretion, that such Client will maintain the confidentiality of the information being provided.

*Cybersecurity and Service Provider Risk.* As part of its business, Standard Family Office processes, stores and transmits large amounts of electronic information, including information relating to its clients and transactions entered into on their behalf. Similarly, Standard Family Office service providers and its clients, especially client administrators, may process, store and transmit such information. Some information is stored in the cloud by certain vetted cloud-based service providers. Standard Family Office has controls, procedures and systems in place designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Standard Family Office may be susceptible to compromise, leading to a breach of Standard Family Office's network. Standard Family Office's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by Standard Family Office to its clients may also be susceptible to compromise. Breach of Standard Family Office's information systems may cause information relating to clients (including client transactions) to be lost or improperly accessed, used or disclosed. Standard Family Office service providers and its clients are subject to the same electronic information security threats as Standard Family Office. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to clients (including client transactions) may be lost or improperly accessed, used or disclosed. The loss or improper access, use, or disclosure of Standard Family Office's or its clients' proprietary information may cause Standard Family Office or its clients to suffer, among other things, financial loss, business disruption, liability to third parties, regulatory intervention or reputational damage. Any such event could have a material adverse effect on Clients and their investments.

*Potential Inability to Trade or Report Due to Systems Failure or Impairment.* Standard Family Office's strategies are highly dependent on the proper functioning of their internal and external computer systems, data centers and connectivity. Accordingly, failures of or impairments to such systems, data centers or connectivity, whether due to third-party failures or issues upon which such systems are dependent or the failure or impairment of Standard Family Office's or a service provider's hardware or software, could disrupt trading or make trading impossible until such failure or impairment is adequately remedied. Any such failure or impairment, and consequential inability to trade (even for a short time), could, in certain market conditions, cause Standard Family Office to experience significant trading losses or to miss opportunities for profitable trading. Any such failures or impairments also could cause a temporary delay in processing investor activity or reports to investors. Standard Family Office will trade on electronic trading and order routing systems, which differ from traditional open outcry trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the instrument. Characteristics of electronic trading and order routing systems vary



widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, trade error policies, and trading limitations or requirements. There are also differences regarding qualifications for access, grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risks with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail. Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure or impairment. Any such failure or impairment, and consequential inability to trade or process investor activity (even for a short time), could, in certain market conditions, cause Standard Family Office to experience significant trading losses, cause Standard Family Office to miss opportunities for profitable trading and/or adversely affect Standard Family Office.

The foregoing list of risk factors is not a complete enumeration or explanation of the risks involved in any investment with Standard Family Office. Prospective Clients should read this entire Form ADV and all accompanying materials provided by Standard Family Office and consult with their own advisers before deciding whether to invest with Standard Family Office. In addition, as Standard Family Office develops and changes over time, an investment with Standard Family Office may be subject to additional and different risk factors. Standard Family Office will promptly amend this Brochure if and when any information regarding its investment risks and strategies becomes materially inaccurate.

#### **Item 9 - Disciplinary Information**

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

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

Standard Family Office is not and does not have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accounting firm, an insurance company or agency, or a pension consultant.

Although Scott Erickson holds a real estate license, he does not provide real estate services. Except as otherwise provided, Scott Erickson is not involved in any business activities outside of those conducted through Standard Family Office and its affiliated companies.

#### **Legal Services**

Matthew Bock is an associate attorney of the Wilbur Alan P.C. law firm, duly licensed in the State of South Dakota, and can offer legal services to Clients on a fully disclosed basis.

A Client is never obligated or required to hire Mr. Bock or his law firm for attorney services. There are other law firms that provide legal services similar to those provided by Mr. Bock and his law firm and may provide such services for less expensive rates.

The services of Standard Family Office and Mathew P. Bock and his law firm are separate and distinct from one another, each with a separate compensation arrangement typical for the services rendered. Mr. Bock spends approximately 2% of his time working for Wilbur Alan P.C. with the remainder of his time devoted to Standard Family Office (80%) and Standard Trust (18%).

Clients are generally not referred to Wilbur Alan P.C and will not be obligated in any manner to use the services of Wilbur Alan P.C. Wilbur Alan P.C. does serve as registered agent for the funds managed by Standard Family Office. Wilbur Alan P.C. receives an annual fee for its services as registered agent to the funds.

### **Affiliated Trust Company**

Standard Family Office is under common ownership and control with Standard Trust, LLC, a South Dakota-chartered public trust company, subject to regulation by the South Dakota Banking Division. Standard Family Office actively recommends clients utilize Standard Trust, LLC for trust-administration services in South Dakota. Standard Trust, LLC may delegate its investment authority to Standard Family Office or hire Standard Family Office to provide investment management services for trusts under which Standard Trust serves as trustee.

Clients may benefit from the combined and aligned services offered through Standard Trust, LLC and Standard Family Office. However, the active recommendation of an affiliated trust company is a conflict of interest. Standard Family Office will recommend Standard Trust, LLC when it believes Standard Trust can serve a Client's best interests. There are other trust companies providing the same or similar services. Clients are never obligated to use the services of Standard Trust, LLC. Clients will always retain the right to use another trust company or work with outside legal counsel for trust formation and trustee services.

Specific services provided by Standard Trust, LLC include, but are not necessarily limited to (1) corporate trustee services for personal trusts, (2) corporate trustee for life insurance trusts, and (3) trustee services for charitable trust accounts. These services entail safekeeping of all trust assets. Standard Trust, LLC also performs trust administration duties outlined in each trust document such as distributions, statement productions, tax reporting and bill paying. Principal and income trust accounting are also available. No assets are held in the name of Standard Trust, LLC. All assets will be held via segregated trust accounts identifying the trust company as trustee. In addition, Standard Trust, LLC may provide family office services that supplement Standard Family Office's investment management services and allow Standard Family Office to serve as a Client's "whole-picture" family wealth advisor. Standard Trust's family office services are non-investment and tax related, including:

- cash management & annual budget advisory services, including bill pay;
- individual and family business bookkeeping and financial reporting;
- current and generational income and transfer tax planning;
- personal use real estate portfolio management;
- information security services;
- personal banking services;
- professional services liaison including legal, accounting, insurance, and real estate advisors;
- family concierge services including travel and entertainment advisory services; and
- charitable planning and family foundation advisory services.

Some of the supervised persons of Standard Family Office are also employees of or work for Standard Trust, LLC and some of our supervised persons primary responsibilities involve the services provided by Standard Trust, LLC.

Clients with trust accounts can have an independent individual or trust company (someone not associated with Standard Family Office or Standard Trust, LLC) serve as trustee. However, Standard Trust, LLC can serve as trustee for Standard Family Office's Clients. Please refer to Item 15 - Custody of this Disclosure Brochure for more information.

### **Affiliated Services Company**

Standard Family Office is under common ownership and control with Standard Services, LLC, a South Dakota limited liability company formed to provide human resource and employee services to Standard Family Office and Standard Trust. Employees of Standard Services provide services to Standard Family Office and Standard Trust.

### **Banking Institution**

Although not an affiliated company, Scott A. Erickson serves as a Member of the Board of Directors for a local bank, American Bank and & Trust in Wessington Springs, South Dakota. Scott A. Erickson has been serving in this role since January 2019.

At Board meetings, the directors, including Mr. Erickson, focus on the bank acting within the terms of its business policies as well as staying compliant with all banking regulations. In this position, Mr. Mr. Erickson also helps guide business strategy for the bank. For his services, Mr. Erickson is compensated a nominal fee, as is typical for most bank directors.

Standard Family Office uses American Bank & Trust for its business banking needs and can recommend the bank to clients of Standard Family Office. However, we do not receive any referral fees or other compensation for recommending the bank to clients. Our clients always have the option utilize the services of a different bank and are never required to use American Bank & Trust.

Standard Family Office, as manager of its affiliated funds, has established, on behalf of the funds, bank accounts at American Bank & Trust. This presents a conflict of interest. The conflict of interest has been mitigated through Standard Family Office's due diligence process to ensure cash management rates and banking services are competitively priced with other financial institutions. Still, there are other banks that provide banking services similar to those provided by American Bank & Trust and may provide such services on more favorable terms.

### **Managing Member to private funds under our management**

Standard Family Office is the managing member to the private funds under our management. Thus, we are not independent from private funds under our management, but instead have a direct and beneficial interest in private funds under our management. Further, our owners and advisory personnel have personally invested in private funds under our management and also serve as board members and advisors to the private funds. We are also responsible for soliciting new investors into private funds under our management. These factors create an incentive to recommend private funds under our management. This is a conflict of interest, and consequently the investment advice provided by Standard Family Office is biased.

Please refer to the following section for more information of the material financial interest we have in private funds under our management and subsequent conflicts of interest.

### **Third – Party Investment Advisor Arrangements**

We can select independent, third-party investment advisors to serve as Sub-Advisors to assist with the management of the private funds under our management. We do not receive referral or solicitor fees for such third-party investment advisers, and we do not recommend third-party investment adviser firms in connection with our individual client, Asset Management Services.

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

### **Code of Ethics Summary**

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Standard Family Office has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Standard Family Office Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. Standard Family Office requires its supervised persons to consistently act in your best interest in all advisory activities. Standard Family Office imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Standard Family Office. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Standard Family Office or supervised persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Standard Family Office that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. Standard Family Office and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons):

- Supervised persons cannot prefer their own interests to that of the client.
- Supervised persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Supervised persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Supervised persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Supervised persons are discouraged from conducting frequent personal trading.
- Supervised persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Standard Family Office.

Any supervised person not observing our policies is subject to sanctions up to and including termination.

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

We will recommend private funds under our management to our Asset Management Services clients. We have a material financial interest when recommending private funds under our management. We address for this conflict by comparing private funds under our management against other registered or non-registered pooled investment vehicles and we will recommend other pooled investment vehicles when more appropriate for the client. Standard

Family Office will only recommend that a client invest a portion of client's portfolio in private funds under our management if Standard Family Office believes that it is in client's best interest. (Under no circumstances will Standard Family Office exercise any investment discretion with respect to whether to invest a client in private funds under our management.)

Clients are not obligated to invest in private funds under our management. The client will be solely responsible for making any decision in whether to invest in private funds under our management, and the client is under no obligation to invest in private funds under our management.

Because our recommendation that clients invest in private funds under our management is an inherent conflict of interest that cannot be completely overcome, we strongly encourage all clients consult with legal counsel, an accountant, a third-party investment adviser not affiliated with Standard Family Office, or any other financial professional of the client's choosing who is not affiliated with Standard Family Office for a "second opinion" before investing in private funds under our management.

If clients choose to invest in private funds under our management, we will not charge "double-fees" meaning we will only charge one fee against the assets invested in private funds under our management and not also charge an additional Separately Managed Account services fee.

We permit our owners and employees to invest in private funds under our management. Employees seeking to invest in any private offering, including private funds under our management, must first be approved, in writing, by our Chief Compliance Officer prior to any purchase or redemption in the private security. Clients are given first right of opportunity over our employees for approval of investing in a private security or redeeming from the private security.

Private investments like private funds under our management are often illiquid which means that the investments can be difficult to trade and consequently limits an investor's ability to dispose of such investments in a timely manner and at an advantageous price. Additionally, such investments will not register pursuant to the Securities Act of 1933, and therefore investors must complete a subscription agreement showing the investor is an "accredited" investor (as defined by applicable law, rules and regulations) and acknowledge that he or she has read and understands the confidential private placement memorandum and is aware of the various risk factors associated with such an investment.

Please refer to Item 4, Item 5 and Item 10 of this Disclosure Brochure for more information.

## **Item 12 – Brokerage Practices**

### **Brokerage Recommendations**

Standard Family Office will recommend clients establish brokerage accounts with a FINRA member broker-dealer, to maintain custody of clients' assets and to effect trades for their accounts. Although Standard Family Office will recommend that clients establish accounts at a specific broker-dealer, it is the client's decision to custody assets with the broker-dealer. Standard Family Office is independently owned and operated and not affiliated with a broker-dealer. We do not receive referrals from broker-dealers.

Broker-dealers recommended by Standard Family Office provide us with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long the investment advisor's clients maintain a certain level of assets with the broker-dealer. These services are not contingent upon Standard Family Office committing to any specific amount of business (assets in custody or trading commissions). The broker-dealer's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher minimum initial investment.

For Standard Family Office's clients' accounts maintained in its custody, the broker-dealer generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset based fees for securities trades that are executed through their accounts or that settle into their accounts. Our recommended broker-dealer also makes available to Standard Family Office other products and services that benefit Standard Family Office but may not directly benefit clients' accounts. Many of these products and services may be used to service all or some substantial number of Standard Family Office's accounts, including accounts not maintained at our recommended broker-dealer.

Products and services provided by the recommended broker-dealer that assist Standard Family Office in managing and administering clients' accounts can include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Standard Family Office's fees from some of its accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

The recommended broker-dealer also offers other services intended to help Standard Family Office manage and further develop its business enterprise. These services can include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. The recommended broker-dealer may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Standard Family Office. The broker-dealer may also provide other benefits such as educational events or occasional business entertainment of Standard Family Office personnel. While as a fiduciary, Standard Family Office endeavors to act in its clients' best interests, Standard Family Office's recommendation that clients maintain their assets in accounts at a specific broker-dealer may take into account availability of some of the foregoing products and services and other arrangements not solely on the nature of cost or quality of custody and brokerage services provided by the broker-dealer, which creates a conflict of interest.

### **Directed Brokerage**

Although we recommend and, in some cases, require the use of a specific broker/dealer, clients can select the broker-dealer that will be used for their accounts presuming we can accommodate the broker/dealer platform into our back-office system. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by Standard Family Office after effecting trades for other clients of Standard Family Office. In the event that a client directs Standard Family Office to use a particular broker or dealer, Standard Family Office may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Standard Family Office to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

### **Block Trading Policy**

We can purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Standard Family Office believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Standard Family Office uses the pro rata allocation method for transaction allocation.

Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. Standard Family Office will calculate the pro rata share of each transaction included in a block order and assigns the appropriate number of shares of each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Standard Family Office or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### **Item 13 – Review of Accounts**

#### **Account Reviews and Reviewers**

Managed accounts and private funds managed by our firm are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Scott Erickson and Matthew Bock, with reviews performed in accordance with your investment goals and objectives.

Accounts established and maintained with other third-party money managers are reviewed at least quarterly, usually when statements and/or reports are received from the money manager.

#### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian. Additionally, we will provide performance and positions reports on a quarterly and as-requested basis.

Whether reports by a third-party money manager are provided to you will depend upon the third-party money manager.

You are encouraged to always compare any reports or statements provided by us or third-party money managers against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

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

Standard Family Office does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Standard Family Office receives no other forms of compensation in connection with providing investment advice. However, we receive certain benefits, services and products from broker/dealers with which we have arrangements. Please refer to *Item 12 – Brokerage Practices* for details.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an

investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

Standard Family Office is deemed to have custody of client funds and securities whenever it is given the authority to have fees deducted directly from client accounts.

Standard Family Office is also deemed to have custody of client funds and securities when Standard Family Office has standing authority (also known as a standing letter of authorization or “SLOA”) to move money from a client’s account to a third-party account. For example, a SLOA or its equivalent is required for the firm’s bill-pay services.

For a select number of client accounts (401k plans, 403b and 457 plans, retirement plans, & self-directed brokerage accounts), we can log-in to a client’s accounts using the client’s unique log-in information on a web site. When accessing the account through the client’s log-in access, our authorizations are broader than customary, and we are deemed to have custody beyond the ability to deduct fees from the account.

In addition, and as described in Item 10 of this brochure, our affiliated persons or affiliated persons of Standard Trust serve as trustee for many of our clients. We will also have affiliated persons that serve as executor for estates and conservator for wills. The role of trustee, executor or conservator are legal authorizations resulting in custody of those client funds and securities.

Our associated persons’ duties as trustee, and similar duties as estate executor or will conservator, include administering the trust, estate or will in accordance with the terms and conditions of the applicable legal documents and applicable laws.

Associated persons fully respect the traditional duties of trusteeship such as the obligation of loyalty, good faith, prudence, and impartiality in the administration of the trust corpus. Associated persons strive to treat beneficiaries fairly and shall keep and render clear and accurate accounting records. Disclosure of the trust/estate/will, corresponding terms and applicable legal provisions to third parties is limited to that which, in our associated persons’ reasonable discretion, is proportionate and appropriate. Associated persons shall consider the reasonable request of any beneficiary but shall be under no obligation to act on such request and shall continue, at all times, to exercise independent discretionary management of the trust, estate or will.

We have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. Clients or an independent representative of the client (other than the Standard Family Office affiliated trustee) are also notified, in writing of the qualified custodian’s name, address and the manner in which the funds or securities are maintained, promptly when the account is opened and following any changes. Account statements are delivered directly from the qualified custodian to each client, or the client’s independent representative (other than the Standard Family Office affiliated trustee), at least quarterly. Finally, accounts are subject to an annual surprise verification examination conducted by a third-party, independent accounting firm.

### **Private Fund Management Services**

Because Standard Family Office is the managing member and investment adviser of the private funds under our management, we have to ensure the fund’s assets and holdings are audited annually.

Private fund accounts are maintained at all times with a qualified custodian such as a (1) a state or nationally chartered bank, (2) registered broker/dealer; or (3) other financial institution that provides qualified custodian services and meets requirements for serving as a qualified custodian under federal and state securities laws. We will provide investors in the private funds with notice of the qualified custodian that is holding private fund accounts.



We have engaged a public accounting firm to audit each private fund's financial statements at least annually and audited financial statements (prepared in accordance with generally accounting principles) are distributed to all investors within 120 days after the end of the private fund's fiscal year (December 31).

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

When providing asset management services and private fund management services, Standard Family Office maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities, the amount of securities that can be bought or sold and the broker or dealer to be used for your portfolio without obtaining your consent for each transaction.

Specific to private funds under our management, we also have discretionary authority to select brokers, dealers, banks, financial institutions, counterparties, custodians and other intermediaries by or through whom any transactions will be executed or carried out from time to time and open, maintain and close accounts with such entities. As part of this responsibility, we have the ability to negotiate certain expenses imposed by such financial institutions including commissions charged to the private funds. If you decide to grant trading authorization on a **non-discretionary** basis to your individual accounts, we manage through our asset management services, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Standard Family Office so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

It is the policy of Standard Family Office to vote proxies on behalf of all clients. However, you can choose to retain proxy voting responsibilities on your account(s) and are not required to have us vote proxies.

Proxies will be voted in the overall best interests of our collective client base. The proxy voting policy of Standard Family Office is to cast proxy voting in favor of proposals that are anticipated to enhance the long-term value for the shareholders and the company. Generally, this will mean voting “for” proposals that are to improve the management of a company, increase the rights or preferences of the voted securities, and/or increase the chance that a premium offer would be made for the company or for the voted securities. The decision by Standard Family Office to vote in support or opposition of a proposal will always depend on the specific circumstances described in the proxy statement and other available information.

You can request a complete copy of the proxy voting policies and procedures of Standard Family Office as well as information on how your proxies were voted by contacting Standard Family Office at the address or phone number indicated on Form ADV Part 2A, Page 1 of this disclosure document.

### **Private Fund Management Services**

We are responsible for voting securities on behalf of the private funds under our management. When we recognize a conflict of interest with respect to the voting of proxies on behalf of one or more private funds, we will request that the investors, or a committee represented by such investors, assist with voting. When the firm votes proxies, the objective is to maximize the value of the investments held in each private fund portfolio. A copy of the firm's proxy voting policies and procedures is available upon request.

### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. Standard Family Office does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Standard Family Office has not been the subject of a bankruptcy petition at any time.