

STARFIRE INVESTMENT ADVISERS, INC.

CLIENT BROCHURE

This Brochure provides information about the qualifications and business practices of Starfire Investment Advisers, Inc. If you have any questions about the contents of this Brochure, please contact us at (248) 352-2211 or via email to the Chief Compliance Officer at ronh@starfireinvest.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"). Registration does not imply a certain level of skill or training. Additional information about Starfire Investment Advisers, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Starfire Investment Advisers' SEC number is: 801-40373
and CRD number is: 107178

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March 13, 2020

ITEM 2: MATERIAL CHANGES

Registered Investment Advisers are required to report material updates in their business information promptly throughout the year and no less than once annually, within 90 days after the firm's fiscal year end. This Form ADV 2A Brochure represents the 2019 fiscal year end amendment prepared by Starfire Investment Advisers, Inc., ("*Starfire Investment Advisers*" or "*Adviser*") and filed with the SEC on March 13, 2020. The following is a list of the updated information:

Item 4.E was updated to report the Starfire Investment Advisers' fiscal year end assets under management as of the close of business 12/31/2019. At that time, the Adviser managed \$598,484,000 in 959 limited discretionary accounts and 46 non-discretionary accounts.

The staff of Starfire Investment Advisers enjoys hearing from our clients. As always, if you have any questions or would like any additional information about our services or the data contained in this document, please do not hesitate to contact us at (248) 352-2211, or via email to ronh@starfireinvest.com.

Thank you!

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ADV 2B Brochure(s) follows

ITEM 4: ADVISORY BUSINESS

A. DESCRIPTION OF THE ADVISORY FIRM

Starfire Investment Advisers, Inc. ("*Starfire Investment Advisers*", or "*Adviser*") is a fee-only Registered Investment Adviser. The Adviser has been in business since January 1992 when it initially registered with the United States Securities and Exchange Commission ("*SEC*").

Ronald Humenny, CPA/PFS, CFP®, AIF®, is the Adviser's President, Chief Compliance Officer and 100% owner of the Adviser. Starfire Investment Adviser's headquarters is located in Southfield, MI.

The Adviser is affiliated with (via common ownership) a certified public accounting firm as disclosed in this Brochure. The Adviser is not affiliated with any other entities.

B. TYPES OF SERVICES

As described in the preceding section, Starfire Investment Advisers is a fee-only Registered Investment Adviser. The term "*fee-only*" means that Starfire Investment Advisers and its Adviser Representatives do not accept commissions in connection with securities or insurance recommendations. Starfire Investment Advisers is only compensated for its advisory services via a percentage of assets under management, hourly fees or via annual fees depending upon the services requested and scope of the engagement.

"*Adviser Representatives*" are those persons authorized by the firm to deliver financial and investment advisory services. Adviser Representatives of Starfire Investment Advisers are not registered representatives of a broker/dealer and are not insurance agents.

The Adviser is not a broker/dealer or custodial firm. Any transactions in securities will be executed by an unaffiliated custodial firm of clients' choosing. The client's selected independent custodial firm(s) will hold the client's funds and securities. Clients can expect to receive transactional and regular account statements directly from their custodian(s).

Prior to the initiation of services, Starfire Investment Advisers may offer a complimentary general consultation to discuss available services, to give a prospective client time to discuss desired services, and to determine the possibility of a potential Client-Adviser relationship. Services begin only after the client and Adviser formalize the relationship with a properly executed Client Agreement.

After the formal engagement and depending upon the scope of the engagement, the Adviser and client will share in a data gathering and discovery process in an effort to determine the client's needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested. The client and Adviser may complete

a risk assessment, investment policy statement or similar document, depending upon the nature and scope of the services to be provided.

Starfire Investment Advisers offers **Investment Supervisory, Investment Advisory Consultation Services, Financial Planning, Educational Workshops for Individuals and Corporations, and General Communication / News Services.**

1. Investment Supervisory Services focus solely on portfolio management. Services are continuous in nature and thus are ongoing until terminated by either party. After the formal engagement, the Adviser and client will share in a data gathering and discovery process in an effort to determine the client's stated needs, goals, intentions, time horizons, risk tolerance, and investment objectives, based upon information provided by the client and the nature of services requested. The client's active participation is required. During the engagement, Starfire Investment Advisers remains available to provide complementary financial planning services as may be requested by the client and as described in Item 3 of this section.

The Adviser will request input and information from the client that may include: Financial information including past financial history, prior year income tax returns, present financial condition, and the investment goals. These may include planning for short-term goals (such as college funding) or for long-term goals (such as retirement planning) or other segments of an investment plan that may be desired. The Adviser may request the names and relationships of other Advisers (e.g., attorney, accountant, banker, etc.), family background and makeup, and anything else which may affect the client economically, based upon what information is reported by the client. The information gathered for review and assessment may vary, depending upon the individual needs and objectives of the client. Information presented by the client will be deemed reliable and current and the Adviser is under no obligation to verify the data. The client and Adviser may complete an investment policy statement or similar document.

The Adviser will analyze the client's information and thereafter will prepare recommendations and advice for creation of a new investment plan or may suggest updates to an existing portfolio along with strategies designed to help clients meet their stated objectives. Based upon the collected information and with the client's input, the Adviser will prepare an investment policy statement or similar document. Recommended investments may include short-term instruments (i.e. T-Bills), stocks, bonds, mutual funds, exchange traded funds (ETFs) or other investment vehicles.

Clients engaging investment advisory services must play an active role. The Adviser requires the client to participate in the formation of the investment plan, investment advice and recommendations. Starfire Investment Advisers strongly encourages clients to maintain contact with the Adviser throughout the engagement and requests client reviews via meetings or telephonically, not less than annually to review and update investment and ongoing needs. Clients may contact the Adviser's office to discuss their portfolio with their Advisory Representative or to ask questions. *However, clients are obligated to immediately inform the Adviser of any changes in their financial situation to provide the Adviser with the opportunity to review the portfolio to ensure it is still structured to help*

meet the client's stated needs and objectives.

Depending on the nature of services to be provided, Starfire Investment Advisers generally seeks to develop and utilize an asset allocation profile that is deemed to be consistent with the client's desired rate of return, time horizon and risk tolerance based upon the client's input. Starfire Investment Advisers can design as well as implement portfolio recommendations. Where an existing portfolio has been devised by the client or another party, Starfire Investment Advisers can provide recommendations for re-design, adjustments or re-balancing.

Unless otherwise directed by the client, Starfire Investment Advisers will generally seek to allocate a client's assets among various investments, taking into consideration the strategic portfolio framework developed with the client. The Adviser attempts to construct a diversified portfolio of investment recommendations that are within its realm of expertise unless the client directs another investment approach that is less diversified. In each case, the stated individual needs, goals and desires of clients are taken into consideration.

Starfire Investment Advisers primarily allocates its clients' managed assets, on a discretionary and/or non-discretionary basis, among low cost mutual funds, exchange traded funds, closed-end funds, individual debt and equity securities, bonds, and at times options, in accordance with the investment objectives of the client. The Adviser may also consider other types of investments or may remain available to consult with clients on U.S. government securities, municipal bonds, and other fixed-income securities or existing holdings in variable products, commercial paper, warrants, and various other types of investments. The Adviser may also provide advice about real estate investment trusts (REITs), and any type of investment held in a client's portfolio at the beginning of the advisory relationship.

Once the portfolio has been implemented or transferred for investment management services, Starfire Investment Advisers can provide continuous monitoring, recommendations and investment advice as outlined in the Client Agreement. The ongoing Investment Supervisory Services are then based upon the investment strategy or policy agreed upon between Starfire Investment Advisers and the client. In providing ongoing Investment Supervisory Services, the Adviser will manage investor funds in accordance with an investment plan as selected by the client and the Adviser will remain available for ongoing advice and recommendations. The Adviser will monitor the portfolio in accordance with the directives provided.

Certain clients may desire to place or keep certain assets within their account(s) that are selected by the client and are not the subject of investment advice by the Adviser. These are known as "self-directed" assets. The Adviser will have no responsibility to manage "self-directed" assets in client accounts and the Adviser accepts no liability to those clients in connection with any loss relating to the "self-directed" assets. In such cases, the Adviser has/will not pass on the suitability of self-directed assets. Should the Adviser ever assist clients with self-directed implementation it agrees to do so only as a value-added service at the client's request. The Adviser will therefore not manage this facet of the client's portfolio unless specifically agreed in writing.

Services and investment recommendations in connection to assets invested in corporate retirement plans are limited to those offered within the plan and via the plan's contracted service providers.

If the Client should desire services outside the scope of Investment Supervisory Services, the Adviser may be available to provide Consultation Services. In such cases, the Adviser may request a new or amended Client Agreement and additional fees may apply. The Adviser will not engage in additional services that will result in additional fees without the client's direction.

2. Investment Advisory Consultation Services. For clients who do not require or need intensive Investment Supervisory Services, or where advice outside the scope of the Investment Supervisory Services is desired, Starfire Investment Advisers is available to provide advice through hourly Consultations Services. Consultations can be general in nature or focused on particular areas of interest, depending upon the client's needs. Therefore, the services will be dependent upon the nature and scope of the project and services requested. Consultation Services are either hourly or project based (and can be short or long term in nature). The services to be provided, term of services and fees are agreed to at the time of engagement.

Advice may be provided on general issues relating to investments, portfolios, or other issues of interest to clients. The engagement for services may be focused on a specific issue or may be more comprehensive in nature, as determined at the time of engagement. Where Consultation Services are not comprehensive in nature and only focus on certain areas of client interests, needs or is otherwise limited, clients must understand that a client's overall financial and investment needs and objectives may not be considered as a result of time and/or service restraints placed on the Adviser's services.

Consultation Services will not include any portfolio monitoring, reviews, follow-ups, or other services unless agreed to in writing. Consultation Services terminate upon delivery unless otherwise agreed in writing. The advice provided by the Adviser may include recommendations for updates and reviews and the client's responsibility to follow-up and secure additional services under a new or amended agreement unless the engagement provides for ongoing services, to include reviews.

Adviser Representatives may suggest the client work closely with the client's attorney, accountant, insurance agent, and the client's custodian. Clients requiring assistance on issues relating to matters outside of investment advisory topics should consult their personal tax adviser/accountant, legal counsel, or other professionals for expert opinions.

Implementation of any advice or recommendations pertaining to securities and/or non-securities matters, in whole or in part, is entirely at the client's discretion via the service provider(s) of the client's choice.

As noted in the previous section, for services in connection with retirement plan investments, the advice and any recommendations are limited to plan offerings and the service provider(s) selected by the plan providers.

3. Financial Planning Services. Starfire Investment Advisers also offers Financial Planning Services through which the Adviser can be engaged to provide advice on issues such as cash management, risk management, education funding, retirement planning, estate planning and tax planning or other topics of interest as defined by the client.

Financial Planning Services can focus on certain components or comprehensive in nature, depending upon the needs and desires of the client. When Financial Planning Services are not comprehensive in nature and only focus on certain areas of client interests, needs or is otherwise limited. Clients must understand that a client's overall financial and investment needs and objectives may not be considered as a result of time and/or service restraints placed on the Adviser's services. The services provided terminate upon delivery unless otherwise agreed in writing.

Financial Planning Services will not include any portfolio monitoring, reviews, follow-ups, or other services unless agreed to in writing. The advice provided by the Adviser may include recommendations for updates and reviews and the client's responsibility to follow-up and secure additional services under a new or amended agreement unless the engagement provides for ongoing services, to include reviews.

Adviser Representatives may suggest the client work closely with the client's attorney, accountant, insurance agent, and the client's custodian. Clients requiring assistance on issues relating to matters outside of investment advisory topics should consult their personal tax adviser / accountant, legal counsel, or other professionals for expert opinions.

Implementation of any advice or recommendations pertaining to securities and/or non-securities matters, in whole or in part, is entirely at the client's discretion via the service provider(s) of the client's choice.

4. Educational Workshops for Individuals and Corporations. Starfire Investment Advisers may conduct general educational workshops for individuals and corporations. The workshops can be designed to meet the unique needs of participants and may include presentations on Investment Management, Financial Planning, various investment and insurance strategies, and college funding, estate and retirement options and planning. Starfire Investment Advisers' fee for workshops may vary depending upon complexity of content and materials provided or they may be complimentary. Fees are outlined in the invitation or contract for services as is the Adviser's termination and refund policy. Attendees are welcome but are never under any obligation to engage individualized services with Starfire Investment Advisers.

5. General Communications Services. As a value-added service, the Adviser may send complimentary communications via email that provides general information and news to prospective or current clients. Subscribers are welcome to sign up for the no-obligation service via the Adviser's website and are welcome to terminate services at any time.

C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS

Starfire Investment Advisers focuses on providing individualized services. The Adviser can tailor services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where client services or information are limited, clients must understand that comprehensive financial and/or investment needs and objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, and/or client disclosure.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs unless otherwise agreed by the Adviser in writing (*i.e.*, no tobacco, alcohol, etc). Clients are welcome to set parameters in writing as to the Adviser's limited discretionary authority in connection with types of investments and amounts purchased or sold.

Where clients retain authority to implement recommendations, they are welcome to do so in whole or in part via the financial services provider(s) of their choice.

D. WRAP FEE PROGRAMS

Starfire Investment Advisers does not sponsor or manage a wrap fee program.

E. AMOUNTS OF ASSETS UNDER MANAGEMENT

Starfire Investment Adviser's 2019 fiscal year end assets under management data was filed with the SEC on March 13, 2020. As of the close of business on December 31, 2019, Starfire Investment Advisers managed \$598,484,000 in 959 limited discretionary accounts and 46 non-discretionary accounts.

ITEM 5: FEES, COMPENSATION AND TERMINATION OF SERVICES

A. FEE SCHEDULES

Starfire Investment Advisers is only compensated for advisory services in the following manner: A percentage of assets under management and hourly fees or project-based fees (using the Adviser's hourly rate as a guide for larger projects), which are dependent upon the nature and scope of the engagement).

1. Advisory fees for **Investment Supervisory Services**. Investment Supervisory fees are payable quarterly and in advance. Quarterly fees are computed at a percentage of assets under management and based upon the portfolio's fair market value, as determined by the client's custodian, as of the last day of the relevant calendar quarter. A pro-rated fee is calculated for services initiated at any time other than at the beginning of a calendar quarter. A pro-rated fee is also applied for additional funds added to the portfolio at any time during a given quarter. In the absence of a custodial market value, the advisory fee will be agreed upon between Adviser and client and set forth in the Client Agreement.

Starfire Investment Adviser's fees for discretionary Investment Supervisory Services are as follows:

Assets Managed	Quarterly Management Fee
First \$400,000	0.225% (annual rate of 0.9%)
\$400,001 - \$1,000,000	0.125% (annual rate of 0.5%)
Assets Over \$1,000,000	0.075% (annual rate of 0.3%)

For initial investment portfolios of less than \$300,000, a non-refundable one-time "start-up" fee of \$300 is charged. Investment Supervisory fees may be modified based upon individual circumstances, the complexity of services, or additional resources required, and this is at the discretion of the Adviser. Fees are determined at the time of engagement and are set forth in the Client Agreement. The Adviser may provide pro bono services for non-profit organizations, Starfire Investment Adviser officers, staff, and their family members, at the Adviser's discretion.

Fees for non-discretionary Investment Supervisory Services are .25% per quarter on the first \$1,000,000 under management and .125% on amounts in excess of \$1,000,000.

The Adviser's annual management fee is calculated based on the total market value of the managed securities held in client accounts, including margined securities. Therefore, the Adviser may earn greater fees than it would if clients were billed only on the net account values. In the investment industry, this practice may involve a conflict of interest between an investor's interests in protecting his/her/ its accounts against downside risk from too great a use of margin and an Adviser's interest in maximizing fees. However, Starfire Investment Advisers and its Adviser Representatives acknowledge the Adviser's fiduciary duty to place the interests of clients ahead of the Adviser and its personnel. Client interests are held in the highest regard. The Adviser supports clients who wish to engage in margin transactions, but the strategy is only employed in a nominal number of accounts.

During the engagement, Investment Management fees may be modified in certain circumstances due to significant changes in the scope of the engagement, nature and/or complexity of services. The Adviser reserves the right to modify the management fee with 30-days written notice such as when the scope of the engagement or complexity of services has changed. Should the client decide not to accept the fee adjustment, the client is welcome to terminate services at any time.

If Investment Supervisory clients require additional consultation services outside the scope of our Investment Supervisory Services, our hourly consultation services will be provided. The hourly fees for the Adviser's Consultation Services range from \$75 to \$300, based upon the person performing the desired services. Consultation fees will be invoiced in arrears of service. Invoices for hourly or project-related services are due upon receipt. Late fees are invoiced for late payments at a rate of 1.5% monthly. Starfire Investment Advisers will not engage in services resulting in additional fees without the expressed authorization of the client.

Either party may terminate the agreement for Investment Supervisory Services by written notice to the other. In the event either party terminates the Adviser's Investment Supervisory Services the Adviser shall calculate a pro-rated refund which will be promptly refunded to the client. If termination occurs within five business days of entering into an agreement for such services and the client has not received the Adviser's ADV Part 2 Brochure at least 48 hours prior to engagement, no fees shall be due or the client shall be entitled to a full refund of prepaid fees.

2. Fees associated with **Consultation Services** are determined at the time of engagement. The Adviser fees are based upon the time and effort required and/or the nature and complexity of services. Fees are computed at an hourly rate ranging from \$75 (administrative) to \$300 (Adviser Representatives), based upon the person performing the desired services and agreed upon at the time of engagement. Consultation fees are generally due and payable upon delivery of the services. However, for larger, flat fee projects (where a project fee is calculated using estimated at the hourly rate[s]), a retainer (equal to $\frac{1}{2}$ of the proposed project fee) may be required at the time of engagement with the balance invoiced upon the delivery of services.

As with all Advisory Agreements, clients may terminate Consultation Services within 5 days with no fees due if the Adviser's Form ADV Part 2 Brochure was not delivered at least 48 hours prior to engagement. Otherwise, Consultation Services may be terminated upon receipt of written notice by either party, however, client agrees to submit payment for time and efforts incurred by the Adviser prior to receipt of such notice within 10 days of receipt of invoice. Consultation agreements otherwise terminate upon delivery and completion of services. As with other advisory services, late fees are invoiced for overdue fees at a rate of 1.5% monthly.

Should the client's condition change during the course of services such that new advice, recommendations, re-evaluation or research are required, additional fees may apply. The Adviser will not engage in additional services that result in new fees without the client's approval.

3. The fees for **Financial Planning Services** vary and correspond directly to the complexity of the Plan. Financial Planning services are generally offered at the Firm's hourly consultation rate of \$75 to \$300, depending upon the person delivering the desired services. Fixed fees for more comprehensive services range from \$2,500 to \$7,500, or higher depending upon the complexity of the Plan. All fees are agreed upon at the time of engagement. If client circumstances or objectives change such that a new investment plan is required, there may be an additional charge which will be first approved by the client or an amended agreement will be drafted. Financial Planning fees are generally due and payable upon delivery of the Plan. However, for more comprehensive projects, the Adviser may request a retainer at the time of engagement and will invoice the client for the balance upon the delivery of services. As with other advisory services, late fees are invoiced for late payments at a rate of 1.5% monthly.

Clients may terminate the Financial Planning Agreement within 5 business days of signature with no fees due if the Form ADV Part 2 was not delivered at least 48

hours prior to engagement. Otherwise, Financial Planning Services may be terminated in writing at any time by either party. In this case, the client will be invoiced for only for the time and effort incurred by the Adviser on the development of the advice or Plan prior to termination at the Advisers hourly rate.

4. **Educational Workshops for Individuals and Corporations** may be complimentary or may involve fees that are dependent upon the content, complexity and materials provided. Fees are outlined in our invitation or our contract for services as is our termination and refund policy.

5. **General Communications Services** are free of charge.

B. PAYMENT OF FEES

1. Unless otherwise agreed in writing, **Investment Management fees** are payable quarterly in advance. Payment of Investment Management fees may be made directly to the Adviser or through a debit directly to the client's account by the qualified custodian holding the client's funds and securities. The Adviser follows the following criteria when payment is made via a qualified custodian as required by the SEC's Investment Advisers Act of 1940:

1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon Investment Adviser fees; (2) The client will directly receive regular (monthly or quarterly) reports from the qualified custodian which reflect the Adviser's fee deduction; (3) The frequency of fee withdrawal shall be specified in the written authorization; (4) The custodian of the account shall be advised in writing of the limitation on the Adviser's access to the account and; (5) The client shall be able to terminate the written billing authorization or agreement at any time.

It is important to note that custodial firms do not verify advisory fees. Therefore, clients should review their custodial statements carefully. If a client should have any questions or concerns in connection with an advisory fee deduction, they should promptly contact Starfire Investment Advisers. If at any time during the engagement, the client fails to receive the regular statements produced by the custodian, it is important for the client to promptly notify Starfire Investment Advisers and the custodial firm.

If the designated account(s) do not contain sufficient funds to pay advisory fees, the client can leave standing orders to deduct fees via other accounts. In the absence of alternate instructions, the Adviser will issue an invoice for advisory fees to the client and payment is expected with 10 days of the invoice date or as may otherwise be agreed in writing.

2. & 3. Fees associated with **Consultation and Financial Planning Services** are invoiced directly. As disclosed under the fee section of this Brochure, Starfire Investment Advisers may require a retainer equal to ½ the proposed project fee in order to schedule services. In these cases, the project balance is due upon the delivery of services. Late fees are invoiced at a rate of 1.5% monthly.

4. Fees associated with **Workshops for Individuals or Corporations** are invoiced directly. Payment will be outlined in the Client Agreement or proposal, as will the Adviser's termination procedures. Late fees are invoiced at a rate of 1.5% monthly.

5. The Adviser's **General Communications Services** are free of charge.

C. CLIENTS ARE RESPONSIBLE FOR FEES ASSOCIATED WITH INVESTING

Clients are responsible for the payment of all third party fees associated with investing. *Starfire Investment Advisers does not receive any portion of these investment-related fees.*

Clients may pay transaction and brokerage commission to their broker/dealer or other service providers ("*Financial Institution[s]*") as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party fees, deferred sales charges, oddlot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions). All fees paid to the Adviser for advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund companies. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fees. A complete explanation of the expenses charged by a mutual fund or ETF is contained in the respective mutual fund prospectus. Clients are encouraged to read each prospectus and securities offering documents. The Adviser's fee is separate and in addition to any fees charged by unaffiliated Independent Managers.

Portfolio additions may be in cash or securities provided the Adviser reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities. However, clients are hereby advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

D. PREPAYMENT OF FEES

Starfire Investment Advisers collects fees quarterly and in advance in connection with **Investment Supervisory Services**. Starfire Investment Advisers may require a pre-paid retainer for **Consultation Services** and/or **Financial Planning Services** as described in this section.

As previously noted in the service sections of this Brochure, clients who do not receive the Adviser's Form ADV Part 2 Brochure at least 48 hours prior to engagement have the right to terminate the Adviser's services within 5 business days of signature without penalty (no fees due or prepaid fees will be promptly refunded). Alternatively, Investment Supervisory Services may be terminated

upon receipt of written notice by either party. If the termination occurs prior to the end of a billing period, the Adviser will only charge for services provided up until the effective date of termination.

Consultation Services and Financial Planning Services each terminate upon the delivery of services unless ongoing services are engaged pursuant to the Client Agreement. These services may be immediately terminated prior to the conclusion of services upon written notice from either party. In such cases, the Adviser will only invoice for time incurred up until the effective date of termination or prepaid but unearned fees will be promptly refunded.

E. OTHER COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Starfire Investment Advisers is a *fee-only* Registered Investment Adviser and only accepts advisory fees paid by its clients in exchange for financial and investment advisory services. Neither the Adviser nor its Adviser Representatives accept any additional compensation / commission for the recommendation of securities or non-securities products including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Side-by-side management occurs when an Adviser is engaged in providing performance-based portfolio management for performance-based fees while providing non-performance portfolio management for other clients. This blend of services can pose conflicts of interests. Starfire Investment Advisers' investment management fees are not "performance-based" (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract). Therefore, Starfire Investment Advisers does *not* engage in side-by-side management services.

ITEM 7: TYPES OF CLIENTS AND MINIMUM CONDITIONS

Starfire Investment Advisers is available to provide consulting and Investment Supervisory Services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Starfire Investment Advisers requires a minimum relationship size of \$100,000 for clients retaining Investment Supervisory Services. For initial investment portfolios of less than \$300,000, a non-refundable one-time "start up" fee of \$300 is imposed. The Adviser may accept portfolios not meeting the minimum, where special circumstances exist and only at the discretion of the President and Chief Compliance Officer. Consultation and Financial Planning Services are available for those clients not meeting the minimum relationship size or who do not desire intensive Investment Supervisory Services.

The Adviser reserves the right to decline to provide investment advisory services to any person or firm in its sole discretion and for any reason.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("*ERISA*"), the Adviser acknowledges that it is a fiduciary within the meaning of the Act and the ERISA Client is a named fiduciary with respect to the control or management of the assets in the Account. In each instance, the Client will agree to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include the Adviser and the Adviser's principals, agents, and employees under those insured under that bond and will deliver to the Adviser a copy of the governing plan documents. If the Account assets for which the Adviser provides services represent only a portion of the assets of an employee benefit plan, Client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan.

ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Starfire Investment Advisers believes each client presents a unique set of goals, values, interests, objectives, time horizons and challenges. The Adviser provides individualized attention to each type of investor who engages the Adviser for services.

Based upon information provided by the client, the Adviser attempts to evaluate an investor's risk tolerance, time horizon, goals and objectives through an interview and data-gathering process in an effort to determine an investment plan or portfolio to best fit the investor's profile. Client participation and the client's delivery of accurate and complete information are critical to the Adviser's process. In performing its services, the Adviser shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information.

The Adviser may recommend the services of itself, its Adviser Representatives in their individual capacities as investment adviser representatives and managers, and other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Adviser recommends its own services or those of affiliated entities. Any professional referrals (*i.e.*, insurance agents/firms, accounting professionals, legal professionals, etc.) are *solely* a courtesy and the Adviser receives no direct or indirect compensation as a result of referrals. The client is under no obligation to act upon any of the recommendations made by the Adviser under a consulting engagement and/or engage the services of any such recommended professional, including the Adviser itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Adviser's recommendations.

Starfire Investment Advisers provides individualized Investment Supervisory Services to its clients. The Adviser can provide advisory services for portfolios

ranging from capital preservation to aggressive, each designed to meet the varying needs of and within the direction set forth by the investors. The Adviser selects the portfolio best suited to their individual stated needs after clients have defined their objectives, risk tolerance and time horizons and the selection is approved by the client.

Clients must promptly notify the Starfire Investment Advisers if there are ever any changes in their financial situation (prospective or existing), they wish to amend their stated investment objectives or if they wish to impose any reasonable restrictions upon the Adviser's management services.

As outlined in this section, Starfire Investment Advisers' goal in its analysis is not to time the market. The Adviser may utilize one or more of the following methods of analysis. *However, the Starfire Investment Advisers takes the position that no single strategy can be relied upon to outperform the market.*

1. **Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. 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. For example, an investor can perform fundamental analysis on a bond's value by looking at economic factors, such as interest rates and the overall state of the economy, and information about the bond issuer, such as potential changes in credit ratings. For assessing stocks, this method uses revenues, earnings, future growth, return on equity, profit margins and other data to determine a company's underlying value and potential for future growth. In terms of stocks, fundamental analysis focuses on the financial statements of the company being evaluated.

Very broadly described, this type of analysis involves a method of evaluating a security that entails 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 company-specific factors (like financial condition and management).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental Analysis does not provide a trade signal, it just tells an analyst whether the investment may be worth purchasing at the given price.

This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives:

- to conduct a stock valuation and predict its probable price evolution,
- to make a projection on its business performance,
- to evaluate its management and make internal business decisions,
- to calculate its credit risk.

Fundamental analysis is not without its drawbacks and problems. This method can be tedious and time consuming. Once a trend in the fundamentals of the company is established, normally, the future growth will be extrapolated using that trend. The extrapolation is a subjective exercise and should be cautiously assessed. As an example, the trend may still be up but the market may already be saturated and thus there is a higher chance of the trend flattening rather than continuing upward. Extrapolation may not always work and may result in a wrong call. There is a time delay when doing fundamental analysis as the financial data that the analyst is reviewing is always from the previous year or previous quarter. Additionally, even if a fundamentally strong company at the right price is identified, it does not mean that the company shares are going to move anytime soon. Therefore, some holdings may need to be held for quite some time.

The share market is driven by investor sentiment and it can sometimes swing in extremes. As a result, stock prices of companies can reach extremely overvalued levels or extremely undervalued levels. When the share price becomes overvalued, a fundamental analyst will stay out or they will exit too early. As the share price reaches extremely overvalued levels, the fundamental analyst might miss out the biggest gain in the share price. This type of analyst may also buy when the price drops within a value range and yet the stock price could head lower still well into oversold regions before recovering.

As with any other data, there is always the possibility that a company's data has been manipulated. Enron is a good example. It does happen and it can be very difficult to detect. Thus, the analyst is limited by the information that is published.

2. Technical Analysis is a method of evaluating securities by analyzing the statistics generated by market activity, such as past prices and volume. There are multiple technical analysis methods that can be employed. Generally speaking, technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The field of technical analysis is based on three assumptions:

1. The market discounts everything.
2. Price moves in trends.
3. History tends to repeat itself.

Simply put, technical analysis deals with reading stock charts. This process is broadly described as a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. It is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Technical analysts lean towards the belief that the historical performance of stocks and markets are likely indications of future performance.

Technical Analysis can be difficult for many, as analysts need to be familiar with various indicators and patterns and understand how they relate to investor sentiment and behavior. Analysts also have to devise methods of how these issues may impact stock price. Like other analysis methods, technical analysis is not 100% percent accurate or reliable. Relative success depends on the analyst,

the analysis tools and the stock or market itself. Often there can be contradicting results which may result in a situation where no trade can be made. An example is when the overall market is heading in one direction and the particular share price is pointing to the opposite direction.

The interpretation of technical indicators is subjective. The same indicator could be interpreted as bullish by one side of the camp and as bearish by the other side of the technical camp. The subjective aspect of technical analysis gives way to another drawback of technical analysis which is the validation of a biased view. The analyst may have already formed a view based on the state the economy is currently or the situation of the market and sector the company is operating in. An example of this is gold "bugs" who feel strongly that gold may perform in a certain way. A bias may impact an analyst's view and human nature as it is, it can happen.

3. Cyclical Analysis is a method that generally looks at cycles that can impact a particular market, depending upon the type of securities. This analysis method takes into consideration that there are cyclical and noncyclical securities.

Cyclical stocks are stocks that follow the general economic environment. The automotive industry is a prime example of a cyclical sector. Cyclical stocks do well in times of economic prosperity and generally suffer greater during times of economic recession or hardship. Conversely, health care stocks are an excellent example of non-cyclical stocks as there will always be a need for health care, regardless of the economic situation. These stocks typically have consistent profits, rather than spikes.

Historically, the difference between cyclical and noncyclical stocks has been cash flow. The cash flow of cyclical stocks is affected by the movement of the economy in general. A major category of cyclical stocks is retail consumer products. When the market swings up, cyclical stocks make big upward swings and when it swings down, they move way down. Their movement is widely followed as indicators of the overall health of the economy. However, some cyclical companies attempt to alleviate the impact of cyclical changes by diversifying their product line, expanding to overseas markets and segmenting a cyclical division out to its own stock symbol. Additionally, technology has minimized the impact of cyclical organizations.

Noncyclical stocks are less affected by a downturn in the economy. Referred to as "defensive industries," they are the types of goods that are purchased regardless of the economy. These may include food, insurance and drugs. Analysts attempt to use their knowledge about the cyclical nature of certain industries to predict revenues, interpret earnings reports and make judgments about the overall financial health of a company.

Generally speaking, the stock prices of cyclical companies tend to increase when analysts predict positive news about the future of the economy. If investors feel the market is moving up, cyclical stocks may offer growth opportunities. If they feel the market is moving down, noncyclical stocks may provide stability.

Cyclical stocks rise and fall with the business cycle. For cyclical stocks the goal is to purchase when the price to earnings ratio "P/E" is low, and sell when the P/E

ratio is high (i.e. when earnings are peaking). Cyclical stocks tend to rise quickly when the economy turns up and fall quickly when the economy turns down. This seeming predictability in the movement of these stock's prices leads some investors to try to time the market by buying these stocks at the low point in the business cycle and selling them at the high point. Starfire Investment Advisers does not attempt to time the market.

4. Other. Starfire Investment Advisers' investment strategies may be based upon a number of concepts and determined by the type of investor. Services are customized for each individual client.

The basis for Starfire Investment Advisers' investment recommendations is the Nobel Prize winning investment strategy called "Modern Portfolio Theory (*MPT*)". *MPT* is a sophisticated investment decision approach that permits an investor to classify, estimate and control both the kind and the amount of expected risk and return. Fundamental to *MPT* is the ability to statistically quantify the relationship between risk and return, thus determining the extent of compensated risk.

Starfire Investment Advisers believes that risk reduction is a key element to long-term investment success therefore Starfire Investment Advisers implements plans by using strategic diversified asset allocation. Strategic Asset Allocation is a lifetime investment approach, wherein selected asset classes and the weightings of these asset classes focus on the overall investment objective and risk tolerance of the client.

The concept of asset allocation or spreading investments among a number of asset classes (domestic equities v. foreign equities; large cap stocks v. small cap stocks; growth stocks v. value stocks; municipal bonds v. corporate bonds v. government bonds) is Starfire Investment Advisers' guiding strategy.

Negative asset class correlation (the measure of the degree of movement between investments) of the varying asset classes within the portfolio is carefully analyzed to help reduce volatility without sacrificing the effectiveness of the portfolio in an effort to achieve expected yields. Correlation is not a fixed number as it changes over time in unpredictable ways. A rolling correlation study will show that the correlation between any two asset classes tends to shift over time and in an unpredictable way. Based on past data, we can only loosely predict what the correlation between two asset classes might look like.

Strategic Asset Allocation in a range (% of total assets) is a relatively passive investment style, wherein the assets and weightings are set and are carefully monitored to maintain risk control. This strategy involves a portfolio mix of assets is fixed according to the individual investor's profile and places an emphasis on minimizing portfolio turnover and trading/transaction costs. The percentage of assets allocated to cash, bonds, stocks and various other types of investments is set according to the investor's stated goals and strategies, current financial status, and risk tolerance. Strategic asset allocation is a relatively passive investment style, wherein the assets and weightings are set and remain relatively unchanged unless there is a reported change in the client's financial situation, goals and/or risk tolerance. The main drawback of a strategic asset allocation model is that it only considers the investor's profile and may not regard other factors such as the value other investment opportunities.

Of course, no single theory or strategy can guarantee success. MPT is not without its critics but the theory has been in existence for more than sixty years. MPT assumes that investors are always rational and risk-averse, which may not always be the case. Additionally, MPT investing assumes access to the same information at the same time, which is not correct. Even professionals can experience times when investment-related data is not disseminated in a timely and accurate manner. Also, as once outlined in a *Dalbar* publication (a trade journal primarily read by the investment community) MPT cannot be reduced to a sort of mathematical model or relied upon as a sole basis for investment decisions. It can however, serve as a reference point for modeling the potential of an investment portfolio. Thus, MPT adds a singular dimension within a more comprehensive investment management process.

Portfolio holdings or recommendations are generally judged by (managers' or investments') experience, track record and performance of like-kind investments. Recommendations for or purchases of investments will be based on publicly available reports and analysis. In the case of mutual funds, recommendations will be based on reports and analysis of performance and managers, and certain computerized models for asset allocation and investment timing. Tactical asset allocation (market timing, stock selection and track record investment) is discouraged.

It is important that the client promptly notifies Starfire Investment Advisers of any change or anticipated change in the client's financial condition, so the Adviser has the opportunity to assess any possible changes needed in the advice, strategies, recommendations or holdings. Changing conditions in the client's financial life or significant changes in market conditions may warrant a collaborative effort with the client to modify their strategic investment framework, which consequently may also trigger changes to investment holdings within the portfolio.

Starfire Investment Advisers attempts to be conscious and sensitive to tax-related investment considerations. However, Starfire Investment Advisers itself is not a tax professional. Clients are encouraged to seek the guidance of their personal tax professional in an effort to understand how their investments (proposed or implemented) will affect their overall tax situation.

The Adviser will actively manage client portfolios. Investors should generally expect to remain fully invested within the ranges of their selected asset allocation plan at all times unless restated by the client. However, at times the Adviser will not find attractively priced investments and may hold cash until it deems appropriate. The Adviser generally looks to the long-term when developing advice and recommendations based upon information provided by the client.

Portfolio additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities or decline to accept particular securities into the client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities. However, clients are hereby advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

Risk is fundamental to the investment process and it is important that investors understand that there is no single process or analysis that helps to alleviate loss completely. Past performance of any security, industry, sector, market, or financial product does not guarantee future results or returns. None of the aforementioned strategy methods guarantee profitability of any particular investment or investment strategy.

It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear. Investors should have a good idea as to the proportion of their investment funds that they could lose.

B. MATERIAL RISKS INVOLVED

Starfire Investment Advisers takes the general position that investors with diverse portfolios have a better chance of making a profit because it is difficult to accurately predict all variables that affect marketable securities. Starfire Investment Advisers' goal in its analysis is not to time the market. As noted in the aforementioned section, no single strategy can be relied upon to outperform the market.

Starfire Investment Advisers may utilize long-term trading; short-term trading; short sales; margin transactions; options writing strategies (including covered options, uncovered options or spreading strategies).

Starfire Investment Advisers seeks to utilize investment strategies that are designed to capture equity, fixed income and cash. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short sales, margin transactions and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

All investing strategies offered by the Adviser involve risk and may result in a loss of an investor's original investment. Many of these risks apply equally to stocks, bonds and any other investment or security. Identified material risks associated with the Adviser's investment strategies can include:

Market Risk: Market risk involves the possibility that an investment's current market value will decline due to general market decline, thus reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Investment Strategy Risk: This risk exists when an Advisor's strategy may fail to produce the intended results.

Style Risk: The Adviser's strategy may consist of "value" and or "growth" investments. With respect to securities and investments considered undervalued by the Adviser, market prices may not reflect our determination that the security is undervalued, and its price may not increase to what we believe to be its full value and may even decrease in value. With respect to "growth" investments, the underlying earnings or operational growth anticipated may not occur, or the market price of the security may not increase as anticipated.

Defensive Risk: To the extent that the strategy attempts to hedge or take defensive measures such as holding a significant portion of its assets in cash or cash equivalents, the objective may not be achieved.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise and the value may fall below par value or the principal investment. The opposite is also generally true: Bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Margin Transactions: Investors utilizing margin accounts must carefully review the margin agreement provided by the selected brokerage firm. These firms charge interest on the funds loaned to purchase securities on margin and an investor needs to understand the additional charges he or she may incur by opening a margin account. Additionally, risks associated with margin accounts include: The loss of more funds than an investor deposits into the margin which may require the investor to deposit additional funds to avoid the forced sale of securities in the account. Additionally, if the equity in the account falls below the maintenance margin requirements under the law or the firm's higher "house" requirements, the firm can sell the securities in the account to cover the margin deficiency. Investors are also responsible for any short fall in the account after such a sale. Additionally, the selected firm can sell the securities in the account without contacting the investor (although as a courtesy many firms do attempt contact). Investors are not entitled to a time extension on margin calls. While extensions are sometimes given under certain conditions, investors do not automatically have a right to time extensions (an investor does not have a right to an extension).

It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.

Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, the Adviser has not passed on the suitability of said investments and while the Adviser may assist with client-directed implementation as a value-added service at the client's request, the Adviser will not manage these types of investments unless agreed in writing.

C. RISKS OF SPECIFIC SECURITIES UTILIZED

Starfire Investment Advisers generally seeks investment strategies that do not involve significant risk or unusual risk beyond that of the general domestic and / or international equity and bond markets.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that all clients should be prepared to bear.

Investments in individual stocks can be risky. Some risks can be controlled and some risks can be guarded against but no investment strategy can carry guarantees from loss. Certain market risks cannot be controlled, such as market or economic conditions. Certain strategies may be employed to adjust portfolios or the Adviser and client may agree to hold the portfolio's course. Starfire Investment Advisers designs portfolio strategies for the long-term, unless otherwise specifically requested in writing. Therefore, the Adviser does not attempt to time the market.

Investments in mutual funds may bear a risk of investment loss. Clients who invest should also be prepared to bear a loss of investment proceeds.

Exchange traded funds (ETFs) can vary significantly from the net asset value due to market conditions. Certain funds may not track underlying benchmarks as expected.

Thoughtful investment selections that meet a client's stated goals and risk profile may help keep individual stock and bond risks at an acceptable level.

Fixed income investments generally are utilized as a portfolio diversification element as well as for income deriving investments outside of equity exposure.

There are certain risks involved in investing in all types of bonds: Government, Municipal, and Corporate. The following is an overview of the types of risks that one should consider in terms of bond investments:

Interest rate risk; reinvestment risk; inflation risk; market risk, selection risk, timing risk, and price risk. Additional risks for some government agency, corporate and municipal bonds may include: Legislative risk (a change in the tax code could affect the value of taxable or tax-exempt interest income); Call risk (some corporate, municipal and agency bonds have a "call provision" entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor's principal to be returned sooner than expected. In that scenario, investors have to reinvest the principal at the lower interest rates.

If the bond is called at or close to par value, as is usually the case, investors who paid a premium for their bond also risk a loss of principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called. Additionally, there may be a liquidity risk involved if investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer. Bonds are generally the most liquid during the period right after issuance when the typical bond has the highest trading volume. Additional risks for corporate and municipal bonds may include: Credit risk; default risk; event risk and duration risk.

Bank obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are highly dependent upon short-term interest rates and may be adversely affected by downturns in the U.S. and foreign economies and/or changes in regulations.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events associated with the Adviser's business that would impact a client's or prospective client's evaluation of Starfire Investment Advisers or the integrity of its management. The Adviser has not been the subject of any criminal or civil actions; administrative proceedings before the SEC or any other federal, state or foreign regulatory authority. Additionally, Starfire Investment Advisers has not been involved in any self-regulatory organization proceedings.

Information pertaining to the officer(s) and advisory representative(s) of Starfire Investment Advisers are contained on ADV Part 2B which is attached to this section.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE

Neither Starfire Investment Advisers nor its Adviser Representatives are registered as a broker/dealer or as Representatives of a broker/dealer.

B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISER

Neither Starfire Investment Advisers nor its Adviser Representatives are registered as a FCM, CPO or a CTA.

C. REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND CONFLICTS OF INTEREST

Neither Starfire Investment Advisers nor its Adviser Representatives have any material relationships to this advisory business that would present a possible conflict of interest other than the fact the Adviser is affiliated with a CPA firm as outlined on the following page. Starfire Investment Advisers does *not* maintain registration relationships with any of the following:

- ❖ broker-dealer;
- ❖ municipal securities dealer;
- ❖ government securities dealer or broker;
- ❖ investment company;

- ❖ other pooled investment vehicle (such as a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund);
- ❖ other investment adviser or financial planner;
- ❖ futures commission merchant;
- ❖ commodity pool operator or commodity trading adviser;
- ❖ banking or thrift institution;
- ❖ lawyer or law firm;
- ❖ insurance company or agency;
- ❖ pension consultant;
- ❖ real estate broker or dealer;
- ❖ sponsor or syndicator of limited partnerships.

Starfire Investment Advisers does not operate and does not have a material relationship with a hedge fund or other type of private pooled investment vehicle.

Ron Humenny, CPA/PFS, CFP®, AIF® is also a Certified Public Accountant and as President of The Starfire Financial Group, P.C., doing business as “Starfire Financial Services”, he is also engaged in delivering high quality professional accounting, tax and consulting services to clients of that firm. Throughout the year, this activity generally accounts for approximately 10% of his time, and this commitment increases during the tax season. Clients of the advisory firm are welcome, but never under any obligation to utilize the services of this affiliate.

D. SELECTION OF OTHER ADVISERS OF MANAGERS AND HOW THIS ADVISER IS COMPENSATED FOR THOSE SELECTIONS

Starfire Investment Advisers manages its client’s assets independently. The Adviser does *not* recommend the services of other investment managers in conjunction with its services.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. CODE OF ETHICS

Starfire Investment Advisers takes the issue of regulatory compliance seriously and is committed to maintain compliance with federal and applicable state securities laws. Additionally, Starfire Investment Advisers has a position of public trust and it is our goal to maintain that trust; provide excellent service, good investment performance; and advice that is suitable. Starfire Investment Advisers places great value on ethical conduct. Therefore, the ultimate goal of our internal policies is to challenge our staff to live up not only to the letter of the law, but also to the ideals set forth by the Adviser.

Clients may be familiar with the roles fiduciaries play in various legal situations and in certain industries. As a Registered Investment Adviser, Starfire Investment Advisers is a fiduciary to each and every client. As fiduciaries, Investment Advisers owe their clients several specific duties. According to the SEC, an

Investment Advisers' fiduciary duties include:

- ❖ Providing advice that is suitable;
- ❖ Providing full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations);
- ❖ The utmost and exclusive loyalty and good faith;
- ❖ Best execution of transactions under the available circumstances;
- ❖ The Adviser's reasonable care to avoid ever misleading clients;
- ❖ Only acting in the best interests of clients.

It is Starfire Investment Advisers' policy to protect the interests of each of the Adviser's clients and to place the clients' interests first and foremost in each and every situation. The Adviser will abide by honest and ethical business practices to include, but not limited to:

- ❖ The Adviser will not induce trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account;
- ❖ The Adviser will make investment decisions with reasonable grounds to believe that the decisions are suitable for the client on the basis of information furnished by the customer;
- ❖ The Adviser and/or its Adviser Representatives will not borrow money from clients;
- ❖ The Adviser will not recommend the purchase of a security without the reasonable belief that the security is registered, or the security or transaction is exempt from registration in states where we provide investment advice and based upon information the Adviser receives.
- ❖ The Adviser will not recommend that the client place an order to purchase or sell a security through a broker/dealer or agent, or engage the services of a broker/dealer that is not licensed, based upon information available to the Adviser.
- ❖ All staff will report personal securities transactions to Ronald Humenny, the Chief Compliance Officer as required by the SEC. Reportable trades include all securities transactions with the following exceptions:
 - Transactions effected pursuant to an automatic investment plan;
 - Securities held in accounts over which the access person has no direct or indirect influence or control;
 - Transactions and holdings in direct obligations of the US Government;
 - Money market instruments — bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments;
 - Shares of money market funds;
 - Mutual fund transactions/holdings as the Adviser does not have a material relationship with a fund company;
 - Transactions in units of a unit investment trust if the unit

investment trust is invested exclusively in unaffiliated mutual funds.

All applicable securities rules and regulations will be strictly enforced. Starfire Investment Advisers will not permit and has instituted controls against insider trading. Adviser Representatives and administrative personnel who do not follow the Adviser's Code of Ethics or who in any way violate securities rules and regulations, or who fail to report known or suspected violations will be disciplined or terminated, depending upon severity. Such persons could also face action by the SEC and/or state securities regulators.

Clients are welcome to request a copy of the Adviser's Code of Ethics by contacting the Adviser's office.

The Adviser emphasizes the unrestricted right of clients to decline to implement any advice rendered, in whole or part. Where the Adviser is granted discretionary authority of the client's accounts, clients are welcome to set investment parameters and/or limitations in writing and such direction is followed until such time the client's instructions are amended in writing.

B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

Starfire Investment Advisers does not recommend that clients buy or sell any security in which any of Starfire Investment Advisers' related persons have a material financial interest.

C. INVESTING PERSONAL MONIES IN THE SAME SECURITIES AS CLIENTS

The Adviser has established written policies and procedures for staff persons who may invest personal monies. Starfire Investment Advisers and/or individuals associated with Starfire Investment Advisers may have similar investment goals and objectives and as a result may buy or sell securities for their personal accounts that may be identical to or different from those recommended to clients. Thus, at times the interests of the Adviser's or staff members' accounts may coincide with the interests of clients' accounts. However, at no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions nor will the Adviser nor its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

D. TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS

The Adviser has established written policies and procedures for staff persons who may invest personal monies. Starfire Investment Advisers its Adviser Representatives acknowledge the Adviser's fiduciary responsibility to place the investment needs of clients ahead of the Adviser and its staff. The interests of clients are held in the highest regard. At no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions. The Adviser and its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

The staff of Starfire Investment Advisers shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.

The Adviser has established trading policies for its access persons. Ronald Humenny, the Chief Compliance Officer of Starfire Investment Advisers, is responsible for the monitoring of personal trading conducted by staff.

When the Adviser is purchasing or considering for purchase any security on behalf of a client, no *Access Person* of the Adviser may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the Adviser is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

ITEM 12: BROKERAGE PRACTICES

A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER/DEALERS

Consultation clients can use any brokerage firm of their choice to implement any desired transactions at their discretion. Starfire Investment Advisers recommends the services of Charles Schwab & Co. Inc. ("Charles Schwab & Co.") and participates in the custodial firm's independent adviser service program. Clients (not the Adviser) will open accounts at Charles Schwab & Co. by entering into an account agreement directly with them.

The Adviser Representatives of Starfire Investment Advisers are not Registered Representatives of any broker/dealer firm and do not receive any commissions for recommending securities or a service provider.

Starfire Investment Advisers recognizes its duty to obtain best price and execution for its clients under the circumstances available. The Adviser's decision to utilize the preferred broker/dealer is based upon the customer service provided to clients and the services available to the Adviser. While it is possible that clients may pay higher commission or transaction fees through the preferred service provider, Starfire Investment Advisers has determined that Charles Schwab & Co. currently offers the best overall value to the Adviser and its clients for the brokerage and technology provided.

Starfire Investment Advisers periodically reviews other alternatives that are available to the Adviser market. However, the Adviser takes the position that excellent customer service and trade execution is superior to most non-service

oriented, deep-discount and internet-based brokers that may otherwise be available to the public. Charles Schwab & Co. features broad lines of products and services that are available to almost every investor, regardless of the amount of investable assets. Additionally, Charles Schwab & Co. is one of the largest service providers available.

In selecting a service provider, the Adviser considers the following criteria:

- ❖ Quality of overall execution services provided;
- ❖ Promptness of execution;
- ❖ Creditworthiness and financial condition;
- ❖ Business reputation;
- ❖ Operational capabilities;
- ❖ Research (if any) provided;
- ❖ Promptness and accuracy of execution-related statements and reports;
- ❖ Ability and willingness to correct errors;
- ❖ Ability to access various market centers;
- ❖ The broker-dealer's facilities and technology;
- ❖ The market where the security trades;
- ❖ Any expertise in executing trades for the particular type of security;
- ❖ Commission charged;
- ❖ Reliability of the broker-dealer;
- ❖ Ability to use ECNs to gain liquidity, price improvement, lower commission and anonymity;
- ❖ Reputation of the broker-dealer;

Charles Schwab & Co. consolidated its "Best Execution" responsibilities within the firm's execution monitoring group. This group is charged with monitoring execution quality through a "regular and rigorous review" of the execution quality received from the venues where the firm routes equity and option orders. In addition, the firm indicates in its best execution policies that it continually monitors alternative venues to identify opportunities for improving execution quality. Among the factors the firm considers includes: The amount of net price improvement, speed of execution, certainty of execution, cost of execution, service issues, reliability, credit worthiness of counterparties, and accessibility.

Charles Schwab offers SmartEx™, which is an intelligent order routing system which is designed to route most NASDAQ market or marketable limit orders quickly and seek the best available trade execution. The firm also offers Direct Access trading technology, which provides for the ability to target the price desired by routing orders directly to the selected ECN or NASDAQ market maker. Further, Schwab will match any broker's guarantee, no matter how fast. The Adviser anticipates execution information to be provided by the service providers on request.

The Adviser also utilizes Charles Schwab & Co.'s prime broker program for individual securities trades which allows Starfire Investment Advisers to place trades through other brokers/dealers. At times, the service provider may effect clients' over-the-counter securities transactions on an agency basis. Charles Schwab & Co. may execute transactions based upon a number of factors and these include: Size of order, trading characteristics of the security, favorable execution prices, access to reliable data, availability of efficient transaction

processing and possible price reductions.

In filling these orders, Charles Schwab & Co. may transact with a market-making broker-dealer ("market maker") on the other side of the trade. A market maker may mark-up/down the price of a security for which it makes a market, which is a cost that will be incurred by the client, in addition to any agency commissions assessed by the service providers. In certain cases, a security may be purchased through another service provider and in such cases, the security purchased is then transferred to the client account at Charles Schwab & Co. and a "trade away" delivery fee is assessed to the client account.

Normally, best price and execution is obtained for over-the-counter securities transactions by executing directly with the market maker on a principal basis. Clients may incur transaction costs, in addition to any commissions charged by the service providers, when trades in over-the-counter securities are effected on their behalf through that broker on an agency basis. Therefore, the Adviser's choice to utilize Charles Schwab & Co. may limit or eliminate the Adviser's ability to obtain best price and execution in each case.

The Adviser reviews its service provider's best execution documentation. Among the factors the service providers consider include: The amount of net price improvement, speed of execution, certainty of execution, cost of execution, service issues, reliability, credit worthiness of counterparties, and accessibility. Each firm indicates it regularly and rigorously monitors execution quality. Generally, the larger service providers compare the reported executions and unexecuted orders to the National Best Bids and Offers (NBBO's) at the time of order entry and identify a subset of items that require review.

Market volatility, volume and system availability may delay account access and trade executions. Price can change quickly in fast market conditions, resulting in an execution price different from the quote displayed at order entry. Execution price, speed and liquidity and account access are affected by many factors, including market volatility, size and type of order and available market centers. The SEC requires brokerage firms to make publicly available their order routing practices via quarterly reports. The report is to provide information on routing non-directed orders (any order that the customer or Adviser has not specifically instructed to be routed to a particular venue for execution). For non-directed orders, the brokerage firm will select the venue. Note: Brokerage firms are required to disclose any material arrangements with the venues utilized, including but not limited to any intermediation or payments for order flow arrangements. Clients are welcome to obtain copies of these reports if desired.

Clients are welcome to utilize the service provider of their choice, and in such cases, will direct the Adviser to use their firm of choice (via written direction). As outlined in the Adviser's Client Agreement, the Adviser cannot guarantee best execution of transactions in these cases, due to limitations imposed by the client's service provider either on the Adviser or in connection with transactions. Clients will need to ensure the Adviser receives copies of account statements from their preferred service provider(s).

Trade Errors: On rare occasions, trade errors may occur. The Adviser's process is to correct trade errors via its trade error accounts established with its preferred custodial firms. Charles Schwab & Co.'s policy on trade errors is to reimburse clients for any loss if the amount is \$100 or less. If the loss is greater than \$100, the Adviser will reimburse the client for a loss. Conversely, if there is any gain from the trade error, Charles Schwab & Co. retains that gain and it is a general policy to donate these error funds to charities in accordance with their then current internal policy.

1. RESEARCH AND OTHER SOFT DOLLAR BENEFITS

Starfire Investment Advisers may receive business incentives, research, products (such as software) or services other than execution from a broker/dealer in connection with client securities transactions. These benefits are known as "soft dollars". Section 28(e) of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 78bb (e)), establishes a safe harbor for money managers who use client funds to purchase brokerage and research services for their managed accounts. Under Section 28(e), a money manager is protected from liability for a breach of fiduciary duty solely on the basis of having paid more than the lowest commission rate for "brokerage and research services provided by a broker-dealer," the manager determines in good faith that the amount of the commission is reasonable in relation to the value of such services.

Starfire Investment Advisers participates in the Charles Schwab & Co. institutional program for independent Registered Investment Advisers. While there is no direct linkage between the investment advice given and the participation in a custodial firm's institutional program, economic benefits are received by the Adviser which would not be otherwise, if the Advisor did not give advice to clients.

In fulfilling its duties to its clients, Starfire Investment Advisers endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Adviser's receipt of economic benefits from a broker-dealer/custodian creates a conflict of interest since these benefits may influence the Adviser's choice of broker-dealer over another broker-dealer that does not furnish similar fee benefits, software access/discounts, systems support, back office administrative support or other services.

Services received that benefit clients include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Charles Schwab & Co. includes some which we might not otherwise have access or that would require a significantly higher minimum investment by our clients. Charles Schwab & Co.'s services described in this paragraph generally benefit you and your account.

Services that may not directly benefit clients are those products and services that Charles Schwab & Co. makes available to the Adviser but may not directly benefit our clients or their accounts. These products and services assist the Adviser in managing and administering our clients' accounts and include investment research (both the broker/dealers' and that of third parties). We may use this research to service all or some substantial number of our clients' accounts, including those maintained away from the broker/dealer providing the research. In

addition to research, these service providers also make available software and other technology that provides access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution and allocation of orders for multiple accounts; provides pricing and other market data, facilitates payment of advisory fees from client accounts and assists with back-office functions, recordkeeping and client reporting.

Starfire Investment Advisers executed an agreement with Charles Schwab & Co. through its Adviser Services division to receive a discount on the PortfolioCenter® technology service offered through Schwab Performance Technologies®. The discount was \$2,500 in 2018 and will be \$1,500 for 2019. The receipt of this benefit is not in exchange for the Adviser's commitment to cause a specified amount of clients' assets to be placed in Schwab's custody. The arrangement presents a potential conflict of interest between the Adviser and its clients since it creates an incentive to recommend that clients establish or continue to maintain their accounts with Charles Schwab & Co. However, as a fiduciary to its clients, Starfire Investment Advisers takes the position that its recommendation of Charles Schwab & Co. is in the best interest of clients as set forth in Item 12.B of this Brochure.

Services that generally benefit only the Adviser are those other benefits intended to help the Adviser manage and further develop its business enterprise. These services include educational conferences and events as well as technology. Services include general compliance, legal and business consulting as well as publications and conferences on practice management and business succession. The service providers may also offer access to employee benefits providers, human capital consultants and insurance providers. The service providers may provide these services themselves and in other cases, they will arrange for third-party vendors to provide services to the Adviser. Charles Schwab & Co. may also discount or waive fees for some services or pay all or a portion of a third-party's fees. Our service providers may also provide us with other benefits such as occasional business entertainment of our personnel.

2. BROKERAGE FOR CLIENT REFERRALS

Starfire Investment Advisers receives no client referrals from a broker/dealer or third party in exchange for using that broker/dealer or third party.

3. CLIENTS DIRECTING WHICH BROKER/DEALER/CUSTODIAN TO USE

Consultation clients are welcome to utilize any service provider they may choose and are welcome to implement any advice or recommendations in whole or in part.

As outlined in Item 1 of this section, a client may direct the Adviser in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Adviser will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker/dealers with orders for other accounts managed by the Adviser (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less

favorable net prices, on transactions for the account than would otherwise be the case. If the Adviser agrees to the arrangement, Starfire Investment Advisers will continue to use the client's preferred service provider until the client directs otherwise in writing. Subject to its duty of best execution, the Adviser may decline a client's request to direct brokerage if, in the Adviser's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

B. AGGREGATION (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS

Transactions for each client generally will be effected independently, unless the Adviser decides to purchase or sell the same securities for several clients at approximately the same time. The Adviser may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Adviser's clients, differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Due to the individualized nature of services, however, large orders of securities are not always consistent with the nature of the Adviser's services. Aggregation is undertaken in firms processing large orders of securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. In each case, the Adviser strives to allocate investment opportunities or trades among its clients in a manner that is fair and equitable and based upon the client investment objectives.

Normally, under this procedure, when allocations are undertaken, transactions will generally be averaged as to price and allocated according to the Adviser's standard allocation procedure. This procedure considers the circumstances of each trade and always strives for fairness and cost-effectiveness to the client. In most cases when the Adviser executes only a partial fill of a targeted buy order, allocations will prioritize complete fills for clients with the most available cash as a percentage of portfolio assets. Likewise, when the Adviser executes only a partial fill of a targeted sell order, allocations will prioritize complete fills for clients with the least available cash as a percent of portfolio assets. To the extent that the Adviser determines to aggregate client orders for the purchase or sale of securities, including securities in which the Adviser's Adviser Representatives may invest, the Adviser shall normally do so in accordance with applicable rules promulgated under the SEC's Investment Advisers Act and no-action guidance provided by the staff of the SEC. An allocation statement will be prepared and any special circumstances or conditions will be outlined in connection with each event.

Certain issues may impact the Adviser's allocation under the particular circumstances and in such cases, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to

unforeseen changes in an account's assets after an order is placed); (iv) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

The Adviser receives no additional benefit as a result of proposed aggregation.

The Adviser may utilize the custodian's prime broker program whereby the custodial firm may effect clients' over-the-counter securities transactions on an agency basis. Typically, the service providers execute transactions based upon a number of factors which may include: Size of order, trading characteristics of the security, favorable execution prices, access to reliable data, availability of efficient transaction processing and possible price reductions. In filling these orders, the service provider may transact with a market-making broker-dealer ("market maker") on the other side of the trade. A market maker may mark-up/down the price of securities for which it makes a market, which is a cost that will be incurred by the client in addition to any agency commissions assessed by the client's service provider. Normally, best price and execution is obtained for over-the-counter securities transactions by executing directly with the market maker on a principal basis. Therefore, in some cases, clients may incur transaction costs, in addition to any commissions charged by their services provider, when trades in over-the-counter securities are effected on their behalf through that broker on an agency basis. The Adviser's choice to utilize the service provider's prime broker program or similarly termed service available through the selected service provider may limit or eliminate the Adviser's ability to obtain best price and execution in each case. In certain cases, a security may be purchased through another service provider and in such cases, the security purchased is then transferred to the client account at the client's selected custodian, and a "trade away" delivery fee is assessed to the client account.

Broker custody of client assets may limit or eliminate the Adviser's ability to obtain best price and execution of transactions in over-the counter securities.

ITEM 13: REVIEW OF ACCOUNTS

A. FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO CONDUCTS THE REVIEWS

Investment Supervisory Services are ongoing in nature and thus continue until terminated by either party. Investment Supervisory Services involve continuous review and advice regarding the Client's investment portfolio. The Adviser will conduct frequent internal reviews (no less than quarterly) of the Client's portfolio. Internal portfolio review processes depend upon the underlying assets of the portfolio, individual circumstances, market conditions and the Client's stated directions as agreed to in the Client Agreement. The Adviser requests that Client reviews (in person or telephonically) occur at least annually. However, Starfire Investment Advisers encourages frequent communications with the Adviser in order to continually review ongoing investment strategies. Clients are encouraged to call the office any time during business hours. *Clients are obligated to immediately notify the Adviser of any change or prospective change in their financial condition in order to provide the Adviser with the opportunity to review*

the situation in the event a change in goals or investment strategies may be recommended.

Advice provided during **Consultations** may include recommendations for reviews or other follow-up services. It would be the Client's responsibility to update his or her financial goals or investment strategies on his/her own or secure additional services from the Adviser under a new or amended Agreement.

Starfire Investment Advisers also offers **Financial Planning Services** which may include advice on cash management; risk management; education funding; retirement planning; estate planning; tax planning; or other areas of interest identified by the Client. These services are offered on an hourly basis and terminate upon delivery of the Plan/advice unless otherwise outlined in the Agreement. Financial Planning advice may include the recommendation of annual reviews and updates to existing strategy or written plan and it would be the Client's responsibility to update his/her own goals or secure additional services of the Adviser under a new or amended Agreement.

B. REVIEWERS

All decisions, account reviews, and primary client contacts are conducted by Adviser Representatives under the direction of Ronald Humenny, CPA/PFS, CFP®, AIF®, the President and Chief Compliance Officer.

C. FACTORS THAT MAY TRIGGER NON-PERIODIC ACCOUNT REVIEWS

In addition to regular internal portfolio reviews, the Adviser may also conduct non-periodic reviews. This review process may be guided by the underlying assets of the portfolio, individual circumstances as reasonably known by the Adviser, market conditions and the request of the client. Reviews may also be triggered by material market, economic or political events. Reviews may also be triggered by reported changes in the client's financial situation, which may include but are not limited to: Termination of employment, physical relocation, inheritance or retirement and other life changes.

D. CONTENT AND FREQUENCY OF REGULAR REPORTS

Clients can expect to receive confirmation statements from all transactions and a monthly/quarterly statement, directly from their custodial firm. The custodian's quarterly reports detail account value, net change, portfolio holdings, and all account activity. The Adviser may prepare additional portfolio data or post meeting communications at the Adviser's discretion.

Investment Supervisory Clients may, at their option, access portfolio reports via the internet through the custodian's website. The Adviser may occasionally prepare other reports, post-meeting communications or other documents, at the Adviser's discretion.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)

Starfire Investment Advisers does not receive any economic benefit, directly or indirectly from any third party in connection with advice rendered to Starfire Investment Advisers' clients.

B. COMPENSATION TO NON-ADVISORY PERSONNEL FOR REFERRALS

The Adviser does not directly or indirectly compensate any person who is not an Adviser Representative of Starfire Investment Advisers in exchange for client referrals.

ITEM 15: CUSTODY

Client accounts are held at Charles Schwab & Co. or the client's selected custodial firm. Execution of transactions is provided by the client's selected brokerage / custodial firm(s). In all cases, clients have a direct and beneficial interest in their securities (individual ownership), rather than an undivided interest in a pool of securities.

As part of the Adviser's efforts to provide premium service and convenience to clients, Starfire Investment Advisers may accept standing letters of authorization (SLOAs) to assist certain of its clients with the movement of funds in and out of their accounts. As result, the Adviser is deemed to have custody of these investment accounts.

The Adviser may accept access to custodial accounts in order to implement trades and to deduct investment advisory fees but only with the appropriate written client authorization. The Adviser may also maintain account access for certain retirement accounts for the purpose of assisting clients with transactions, rebalancing, to monitor accounts and for reporting purposes only. The SEC may deem this access to be custody. Client account data is securely maintained by the Adviser. Further, Starfire Investment Advisers has engaged an independent accounting firm to conduct examinations and an annual surprise audit in compliance with the requirements of Rule 206(4)-2 and Rule 204-2(b), ("Custody Rules") of the Investment Advisers Act of 1940. Starfire Investment Advisers' most recent audit occurred in 2019. Clients and prospective clients are welcome to request a copy of the independent accounting firm's report by contacting the Adviser's Chief Compliance Officer.

From time to time, Starfire Investment Advisers may inadvertently receive client assets from non-clients (unaffiliated third parties). In such cases, the return of these assets may impair the safety (risk of loss) of the assets and/or may cause unnecessary delays in the client's receipt of their assets. When this occurs, the

Adviser will promptly forward (no less than 5 days of receipt) the assets to the client or the client's qualified custodian pursuant to the client's direction. The Adviser will create and maintain appropriate records of all client assets inadvertently received and documentation as to how the assets were handled in accordance with SEC No-Action Guidance.

Clients can expect to receive regular and customary account statements directly from their custodian(s) and clients should carefully review these statements. If clients find that statements are not being received or if they find any discrepancies in statement information, they must promptly communicate this information to Starfire Investment Advisers and their custodial firm.

ITEM 16: INVESTMENT DISCRETION

Clients engaging the Adviser for Investment Supervisory Services have the ability to leave standing instructions with the Adviser to refrain from investing in particular industries, invest in limited amounts of securities and to re-balance portfolios (also termed as "limited discretion").

With the client's authorization as provided in the custodial account forms and the Adviser's Client Agreement, Starfire Investment Advisers will maintain limited discretionary trading authority to execute securities transactions in the investor's portfolio within investor's designated investment objectives, to include the securities to be bought and sold, and the amount of securities to be bought and sold. Starfire Investment Advisers will never have full power of attorney nor will the Adviser ever have authority to withdraw funds or to take custody of investor funds or securities other than the ability to deduct advisory fees via investor's qualified custodian and only with client authorization.

The Adviser does *not* in any way market or sell variable products. However, the Adviser may render non-discretionary Investment Supervisory Services to its clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual accounts held through employer-sponsored retirement plans. In so doing, the Adviser either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan. Investments and service providers relative to Plan offerings are limited to only those available through the respective Plans and are determined by the Plan Sponsor(s).

ITEM 17: VOTING CLIENT SECURITIES (PROXIES)

Clients retain the authority to vote proxies. In such cases, the Adviser requires that investors ensure that proxy ballots are mailed directly to each investor or an authorized third party. Normally, the custodial account forms allow clients to provide directions on proxies. In the event the Adviser's proxy advice is solicited, the Adviser shall only furnish voting advice to existing clients. The Adviser will not solicit proxies from non-clients.

When providing proxy advice to clients, the Adviser will disclose any significant relationship with the issuer, its affiliates or a security holder proponent of the matter on which proxy voting advice is given, as well as any material interest of the Adviser in the matter. The Adviser will not accept any special fee or remuneration for furnishing the voting advice from any person other than the security holder recipient thereof.

The Adviser's voting advice will not be provided on behalf of any person soliciting proxies, or on behalf of a participant in an election contest subject to SEC Rule 14a-11. The Adviser will never communicate with the press concerning a particular proxy. Starfire Investment Advisers does not solicit proxies and the Adviser recognizes that any deviations from these stated policies may require the Advisor to comply with SEC Proxy Registration Rules.

ITEM 18: FINANCIAL INFORMATION

A. BALANCE SHEET

Starfire Investment Advisers does not require nor solicit prepayment of more than \$1200 in advisory fees per client, six months or more in advance of services and therefore is not required to include a balance sheet with this brochure.

As noted in Item 15 of this Brochure ("Custody"), Starfire Investment Advisers may retain account access information for certain retirement accounts that receive advisory services. The Adviser has engaged the services of an independent accounting firm to conduct examinations and an annual surprise audit of the Adviser in compliance with the requirements of Rule 206(4)-2 and Rule 204-2(b) of the Investment Advisers Act of 1940. For a copy of the independent accountant's report from the 2016 audit, please contact the Adviser's Chief Compliance Officer.

B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR THE ADVISER'S ABILITY TO MEET CONTRACTUAL COMMITMENTS

Neither Starfire Investment Advisers nor its management have any financial conditions that are likely to reasonably impair the Adviser's ability to meet contractual commitments to clients.

C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS

Starfire Investment Advisers has never been the subject of a bankruptcy petition. The Adviser's officer has never been the subject of a bankruptcy petition.

PRIVACY POLICY

As an SEC regulated Registered Investment Adviser, Starfire Investment Advisers is covered under the definition of a "financial institution" in the Federal Gramm-Leach-Bliley Act (the "Act"). The Adviser is therefore subject to Act as well as the rules of privacy imposed on Investment Advisers under the SEC's Regulation S-P

(the "Privacy Rule"). Privacy of nonpublic personal information is an issue that the staff of Starfire Investment Advisers takes seriously.

To maintain compliance with the Act and the Privacy Rule, every broker, dealer, investment company and investment adviser is required to adopt policies and procedures reasonably designed to safeguard customer and consumer records and information. Starfire Investment Advisers has adopted a Privacy Policy to protect clients and consumers.

In its role as Investment Adviser, Starfire Investment Advisers routinely collects nonpublic personal information from clients and prospective clients. This information generally will include but is not limited to:

- Information provided from applications, forms and other information provided to us either verbally or in writing, and include but are not limited to your name, address, phone number, account information, social security number, assets, employment, income and debt;
- Information about your transactions, accounts, trading activity and parties to transactions; health and beneficiary information (such as may pertain to planning issues);
- Information from other outside sources;
- Any other data that is deemed to be nonpublic personal information as defined by the Act and Regulation S-P.

Starfire Investment Advisers values our clients' trust and confidence. We will never sell the nonpublic personal information we obtain from consumers or clients.

All information provided by clients or prospective clients to Starfire Investment Advisers, (including the Adviser's personnel), and information and advice furnished by the Adviser to clients, shall be treated as confidential and shall not be disclosed to unaffiliated third parties, except as directed by clients with written authorization, by application to facilitate the investment advisory (and portfolio reporting) services offered by the Adviser via an unaffiliated financial services provider (such as the client's custodial firm or broker/dealer), or as required by any rule, regulation or law to which the Adviser or its staff may be subject. If advisory clients utilize the services of the Adviser's affiliated CPA firm, financial records required to complete the client's requested services may be shared with the affiliated firm.

Starfire Investment Advisers maintains clients' records in a controlled environment and records (electronic and otherwise) are only available to authorized persons of the Adviser who have a need to access client information in order to deliver advisory services, provide administrative support, or to respond to client requests. The Adviser has made reasonable efforts and conducts periodic tests to ensure that its electronic network is secure

Starfire Investment Advisers' position on protecting non-public personal information extends beyond the life of the Advisory Agreement. Client information is retained in a protected manner for the time period required by regulators (five years from the date of last use) and thereafter is safely destroyed via electronic means, via in-

house shredding or a contracted secure shredding service.

Consumers (vs. clients) who provide information during an initial consultation or for other purposes but do not go on to become clients of the Adviser also receive privacy protection. Original information will be promptly returned in person or via the mail if the Adviser's services are not engaged. Alternatively, if nonpublic personal information is contained in copies of documents, notes or some other media, this information will be securely filed for a period of up to one year (depending upon likelihood of engagement) before being shredded in-house or via our secure shredding service.

Clients are encouraged to discuss any questions regarding Starfire Investment Advisers' privacy policies and procedures with Ronald Humenny, President and Chief Compliance Officer.