



**STILES FINANCIAL SERVICES**  
I N C O R P O R A T E D

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**May 2020**

**Form ADV 2A and 2Bs for  
Individual Financial Plan Consulting**

This Brochure provides information about the qualifications and business practices of Stiles Financial Services Incorporated (SFSI). If you have any questions about the contents of this Brochure, please contact us at [info@stilesfinancial.com](mailto:info@stilesfinancial.com) or 952-988-0452. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SFSI is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To access this information, you can make an inquiry using our name or our CRD number, which is 117023. Registration of an Investment Adviser does not imply any level of skill or training.

## **Item 2 – Material Changes**

Since the date of Stiles Financial Services Incorporated's (SFSI) last annual Brochure in January 2020, there has been a material change to our business and service offerings:

Advisory services previously provided by Cambridge Investment Research Advisor are now being offering by SFSI through a wrap program. Please review our Form ADV Wrap Brochure for a complete review of that program.

SFSI will provide our clients with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochures may be requested by contacting us at 952-988-0452 or [info@stilesfinancial.com](mailto:info@stilesfinancial.com).

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## **Item 4 – Advisory Business**

SFSI, established in 2000, is wholly owned and managed by Susan M. Stiles and has \$421,794,000 in assets under advisement as of December 31, 2019. SFSI provides (i) Corporate Retirement Plan Consulting Services for defined contribution and defined benefit plans, both qualified and non-qualified and (ii) prepares and delivers individual Financial Plan Consulting Services. By May 1<sup>st</sup>, SFSI projects an additional \$180,000,000 in assets under management in our Portfolio Management advisory service offered through SFSI's wrap program. Please reference the SFSI Wrap Brochure specific to individual portfolio management for additional information on that service offering.

### **Individual Financial Plan Consulting**

SFSI provides tailored financial plan advisory and consulting services to meet the specific needs and requests of individual clients. Plans are developed by acquiring information concerning the client's assets, liabilities, present and future foreseeable obligations, present and future income, the client's desired financial goals, and the client's tolerance of risk, along with any other data related to these areas of a client's financial profile. Development of a comprehensive financial plan may include:

- Net worth statements,
- Budgeting,
- Financial goal setting and projections,
- Asset protection implementation and risk management,
- College planning,
- Wealth accumulation
- Retirement planning including gap analysis, accumulation and income replacement strategies,
- Investment analysis and allocation,
- Tax incentive concepts and
- Estate planning concerns and strategies.

## **Portfolio Management**

Client may elect to implement financial plans through SFSI's wrap program, which provides continuous investment advice, personalized to the individual needs of each client. Wrap fee programs are arrangements in which clients receive investment advisory services, including portfolio management and investment advice) as well as execution of client transactions for a single fee. Complete information about SFSI's wrap program is included in a separate Form ADV Wrap Brochure.

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

#### **Individual Financial Plan Consulting**

A base fee of \$2,500 is generally the minimum fee charged to develop a comprehensive financial plan (the "Plan") or conduct an annual maintenance update to an existing plan. Financial planning fees are typically a fixed amount but may be based on an hourly fee. This fee can increase depending on the complexity of the Plan being developed. The complexity of a Plan is determined by the type of plan the client requests.

Portfolio review fees for non-managed and outside investments can also be provided as a part of our financial planning services. These fees vary according to the number of reviews requested over a 12-month period and are agreed upon prior to signing an agreement.

<b>Number of Portfolio Reviews</b>	<b>Minimum Fee</b>
4 quarterly reviews	\$2,000/annually
2 semi-annual reviews	\$1,000/annually
1 annual review	\$750/annually

For one-time projects, 50% of the fee is charged up-front and is non-refundable with the remainder due upon completion of the project. For ongoing engagements, fees are charged quarterly in advance on an ongoing basis. All Plans are completed within 6 months of the engagement and all fees are agreed upon prior to signing an agreement.

Additionally, a fee for financial planning ranging from \$100 to \$300 per hour, varies based on staff assignments, can be charged for special activities and projects.

If the client terminates the agreement prior to completion of the Plan, services provided through the termination date must be paid upon receipt of the invoice. The agreement continues until it is terminated by either party by giving written notice to the other, which can be received in email form. SFSI prepares client specific bills following the terms in the signed agreement and mails and or emails the bill directly to the client for payment. SFSI does not accept cash or credit card payments and cannot deduct the bill from any type of client account.

### **Portfolio Management**

Please review to the Form ADV Wrap Brochure for a complete review of the fees and appropriate conflict disclosures related to SFSI's wrap program.

### **Other Fees and Compensation**

Life, disability and long term care products recommended in the financial plan developed for clients of SFSI may be purchased through the General Agent, typically resulting in a commission being received by the General Agent for the services related to searching, analyzing, structuring and working with underwriting to issue the policy. This is separate from a fee paid by the client for the development of the Financial Plan.

Clients are under no obligation to effect purchases or trades through the General Agent and/or Representative that has provided their Financial Plan and should understand the conflicts of interest as outlined in Item 10.

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

SFSI does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or side-by-side management fees (where

competing fee arrangements may create a conflict in the advisory services offered to clients).

### **Item 7 – Types of Clients**

SFSI provides individual financial planning, and portfolio management offered through SFSI's wrap program, to individuals, families, trusts, estates, charitable organizations, foundations and corporations.

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

SFSI provides individual financial planning clients with insight into investment principles and practices that are educational and informative, especially in volatile markets when performance can fluctuate dramatically. SFSI's investment discipline is an analytical approach with a qualitative overlay that generally emphasizes diversification, asset allocation and risk management.

Investing in securities involves risk of loss that clients must understand and be prepared to bear. Recommended investment strategies tend to center on long-term investing that will generally follow a buy and hold strategy, updated periodically to reflect changes in the client's investment objectives and/or risk tolerance.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of SFSI or the integrity of the Firm's management. SFSI has no information applicable to this Item.

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

In some situations, a brokerage relationship may be preferable or compliment an advisory relationship, depending on specific client needs. Clients who have a Plan prepared by SFSI should note that they are under no obligation to establish an advisory wrap fee program

account through SFSI. SFSI's Portfolio Management advisory service is managed completely through SFSI's wrap fee program, as described in SFSI's Form ADV Wrap Brochure.

SFSI is also a Minnesota-registered insurance agency and an employee also acts as licensed insurance agent, selling life, disability, long term care and fixed annuities. Insurance purchases through SFSI agent's result in commissions paid to the agency, in addition to the advisory fees that may be paid by the client. Clients are under no obligation to purchase insurance products through SFSI. Insurance products do not fall under the asset-based management fee or the program fee.

Investment Advisor Representatives may also be Registered Representatives with LaSalle St. Securities, LLC (member FINRA/SIPC), a registered Broker/Dealer. Clients are under no obligation to purchase or sell securities through the LaSalle St. Securities. LaSalle St. Securities is not affiliated with SFSI. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds or alternative investments which are described in each fund's prospectus. These fees can include a management fee and other fund expenses. However, SFSI will credit any 12b1 fees received back to the client where LaSalle St. Securities is the broker of record.

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

SFSI has adopted a Code of Ethics for all employees describing its high standard of business conduct, and our fiduciary duty to clients. SFSI acknowledges the fiduciary duty that is our responsibility according to both the Advisers Act, as well as the more recent DOL Fiduciary Rule. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at SFSI must acknowledge the terms of the Code of Ethics annually, or as amended.



SFSI anticipates that, in appropriate circumstances, it will cause accounts over which SFSI has advisement authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which SFSI clients or employees, directly or indirectly, have a position of interest. SFSI employees are required to follow SFSI's Code of Ethics. Subject to satisfying this policy and applicable laws, employees of SFSI may trade for their own accounts in securities which are recommended to SFSI clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of advisory employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interests of clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a Plan or client in a security held by an employee. Employee trading is monitored to reasonably prevent conflicts of interest between SFSI and its clients.

Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at 952-988-0452 or [info@stilesfinancial.com](mailto:info@stilesfinancial.com).

## **Item 12 – Brokerage Practices**

Clients who have had a Financial Plan prepared by SFSI may choose to execute the asset allocation strategies and ranges recommended in the Plan through SFSI's Wrap Program. Financial planning clients should note that they are under no obligation to establish accounts or purchase securities through SFSI's Wrap Program, and that transaction charges or management fees may be higher or lower than the charges the client may pay if the transactions were executed elsewhere or were executed outside of a wrap fee program. Please review SFSI's Form ADV Wrap Brochure for a complete discussion of SFSI's wrap program's Brokerage Practices.

### **Item 13 – Review of Accounts**

A discussion related to Review of Accounts is not relevant to SFSI's Individual Financial Plan Consulting Services.

Specific information related SFSI's wrap program for Review of Accounts is provided in the Form ADV Wrap Brochure.

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

SFSI does not participate in any referral arrangements or accept revenue sharing with custodians or plan platform sponsors.

### **Item 15 – Custody**

Custody is a term used to describe the role of the entity that maintains and reports on investment assets held in separate client accounts. These services are typically provided by brokerage firms or banks. The role of a qualified custodian is highly specialized, independently protecting each client's assets in a role that compliments the responsibilities of an advisory firm like SFSI.

For individual financial planning services, SFSI does not provide custody but develops client reports and/or periodic reviews from the information provided by custodians and/or broker-dealers. SFSI urges all clients to carefully and regularly review official custodial records and statements.

Specific information related Custody and SFSI's wrap program is provided in the Form ADV Wrap Brochure.

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

A discussion related to Investment Discretion is not relevant to SFSI's Individual Financial Plan Consulting Services.

SFSI's wrap program provides Portfolio Management on a discretionary basis. This means that SFSI makes investment decisions on a day to day basis without consultation with the client. This includes deciding to buy or sell and the price per share.

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

SFSI does not vote proxies.

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

Registered investment advisers are required in this Item to provide the client with certain financial information or disclosures about their respective Firm's financial condition. SFSI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

## **Biography Supplement – Form ADV Part 2B for Susan M. Stiles, born 1959**

### **Education and Professional Designations**

Susan M. Stiles graduated from Cornell University, Johnson School of Management with a MBA in Finance and Accounting in 1991 and from Cornell University, School of Hotel Administration with a BS in 1981.

Ms. Stiles attained her CFP® (Certified Financial Planner) designation in 1997. This is a certification awarded by the Certified Financial Plan Board of Standards. To earn the CFP® certification, candidates must: (1) have an associate's degree (or higher) from an accredited college or university; (2) have at least three years of full-time personal financial planning experience, and (3) must complete a CFP® board registered program. To maintain the designation, 30 hours of continuing education are required every two years including 2 hours of code of ethics education.

Ms. Stiles attained her Chartered Financial Consultant™ (ChFC®) designation in July 2007. This designation is awarded by The American College and requires three years of full-time business experience within the preceding five years and the completion of nine courses (that are the equivalent of 27 semester credit hours) with a final closed-book exam for each course. 30 hours of continuing education are required every two years.

Ms. Stiles earned the Accredited Investment Fiduciary™ (AIF®) in 2006. This is a designation offered and recognized by the Center for Fiduciary Studies. Candidates must meet a point-based threshold based on a combination of education, relevant industry experience and/or professional development. Each candidate must complete an educational program and pass a final exam. To maintain this designation, six hours of continuing education are required per year.

Ms. Stiles earned the Certified Plan Fiduciary Advisor (CPFA) designation in 2017. This is a designation that is issued by the National Association of Plan Advisors. There are no prerequisites but candidates must successfully complete a final proctored certification exam. There are 20 credits of continuing education required every two years.

### **Business Experience**

- Stiles Financial Services Incorporated as President since 2000.
- Landmark Financial Advisors as a Partner from March 1999 to July 2000.
- Symmetric Investments, Inc. as a Financial Advisor from April 1993 to March 1999.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Other Business Activities**

Ms. Stiles is also a Registered Representative with LaSalle St. Securities, LLC (member FINRA/SIPC).

Ms. Stiles is licensed insurance agent with SFSI.

### **Additional Compensation**

Ms. Stiles may receive commissions for trades executed or insurance products purchased through the broker-dealer and/or insurance company which whom she is registered which are transferred to SFSI.

### **Supervision**

Ms. Stiles, as President and Chief Compliance Officer is responsible for the activities and operation of the Firm. She should be contacted directly with any questions at the mailing address, email address or contact information provided on the cover of this Brochure.

## **Biography Supplement – Form ADV Part 2B for Debra Rosenberg, born 1957**

### **Education and Professional Designations**

Debra Rosenberg graduated from Gustavus Adolphus College, St. Peter, MN with a BA in Business and a minor in Psychology in 1979.

Ms. Rosenberg attained her CEBS (Certified Employee Benefit Specialist) from the Wharton School of the University of Pennsylvania and the International Foundation of Employee Benefit Plans in 1985. To earn the designation at the time, candidates must have completed ten required courses from the CEBS curriculum, successfully completing a computer-based test for each course. To maintain the designation, 30 hours of continuing education are required every two years.

Ms. Rosenberg earned the Accredited Investment Fiduciary™ (AIF®) in 2013. This is a designation offered and recognized by the Center for Fiduciary Studies. Candidates must meet a point-based threshold based on a combination of education, relevant industry experience and/or professional development. Each candidate must complete an educational program and pass a final exam. To maintain this designation, six hours of continuing education are required per year.

Ms. Rosenberg earned the Certified Plan Fiduciary Advisor (CPFA) designation in 2016. This is a designation that is issued by the National Association of Plan Advisors. There are no prerequisites but candidates must successfully complete a final proctored certification exam. There are 20 credits of continuing education required every two years.

In addition, Ms. Rosenberg has attained a Fellowship with the International Society of Employee Benefit Specialists and completes coursework every two years, followed by an exam.

### **Business Experience**

- Stiles Financial Services Incorporated as Director of Retirement Plan Consulting since 2012.

- M&I Institutional Trust Services (now BMO) as a Vice President and Regional Sales Director from 2004 to 2012.
- Prior employers include Watson Wyatt (now Willis Towers Watson), first Trust (now US Bank, and Norwest (now Wells Fargo).

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Other Business Activities**

Ms. Rosenberg is also a Registered Representative with LaSalle St. Securities, LLC (member FINRA/SIPC).

### **Additional Compensation**

Ms. Rosenberg does not receive commissions through LaSalle St. Securities.

### **Supervision**

Ms. Stiles, as President and Chief Compliance Officer is responsible for the activities and operation of the Firm. She should be contacted directly with any questions about Ms. Rosenberg's activities for Stiles Financial Services Incorporated at the mailing address, email address or contact information provided on the cover of this Brochure.

## **Biography Supplement – Form ADV Part 2B for Keighley J. Spott, born 1975**

### **Education**

Keighley J. Spott graduated from the University of Minnesota, Twin Cities with a BA in English Literature in 1998.

Ms. Spott attained her Chartered Retirement Planning Counselor, CRPC® designation in 2016. This designation is awarded by the College for Financial Planning and requires completion of an online instructor led or self-study course with a final proctored closed-book exam. There are 16 hours of continuing education required every two years to maintain the designation.

Ms. Spott earned the Behavioral Financial Advisor™ designation in 2018. This designation is awarded by Kaplan Financial Education and requires completion of two courses related to behavioral finance as well as a certification exam. There are twenty hours of continuing education required every two years.

### **Business Experience**

- Stiles Financial Services Incorporated as a Financial Planner since September 2017.
- LPL Financial LLC as a Vice President, Financial Consultant from November 2013 to September 2017.
- Morgan Stanley as a Registered Sales Assistant from 2007 to 2013.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.



### **Other Business Activities**

Ms. Spott is also a Registered Representative with LaSalle St. Securities, LLC (member FINRA/SIPC).

### **Additional Compensation**

Ms. Spott does not receive commissions through LaSalle St. Securities.

### **Supervision**

Ms. Stiles, as President and Chief Compliance Officer is responsible for the activities and operation of the Firm. She should be contacted directly with any questions about Ms. Spott's activities for Stiles Financial Services Incorporated at the mailing address, email address or contact information provided on the cover of this Brochure.

## **Biography Supplement – Form ADV Part 2B for Paul E. Tichy, born 1961**

### **Education**

Paul E. Tichy graduated from DePaul University with a MBA in 1992 and from Northwestern University with a BA in 1984.

### **Business Experience**

- Stiles Financial Services Incorporated as Investment Analyst and Portfolio Manager since May 2016.
- Fisher Investments as a Regional Vice President from March 2015 to March 2016.
- Anchor Bank as a Private Wealth Advisor from 2013 to 2014.
- Merrill Lynch as a Financial Advisor from 2011 to 2013.
- Cowen & Company in Institutional Sales from 2010 to March 2011.
- RBC Capital Markets Corporation in Institutional Sales from 2009 to 2010.
- Merrill Lynch in Institutional Sales from 2003 to 2009.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Other Business Activities**

Mr. Tichy is also a Registered Representative with LaSalle St. Securities, LLC (member FINRA/SIPC).

### **Additional Compensation**

Mr. Tichy does not receive commissions through LaSalle St. Securities.

### **Supervision**

Ms. Stiles, as President and Chief Compliance Officer is responsible for the activities and operation of the Firm. She should be contacted directly with any questions about Mr. Tichy's activities for Stiles Financial Services Incorporated at the mailing address, email address or contact information provided on the cover of this Brochure.

## **Brochure Supplement – Privacy Policy and Practices of Stiles Financial**

**Protecting the privacy of the investor is important to us. This notice describes the practices and policies through which we maintain the confidentiality and protect the security of your non-public personal information.**

### **Gathering Information**

In the course of providing services to you, we may collect “non-public personal information” about you. This may include information we receive from you on suitability questionnaires, subscription agreements or other forms, such as your name, address, social security number and birth date. As well, we may collect information about your investment transactions with us and others, as well as other account data.

“Non-public personal information” is non-public information about you that we obtain in connection with providing a financial product or service to you, such as the information described in the above examples.

### **Disclosing Information**

We do not disclose non-public personal information about you or any of our former clients to anyone, except as permitted by law. We are permitted by law to share any of the information we collect in the normal course of serving clients with companies that perform various services such as custodians and broker-dealers. These companies will use this information only for the services for which we hired them and as allowed by applicable law.

### **Confidentiality and Security Procedures**

To protect your personal information, we permit access only by authorized personnel. We maintain physical, electronic and procedural safeguards that comply with federal standards to protect the confidentiality, integrity and security of your non-public personal information.

We will continue to adhere to the privacy policies and practices in this notice even after your contract has been terminated.

### **Questions**

For questions about our policy, or additional copies of this notice, please contact our office at (952) 988-0452 or contact Susan M. Stiles at [info@stilesfinancial.com](mailto:info@stilesfinancial.com).