Item 1 – Cover Page

SITTNER & NELSON
COMPREHENSIVE WEALTH MANAGEMENT
It's personal ®

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January 7, 2021

This brochure provides information about the qualifications and business practices of Sittner & Nelson, LLC, *d/b/a* Sittner & Nelson. If you have any questions about the contents of this brochure, please contact us at (541) 636-4001. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Please note that the use of the term "registered investment advisor" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this brochure and any brochure supplements ("brochure supplements") for more information on the qualifications of our firm and our associates.

Additional information about Sittner & Nelson is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for our firm is 309757.

Item 2 – Material Changes

This firm brochure contains the following material changes from the initial version dated August 25, 2020:

- The previous version of this firm brochure disclosed that certain investment advisor representatives of our firm were concurrently registered as investment advisor representatives and/or registered representatives of KMS Financial Services, Inc. ("KMS"), an independent SEC registered investment advisor and broker-dealer firm. This firm brochure has been updated to reflect that our related persons are no longer affiliated in any manner with KMS.

In addition, Item 4 of this firm brochure has been updated to reflect that as of November 30, 2020, our firm managed approximately $572,004,625 of client assets on a discretionary basis, and $16,849,050 of client assets on a non-discretionary basis. This is not a material change.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent brochures within 120 days of the close of our fiscal year. A Summary of Material Changes is also included within our brochure available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for our firm is set forth on the cover page of this document. Clients will further be provided with disclosure about material changes affecting our firm or a new brochure as may become necessary or appropriate at any time, without charge.

A copy of our brochure may be requested, free of charge, by contacting us at the telephone number reflected on the cover page of this document.

Item 3 – Table of Contents

Page

Item 1 – Cover Page i
Item 2 – Material Changes ii
Item 3 – Table of Contents iii
Item 4 – Advisory Business 1
Item 5 – Fees and Compensation 4
Item 6 – Performance-Based Fees and Side-By-Side Management 8
Item 7 – Types of Clients 8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss 9
Item 9 – Disciplinary Information 12
Item 10 – Other Financial Industry Activities and Affiliations 12
Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading 13
Item 12 – Brokerage Practices 14
Item 13 – Review of Accounts 17
Item 14 – Client Referrals and Other Compensation 18
Item 15 – Custody 18
Item 16 – Investment Discretion 18
Item 17 – Voting Client Securities 18
Item 18 – Financial Information 19

Item 4 – Advisory Business

A Sittner & Nelson, LLC, *d/b/a* Sittner & Nelson, is an Oregon limited liability company founded in 2009. The firm's principals are Freddie L. Sittner, MBA, CFP®, Todd M. Nelson, CPA, CFP®, and Kevin L. Sittner, CPA, CFP®. We are registered as an investment advisor with the SEC and our principal offices are located in Eugene, Oregon.

The information contained in this brochure describes our investment advisory services, practices, and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our services to the needs of our clients. As used throughout this firm brochure, the words "S&N," "we," "our," "firm," and "us" refer to Sittner & Nelson, and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Prior to forming an investment advisor-client relationship, we may offer you a complimentary general consultation to discuss the nature of our services and to determine the possibility of an advisory relationship. Investment advisory services begin only after the prospective client and S&N formalize their relationship by the execution of a written advisory agreement.

B C We offer the following investment advisory services to our clients:

- Wealth Management Services;
- Financial Planning and Consulting Services; and
- Retirement Plan Consulting Services.

Our investment advice is always tailored to the unique circumstances, financial goals and investment profile of our clients.

A description of the individual investment advisory services we offer is set forth below in this Item 4.

Wealth Management Services

Our firm offers comprehensive wealth management services that combine ongoing discretionary management of the client's investment portfolio with a suite of financial planning and ongoing consulting services.

S&N seeks to ensure that client portfolios are continuously managed in a manner consistent with their unique investment profile. To this end, when you engage us for wealth management services, we will consult with you at the inception of our relationship and thereafter on an ongoing basis to determine your tolerance for investment risk, time horizon for investments, expected liquidity needs, and to explore various other factors we believe to be relevant to our ability to effectively manage your portfolio consistent with your investment objectives and needs.

When we provide you with portfolio management services, you will be required to establish an account with an independent qualified custodian (the "Custodian"), typically a licensed broker-dealer, banking or savings institution, for deposit of the assets you wish us to manage on your behalf. You will typically be required to grant S&N the *discretionary authority* to buy and sell securities within your account without obtaining your consent prior to each transaction as a condition of engaging these services. In limited circumstances, we may offer a *non-discretionary* arrangement, under which we are required to obtain your consent prior to engaging in any transactions for your account. The full scope of our authority with respect to your account will be set forth in a written advisory agreement. We act as your fiduciary, responsible for the management of your account at the Custodian, where assets are held in your name.

Client portfolios are typically constructed utilizing a diversified combination of some or all of the following instruments: mutual funds, exchange traded funds ("ETFs"), individual debt and equity securities, cash and cash equivalents.

We may also recommend that you engage certain third-party money managers (collectively, "Independent Managers") to manage all or a portion of your account (each such sub-account, a "Separately Managed Account" or "SMA"), typically on a discretionary basis. Under this arrangement, the Independent Manager shall be responsible for all investment selection and trading decisions with respect to the SMA and shall directly manage the SMA in accordance with the client's investment objectives and risk profile as communicated by our firm. We will serve in a co-advisory capacity with respect to your SMA(s), responsible for the initial and ongoing determination of the suitability of the Independent Manager's investment program, monitoring the performance of your SMA(s), and recommending changes in your SMA allocations as we determine to be in your best interests.

The Independent Managers we recommend may contract with us directly to provide sub-advisory services to your account, may be accessible via the investment platform of your Custodian, or may operate in an entirely independent capacity. In most instances, you will be required to execute a separate written investment advisory agreement and/or discretionary trading authorization in favor of the recommended Independent Manager(s). You will be provided with the Form ADV Part 2A (or equivalent disclosures) for any recommended Independent Managers in advance of engaging their services.

We will monitor the performance of your account (including any SMAs) on an ongoing basis and implement and/or recommend changes within your account as needed or appropriate, in consideration of current economic conditions, our market opinions and assumptions, and your individual financial circumstances and goals. Clients are advised to promptly notify S&N if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if S&N determines, in its sole discretion, that such conditions would not materially impact the performance of a management strategy or otherwise frustrate our ability to manage the portfolio.

As part of our wealth management services, clients may request that we manage and/or advise them on certain investment products that are "held-away" from their primary custodian. Examples of held-away assets may include investments in variable life insurance products, annuity contracts, assets held in employer sponsored retirement plans, and qualified tuition plans (*i.e.*, 529 plans), among others. For these assets, we are limited to directing or managing the allocation of the client's holdings among the various investment options made available by the product sponsor, issuer, or custodian. At your request, we may also provide advice about any type of legacy positions or other investments held in your portfolio at the inception of our advisory relationship.

In addition to our ongoing availability to consult with the client on common financial issues and concerns and our discretionary management of the client's investment portfolio, at the client's option, we may also provide the client with a comprehensive written financial plan. We will update and review the financial plan as necessary and appropriate, based on the client's investment needs and objectives, any material change in the client's financial circumstances, and/or as otherwise reasonably requested by the client. A description of our financial planning services is set forth below.

Financial Planning and Consulting Services

The firm offers clients a broad range of financial planning and consulting services, either combined within a wealth management services engagement or on a stand-alone basis, addressing pertinent financial topics, such as:

- Business Planning;
- Cash Flow Forecasting;
- Charitable Giving;
- Distribution Planning;
- Insurance Planning;
- Investment Consulting;
- Manager Due Diligence;
- Retirement Planning;
- Risk Management;
- Tax Planning; and
- Trust and Estate Planning.

Clients who engage us for these services receive a consultation to discuss their unique financial circumstances, investment objectives and needs, tolerance for risk, and time horizon for investments, and any particular issues of financial concern that may be highlighted by the client. We will review pertinent financial documents and information provided by the client and present the client with a comprehensive written financial plan. The financial plan will include a summary of the client's financial circumstances and a course of actions and/or investment recommendations designed to assist the client in achieving the client's financial goals. For stand-alone financial planning and consulting engagements, unless otherwise agreed, reviews and updates of the client's financial plan and monitoring of the client's investments are generally not included within the scope of services.

In performing these services, the firm is not required to verify any information received from the client or from the client's other professionals (*e.g.*, attorneys, accountants, etc.), and is expressly authorized to rely on such information.

As part of this service, we may recommend the use of certain third-party professionals (*e.g.*, attorneys, tax advisors, accountants) to assist you in implementing the advice and recommendations we provide. We do not receive compensation or referral fees of any kind in connection with these recommendations. You are never obligated to engage any recommended third-party professional(s) and elect to do so at your sole discretion and risk. We do not provide legal or tax advice of any kind. Clients are advised to seek legal, tax, and accounting advice from their trusted tax and legal advisors.

The client always retains the sole discretion to accept or reject any of S&N's financial planning and consulting recommendations, in whole or in part, and is responsible for the implementation of the same, including the determination of any third party service providers to be utilized. While clients are never obligated to engage us for implementation services of any kind, we may assist the client with implementation upon request – additional fees may apply.

Retirement Plan Consulting Services

We offer retirement plan consulting services to qualified retirement plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include a review of an existing plan, formulation of the investment policy statement, assistance selecting and monitoring plan service providers, recommendations regarding investment selection, on-going consulting, portfolio management services, and participant enrollment and investment education services.

D No Wrap Fee Program; Types of Investments Recommended. We do not offer, sponsor or participate in any wrap fee program.

The types of investments we primarily advise our clients on are described above in this Item 4. However, we may also provide advice regarding investments held in your portfolio at the inception of our advisory relationship and/or other investment types not listed above, at your request.

Please see Item 8 of this brochure for a description of the methods of analysis and investment strategies we typically utilize in advising client accounts.

E Assets Under Management. As of November 30, 2020, our firm managed approximately $572,004,625 of client assets on a discretionary basis, and $16,849,050 of client assets on a non-discretionary basis.

Item 5 – Fees and Compensation

A A description of the fees we charge for advisory services is set forth in this Item 5. All fees are negotiable and individual clients may pay fees that are higher or lower (or otherwise materially different) than those described in this brochure.

Fees for Wealth Management Services. We generally charge annual asset-based fees for our wealth management services. These annual fees are typically based on a customized tiered fee schedule and range from 0.55% - 0.95% per year of the market value of the client's account. In addition, annual fixed fees may apply to certain types of accounts (*e.g.*, 529 plans). The specific fee arrangement applicable to your account will be set forth in a written advisory agreement you will enter with our firm and shall be determined by S&N based upon your asset level and income, relationships with other clients (*e.g.*, the value of your related accounts), relationships with employees of our firm, our expectation of future assets under management, the expected use of any Independent Managers, the scope of financial planning or other ancillary services expected to be provided, and the honoring of any fee arrangements with your prior financial advisors, among other factors.

Our asset-based advisory fees are calculated as a percentage of the market value of your account (including cash balances) as such value is determined by the Custodian. The Custodian may use various pricing services such as Reuters and Standard & Poor's to price securities held in your account. For actively traded securities, these services use the actual last reported sale price. For less actively traded securities such as bonds, these services will use the appropriate valuation methodology to determine the value of the security. You should contact us with any questions or concerns about the manner in which the Custodian has priced any investments held in your account.

Asset-based advisory fees are calculated and payable quarterly in advance, and shall be pro-rated and adjusted for any partial billing periods. The advisory fee for the initial billing period shall be based upon the opening market value of your account as of the date funds are first deposited. Thereafter, such fees shall be based on the market value of your account as of the close of the prior billing period.

NOTE: Where Independent Managers are engaged to manage a portion of your assets, the amount of their advisory fees, billing schedule, and payment procedures are set forth in their separate written disclosure documents, advisory agreements, and/or the account opening documents of your account Custodian. The Independent Manager's advisory fees are separate and in addition to our advisory fees and will typically be paid directly from your account at the Custodian.

Wealth management services may be terminated at any time by either party, on written notice. The client may terminate the engagement within five (5) day of entering an advisory agreement with our firm, without cost or penalty. In the event of termination thereafter, we shall be compensated by the client's payment of a pro-rated advisory fee based on the number of days services were provided during the terminating billing period. Any excess pre-paid fees shall be refunded to the client.

Fees for Financial Planning and Consulting Services. For stand-alone financial planning and consulting engagements, we typically charge hourly fees at a rate of up to $350 per hour. The specific hourly rate applicable to your engagement will be set forth in a written advisory agreement and shall be determined by S&N based upon our expectation of the complexity, time, research, and resources required to provide services to you, and other

factors we deem relevant. These fees are typically invoiced to the client in paper or digital format and are due in full upon delivery of the written financial plan to the client.

Wealth management services clients receive comprehensive financial planning and consulting at no additional cost beyond the asset-based fees described above. Where a stand-alone financial planning client elects to engage our firm for wealth management services upon completion of their written financial plan, we may elect in our sole discretion to waive, offset, or credit all or a portion of any hourly fees paid by the client towards the costs of our wealth management services.

Financial planning and consulting services may be terminated at any time by either party, on written notice. The client may terminate the engagement within five (5) days of entering an advisory agreement with our firm, without cost or penalty. In the event of termination thereafter, we will invoice the client for any earned but unpaid hourly charges, which shall become immediately due and payable to S&N. S&N will deliver any partially completed written financial plan to the client upon receipt of full and final payment of its outstanding charges.

Clients are never charged more than $1,200 six (6) or more months in advance for these services.

Fees for Retirement Plan Consulting Services. Our fee structure and rates for retirement plan consulting services vary based upon the nature of the retirement plan consulting services selected, complexity of the engagement, and our expectation of the time and resources necessary to provide services to the client, among other factors. Each engagement is individually negotiated as an asset-based management fee or an annual fixed fee paid quarterly in advance, in pro-rated installments. Where an asset-based fee is charged, these annual fees are typically based on a customized tiered fee schedule and range from 0.25% - 0.95% per year of the market value of the Plan's account. Where a fixed fee applies, these annual fees typically range from $15,000 to $30,000 per year.

Retirement plan consulting services may be terminated at any time by either party, on written notice. The client may terminate the engagement within five (5) days of entering into an advisory agreement with our firm, without cost or penalty. In the event of termination thereafter, we shall be compensated by the client's payment of a pro-rated advisory fee based on the number of days services were provided during the terminating billing period. Any excess pre-paid fees will be refunded to the client.

B Direct Deduction of Certain Fees; Account Statements. S&N's advisory fees for wealth management and retirement plan consulting services shall be directly deducted from the client's account held at the Custodian upon the client's written approval of such arrangement and our periodic submission to the Custodian of a written invoice reflecting the amount of advisory fees to be charged. Your authorization for direct fee deduction is set forth in our written advisory agreement and/or the account opening documents with the Custodian. We will first look to cash balances in your account or to liquidate money market shares to pay our advisory fees. In the event that cash balances or money market shares are

not available, other investments may be liquidated to pay our advisory fees then due. We will only liquidate investments held your account for these purposes in line with our fiduciary duty to the client. We generally do not offer direct paper or electronic invoicing of our asset-based or fixed wealth management or retirement plan consulting fees.

The Custodian will send an account statement to you at least quarterly, identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in the account during the period, including the amount of any advisory fees paid directly to us. *We encourage you to review the Custodian's account statements carefully and promptly upon receipt*. If you believe we have miscalculated the advisory fees or if there is any other issue with your account, you should contact us immediately at the phone number listed on the cover page of this firm brochure.

C Additional Fees and Expenses. Our advisory fees cover the costs of our investment advice only. You will be separately responsible to pay all of the following costs (as applicable): transaction-based fees, commissions, and other charges traditionally paid to brokers as a result of activity in your investment account(s); custodial fees and charges, margin fees, taxes, wire transfer fees, reporting fees, and similar charges; advisory fees and other charges levied by any Independent Managers; and all internal management fees and other costs and expenses associated with the purchase and sale of any mutual funds, ETFs, and/or variable products. To fully understand the total cost you will incur when engaging our services, you should review the prospectus of each mutual fund, ETF, and/or Separately Managed Account program in which you participate and the contractual arrangement entered with your account Custodian.

D Our termination policies are described above in this Item 5.

E Compensation for Sales of Securities or Insurance Products or Services. No supervised person of our firm receives or accepts any fees or commissions for the sale of any securities.

Certain associated persons of S&N are independently licensed to sell insurance in one or more states, and may act in their individual capacity as direct agent representatives of a specific insurance company or companies. Insurance related business may be transacted with advisory clients and licensed individuals may receive commissions and fees as a result of the sale of insurance products or services to clients. The fees paid to S&N or its associated persons for investment advisory services are separate and distinct from any commissions and fees earned by S&N's associated persons for selling insurance products or services to clients.

The receipt of insurance related commissions or fees by any individual associated with our firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions or fees paid to our associated persons are appropriate. Clients are under no obligation to use any individual associated with our firm for the purchase of any insurance products or services. Clients may use any insurance firm or

insurance agent they choose. We encourage you to ask us about the conflicts of interest presented by the insurance licensing of our associated persons.

Individual Retirement Account Rollover Disclosure. As part of our advisory services, we may recommend that you withdraw or "roll over" assets from an employer's retirement plan to an individual retirement account ("IRA") that we may advise on and which may result in additional advisory fees payable to us. This type of recommendation represents a conflict of interest for our firm. If we make this type of recommendation you are under no obligation to follow such advice. Alternatively, you may have the options of (1) maintaining your retirement plan as is, (2) rolling over your account to your new employer's retirement plan, (3) taking a taxable distribution, or (4) rolling over your account to a new IRA. It is important to understand the advantages and disadvantages of each approach, which will depend on individual financial circumstances. Prior to proceeding with any such action, we encourage you to contact us and your independent legal and/or tax professionals for more information.

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

We do not charge any performance-based fees for our services or engage in side-by-side management of client accounts.

S&N and/or individuals associated with our firm may manage accounts which belong either to themselves, individually, or to their family or their affiliates (collectively, "Proprietary Accounts") while simultaneously managing client accounts. It is possible that orders for Proprietary Accounts may be entered simultaneously (but typically only as part of a block trade) with, or opposite to, orders for client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Account is subject to our Code of Ethics and the duty of our firm and its personnel to exercise good faith and fairness in all matters affecting client accounts.

Item 7 – Types of Clients

We typically provide investment advice to individuals, high net worth individuals, trusts, retirement plans, partnerships, corporations, and other business entities. Because each client is unique, they must be willing to be involved in the planning and ongoing processes of our management of their account. Such involvement does not have to be time consuming, however we want our clients to remain informed and have a sense of security about their investments.

As a condition for starting and maintaining a wealth management relationship, S&N generally imposes a minimum portfolio size of $1,000,000. We may waive this minimum account size requirement in our sole discretion. The firm does not have any minimum annual fee requirements.

[CONTINUED ON THE FOLLOWING PAGE]

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

A Our Methods of Analysis and Investment Strategies

The types of investments we typically recommend are discussed in Item 4 of this brochure.

We generally analyze investments using fundamental analysis and asset allocation strategies.

In using fundamental analysis, we attempt to determine the intrinsic value of target securities through a review of, among other things, company specific financial disclosures, the strength and track record of management personnel, industry sector financial health, and at a macro level, the overall direction of the economy at large. We use this information as a basis to determine if such securities are underpriced or overpriced relative to current market prices and then to make a buy or sell recommendation to you. Relying on this type of analysis leaves open the risk that the price of a security may move along with the overall direction of the market, irrespective of the economic and financial factors which may have indicated that an opposite movement would have been expected.

Asset allocation is an investment strategy that attempts to balance risk versus return by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals, and investment time frame. Asset allocation is based on the principle that different assets perform differently in different market and economic conditions. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated, hence diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Although risk is reduced as long as correlations are not perfect, it is typically forecasted (wholly or in part) based on statistical relationships (like correlation and variance) that existed over some past period. Expectations for return are often derived in the same way. The primary goal of an asset allocation strategy is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

Our analysis of Independent Managers, mutual funds, and/or ETFs considers both qualitative and quantitative factors, which may include, without limitation, the experience and pedigree of critical management personnel and portfolio managers; investment strategies/philosophies utilized; past performance over a period of time and through various market conditions; organizational history/stability; fees; and whether and to what extent the underlying holdings of the Independent Manager or fund overlap with other assets held in client accounts. We also monitor funds and Independent Managers to determine if they are continuing to follow their stated investment strategy. A risk of this form of analysis is that, as in all securities investments, past performance does not guarantee future results. A fund or Independent Manager’s past track record of success cannot be relied upon as a predictor

of success in the future. In addition, the underlying holdings of any fund or SMA are determined by Independent Managers and may change overtime without advance warning, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a fund or Independent Manager may deviate from the stated investment mandate or strategy of the SMA, mutual fund or ETF, which could make the holding(s) less suitable for the client.

We primarily take a long term, passive, "buy and hold" approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the recommendation to sell.

B We use our best judgment and good faith efforts in rendering investment advice to our clients, acting in a fiduciary capacity. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. **Investing in securities involves risk of loss that clients should be prepared to bear.** You assume all market risk involved in the investment of your account assets. Investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to you for:

- any loss that you may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of your account(s).

C Summary of Investment Risks. While all investing involves risks, and losses can and will occur, we generally recommend a broad and diversified allocation of mutual funds and other securities intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. **This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments held in your account.**

Risk of Loss. Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other

equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

Economic Risk. The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk. Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron, or many of the "dot com" companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Market Risk. The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (*e.g.*, earnings disappointment or downgrade in the rating of a bond) or general market risk (*e.g.*, a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

Independent Manager Risk. An Independent Manager's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of your SMA(s) are determined by the Independent Manager directly, and may change overtime without advance warning to us, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that an Independent Manager may deviate from the stated investment mandate or strategy of the account, which could make the holding(s) less suitable for the client's portfolio. Our firm does not control any Independent Manager's daily business and

compliance operations, and thus our firm may be unaware of any lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks Related to Analysis Methods. Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Securities Transactions at the Direction of Clients. Irrespective of any trading authority you may grant to us, you maintain the concurrent ability to direct transactions within your account held at the Custodian. We are not responsible for the consequences of your self-directed investment decisions or the costs and fees they generate within your account.

Interim Changes in Client Risk Tolerance and Financial Outlook. The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by the client. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed, either in person, telephonically, or by electronic means) to discuss any changes in the client's financial circumstances. The lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a misaligned investment portfolio and the potential for losses or other negative financial consequences.

It is your continuing and exclusive responsibility to give us complete information and to notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly and promptly to discuss any such changes.

Item 9 – Disciplinary Information

S&N is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with our firm has any information to disclose which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Except as outlined in Item 5E with respect to the licensure of certain of our associated persons as independent insurance agents, S&N does not have any relationships, industry activities, affiliations or arrangements and does not collect any additional compensation, directly or indirectly, that create a material conflict of interest with its clients.

S&N and its associated persons are not registered, nor do they have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or representative of any of the foregoing.

Except for certain benefits we receive from our recommended broker-dealers, Pershing Advisor Solutions, LLC and Charles Schwab & Co., Inc., as outlined in Item 12 of this brochure, we do not receive any additional compensation or benefits, either directly or indirectly, in connection with referrals of our clients to any Independent Managers, attorneys, tax advisors, accountants, or any other third-parties. We will only recommend and refer such third-parties to you when we believe it to be in your best interests.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

A Our Code of Ethics. We subscribe to an ethical and high standard of conduct in all our business activities in order to fulfill the fiduciary duty we owe to our clients. Included in these ethical obligations is the duty to put our clients' interests ahead of our own along with duties of loyalty, fairness, and good faith towards our clients. We disclose to clients material conflicts of interest which could reasonably be expected to impair our rendering of unbiased and objective advice.

S&N has a Code of Ethics ("Code") which all employees are required to follow. The Code outlines proper conduct related to all services provided to clients and will be made available to you, free of charge, upon request by contacting us at the phone number listed on the cover page of this brochure. Prompt reporting of internal violations is mandatory. S&N's Chief Compliance Officer, Kevin L. Sittner, CPA, CFP®, monitors employee performance to ensure compliance with our Code.

Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm and its staff, the Code requires, among other procedures, our "access persons" to report their personal securities transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities which may be purchased or sold for client accounts. The Code is required to be reviewed annually and updated as necessary.

B-D Material/Proprietary Interests in Securities Recommended to Clients. Our firm and individuals associated with our firm do not have any proprietary or material interests in or any role in the management of any companies or investments that we recommend to our clients.

Personal Trading; Participation or Interest in Client Transactions. As described in Item 6 of this firm brochure, S&N and/or individuals associated with our firm may manage Proprietary Accounts. Proprietary Accounts may buy and sell some the same securities as we buy or sell for client accounts. This practice creates an actual conflict of interest with our clients insofar as our firm or individuals associated with our firm may have a financial incentive to trade in securities for Proprietary Accounts in advance of or opposite to transactions in the same securities for client accounts. To address this conflict, our policy

is that, assuming the purchase or sale is otherwise appropriate for the subject client accounts, we will purchase or sell securities for our clients' accounts, as the case may be, before purchasing or selling any of the same securities for any Proprietary Accounts. In some cases we may buy or sell securities for our own account for reasons not related to the strategies adopted by our clients. The only exception to this general rule is where our Proprietary Accounts may participate in an aggregate ("block") trade simultaneously with client accounts.

In summary, our practice of buying and selling for Proprietary Accounts the same securities that we buy or sell for client accounts is restricted by the following controls:

- We are required to uphold our fiduciary duty to our clients;
- We are prohibited from misusing information about our clients' securities holdings or transactions to gain any undue advantage for ourselves or others;
- We are prohibited from buying or selling any security that we are currently recommending for client accounts, unless we participate in an aggregated trade with clients or we place our orders after client orders have been executed; and
- We are required to periodically report our securities holdings and transactions to the firm's Chief Compliance Officer, who must review those reports for improper trades.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interest of all the accounts we advise.

We will disclose to advisory clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Item 12 – Brokerage Practices

A Recommendation of Broker-Dealers; Best Execution; Directed Brokerage; and Soft Dollar and Other Benefits. Although clients may request us to execute transactions for their account through any broker-dealer of their choosing, we generally recommend that clients engage the custodial and brokerage services of Pershing Advisor Solutions, LLC ("PAS") and/or Charles Schwab & Co, Inc. ("Schwab"), licensed broker-dealers and Members FINRA/SIPC. We are not affiliated with PAS or Schwab and neither monitor or control the activities of our firm or its personnel. We do not have the discretion to determine the broker to be used for the execution of client transactions or the commission rates at which such transactions are to be effected for the client. The client has the sole discretion to select the Custodian to be used for custody and execution of transactions for the client's account. The client engages the Custodian by executing the appropriate account opening

documentation and authorizes our firm to direct the execution of transactions for the account through the services of the selected Custodian.

In recommending broker-dealers, we have an obligation to seek the *"best execution"* of transactions in your account. This duty requires that we seek to execute securities transactions for clients such that the total costs or proceeds in each transaction are the most favorable under the circumstances. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the recommended broker-dealer's services. The factors we consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer's:

- Execution capability;
- Commission rate;
- Financial responsibility;
- Responsiveness and customer service;
- Custodian capabilities;
- Research services/ancillary brokerage services provided; and
- Any other factors that we consider relevant.

Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for specific account transactions. With this in consideration, our firm will continue to recommend that clients use PAS or Schwab until their services do not result, in our opinion, in best execution of client transactions.

If the client selects a Custodian other than those we recommend for execution of transactions (*i.e.*, directed brokerage), you are advised that we may be unable to seek best execution of your transactions and your commission costs may be higher than those of our recommended Custodian. For example, in a directed brokerage account, you may pay higher brokerage commissions and/or receive less favorable prices on the underlying securities purchased or sold for your account because we may not be able to aggregate your order with the orders of other clients. In addition, where you direct brokerage, we will typically place orders for your transactions after we place transactions for clients using our recommended Custodian. We reserve the right to reject your request to use a particular Custodian if such selection would frustrate our management of your account, or for any other reason.

The Custodian(s) we recommend to you may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). This is commonly referred to a "soft dollar" arrangement. These research products and/or services will assist us in our investment decision making process. Such research generally will be used to service all of our client accounts, but brokerage charges and similar fees paid by the client may be used to pay for research that is not used in managing that specific client's account. Your account may pay the recommended Custodian a charge greater than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith

that the charge is reasonable in relation to the value of the brokerage and research services received.

Certain Benefits Received From Recommended Custodians and Other Third-Parties. The broker-dealers we recommend to clients provide us with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Other benefits we may receive include receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. These various benefits and services are generally available on an unsolicited basis and at no charge to us as long as we maintain a certain minimum amount of client assets with PAS or Schwab.

Our firm may also receive other services from custodians, broker-dealers, and/or other third-party vendors with which we do business to help us manage and further develop our business enterprise. These services include educational conferences and events; technology, compliance, legal and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers. Fees for these services may be waived, discounted or paid for by the broker-dealer, custodian or other vendors we utilize to service client accounts.

Irrespective of any direct or indirect benefits provided to our clients or our firm through PAS, Schwab, or other vendors, we strive to enhance the client experience, help clients reach their financial goals, and put client interests before that of our firm or associated persons.

Clients should be aware that the receipt of the economic benefits by S&N described above, in and of itself, creates a potential conflict of interest and may directly or indirectly influence our recommendation of certain Custodians, like PAS or Schwab, for custody and brokerage services. Other than the services and benefits described above, S&N and its representatives do not recommend custodians or broker-dealers or direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

S&N does not process transactions through PAS or Schwab in return for referring new clients to S&N.

B Trade Aggregation. We may aggregate client orders, so long as it is done for purposes of achieving best execution, and so long as no client is systematically advantaged or disadvantaged. Before aggregating client orders, we document the participating accounts and the allocation instructions. We submit allocation instructions to the broker-dealer before the market closes on the day of the order. We allocate aggregated orders to client

accounts at the average price obtained. We allocate partially filled orders pro-rata based on the size of the order placed by each account. If we judge that we cannot or should not allocate a partially filled order pro-rata (*e.g.*, if the quantity of securities obtained is too small or would not have a material impact if distributed among each account), then we apply the following procedures:

- We allocate the order to client accounts only (*i.e.*, no employees that participated in the order may receive any allocation); and
- We document our allocation decision.

Item 13 – Review of Accounts

A Account Review Policy. Accounts are generally reviewed by the investment advisor representative(s) who are primarily responsible for overseeing the client's account. The specific individuals conducting account reviews may vary from time to time, as personnel join or leave our firm. Follow up consultations, if necessary, following such reviews are conducted by our investment advisor representatives in person, over the phone and/or via electronic means.

- Portfolios for wealth management services clients are generally reviewed quarterly, but in any event, no less than annually.
- Financial plans delivered to wealth management services clients are reviewed and updated as necessary and appropriate, based on the client's investment needs and objectives, any material change in the client's financial circumstances, and/or as otherwise reasonably requested by the client as part of our ongoing provision of advisory services.
- Financial plans delivered to stand-alone financial planning and consulting clients are not reviewed or updated following their delivery to the client, unless otherwise agreed.
- Portfolios for retirement plan consulting services clients who receive portfolio management services are generally reviewed quarterly, but in no event, less than annually.

B More Frequent Account Reviews. More frequent reviews of client portfolios and financial plans may be triggered by a change in the client's investment objectives; risk/return profile; tax considerations; significant account contributions and/or withdrawals; large sale or purchase transactions; security specific events; or changes in the economy more generally.

C Reporting to Clients. Clients will receive standard account statements and trade confirmations from their Custodian at least quarterly. We will separately provide you with independently prepared written reports on a quarterly basis, and additional periodic reports as you may reasonably request from time to time. The reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, as examples.

Item 14 – Client Referrals and Other Compensation

A As referenced in Item 12 above, PAS and Schwab provide research and other services that we may use to service all client accounts, including client accounts that do not execute trades with PAS or Schwab.

B We have no arrangements, written or oral, in which we compensate others or are compensated for client referrals.

Item 15 – Custody

With the exception of our ability to directly debit fees as outlined in Item 5, we do not hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. All client assets are held at the qualified Custodian, usually PAS and/or Schwab. We currently recommend PAS and/or Schwab to act as your qualified Custodian to hold your assets and execute securities transactions for your account.

We shall have no liability to you for any loss or other harm to any property in your account held by any Custodian, including any harm to any property in the account resulting from the insolvency of any Custodian (including, without limitation, PAS or Schwab) or any acts of the agents or employees of any Custodian, whether or not the full amount of such loss is covered by the SIPC or any other insurance which may be carried by such Custodian. Clients understand that the SIPC provides only limited protection for the loss of property held by a Custodian.

Item 16 – Investment Discretion

Wealth management services clients are generally required to grant our firm ongoing and continuous discretionary authority to execute our investment recommendations within their account held at the Custodian. In a discretionary arrangement, you authorize us to purchase and sell securities and instruments in your account(s), arrange for delivery and payment in connection with the foregoing, and act on your behalf in all matters necessary or incidental to the handling of the account, including monitoring of your assets, all without requiring your prior approval of each specific transaction. Except for direct deductions of its advisory fees or where you explicitly authorize otherwise, S&N will not be permitted to initiate transfers of funds in or out of client accounts. Our discretionary management of your account will be conducted in strict accordance with your investment objectives and suitability.

Financial planning and consulting services are non-discretionary in nature.

Item 17 – Voting Client Securities

A We will not vote proxies on behalf of clients and will not provide advice to clients on how the client should vote.

B We do not have or accept authority to vote client securities. Most clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy

materials are received on behalf of a client, they will be sent directly to the client or a designated representative of the client, who is responsible to vote the proxy.

Item 18 – Financial Information

A S&N does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance.

B Advisors who have discretionary authority over client accounts, like S&N, are required to disclose any financial condition that is reasonably likely to impair their ability to meet contractual commitments to clients. We have no such financial condition to disclose.

C Neither S&N nor any of its principals, have been the subject of a bankruptcy petition at any time in the past.