

Item 1: Cover Page

SPC FINANCIAL, INC.

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March 31, 2021

This brochure provides information about the qualifications and business practices of SPC Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 301-770-6800 or info@spcfinancial.com. 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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about SPC Financial, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.



SPC Financial[®]
Finance on a Human Level[®]

March 2021



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3202 Tower Oaks Boulevard
Suite 400
Rockville, MD 20852

301-770-6800 / spcfinancial.com

— Securities offered through —
Raymond James Financial Services, Inc.
MEMBER FINRA/SIPC

PART 2A OF FORM ADV: FIRM BROCHURE

Item 2: Material Changes

There have not been any material changes to SPC Financial, Inc.'s ("SPC") Part 2A of Form ADV: Firm Brochure since its Brochure dated July 30, 2020.

PART 2A OF FORM ADV: FIRM BROCHURE

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PART 2A OF FORM ADV: FIRM BROCHURE

Item 4: Advisory Business

SPC Financial, Inc. ("SPC" or "Adviser") is an Independent Registered Investment Advisor/SEC engaged since 1970 in Financial Planning and Portfolio Management services for individual, corporate, institutional, ERISA funds, and charitable clients. SPC primarily invests in the following types of investments:

- Equity securities (exchange listed, over-the-counter, and foreign issuers)
- Corporate debt securities (other than commercial paper)
- Certificates of deposits
- Municipal securities
- Investment company securities (variable life insurance, variable annuities, and mutual fund shares)
- Exchange Traded Funds
- U.S. government securities
- Options contracts on securities
- Other types of investments including: collectibles, hard assets, life insurance, unit investment trusts, alternative investments and fixed annuities.

Advice is tailored to individual Client needs. Client needs are identified by the collection of pertinent information through interviews with the Client and detailed financial planning, as applicable. Clients may be able to impose reasonable restrictions on their accounts. Reasonable restrictions may include the designation of particular securities or types of securities that should not be purchased in their account (i.e., Company XYZ or companies involved in a particular industry, etc.), or should not be sold if held in their account. However, in some cases, since investment discretion has been delegated to SPC, SPC may determine that the implementation of such a restriction may be impractical. In the event such a determination is made, the Client will be notified promptly.

A related firm, Sella & Martinic, LLC, offers tax return preparation through a separate engagement letter with clients. Insurance products (life, disability, and long-term care insurance) are offered by SPC's licensed advisors. SPC employs Investment Adviser Representatives ("IARs") and Financial Planners, as well as various professional and administrative staff, some of whom may be registered securities representatives and licensed insurance brokers/agents.

As of December 31, 2019, SPC had the following Assets under Management and Assets under Advisement. The figures are approximate:

Assets under Management:

Discretionary:	\$ 784,278,523
Non Discretionary	\$ 5,772,863
Total	\$790,051,386

Assets under Advisement: \$ 122,581,880

Total Assets: \$912,633,266

As of December 31, 2020, SPC had the following Assets under Management and Assets under Advisement. The figures are approximate:

Assets under Management:

Discretionary:	\$ 953,264,231
Non Discretionary	\$ 1,862,855
Total	\$955,127,086

Assets under Advisement: \$ 141,807,216

Total Assets: \$1,096,934,302

Assets under Management (AUM) refers to assets on which SPC provides continuous and regular supervisory or management services, including accounts over which SPC has discretionary authority or accounts which pay a fee based on the value of assets managed such as Ambassador accounts at Raymond James & Associates ("RJA").

Assets under Advisement (AUA) refers to assets in commission-based brokerage accounts held at RJFS, mutual funds held directly by clients outside of RJFS, outside 401(k) plans, and other non-managed assets. Financial planning services provided by SPC relating to other assets owned by Clients and held outside of RJFS are not included in AUA.

Total Assets is the sum total of AUM and AUA.

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Privacy Policy

SPC is committed to maintaining the confidentiality, integrity and security of personal information entrusted to it by current, past and potential Clients. SPC collects non-public personal information about Clients from the following sources: information received from Clients on applications or other forms and information about Client transactions with SPC, its affiliates or others. SPC restricts access to non-public personal information about Clients to employees who need to know that information to provide products or services to Clients. SPC employees are subject to a strict employment policy regarding confidentiality.

SPC does not disclose, without client permission, any non-public personal information about Clients or former Clients to anyone except as required by law. SPC may disclose information to nonaffiliated parties as required by law, such as a government agency or regulators. SPC may use personal information for the purpose of offering or furnishing products and services, including services offered by Sella & Martinic, LLC. Client names and addresses, or other financial information, are never given or sold to unrelated third parties for use except for the below described service.

Since 2009, SPC Financial, Inc. (SPC) has arranged with Chicago Clearing Corporation (CCC) to provide a class action litigation claims service for our clients. CCC presently monitors over 150 securities class action websites and news sources, over 1500 cases in the court system, and over 700 settlements. SPC provides data to CCC semi-annually consisting of our clients' securities trades and account information to enable CCC to identify qualifying trades which CCC uses in filing proof of claims on behalf of our clients. CCC's contingency fee for monitoring class actions and filing claims is twenty percent (20%) of the settlement amount recovered for a client. CCC is authorized to gather documentation necessary to file accurate claims, accept settlement payments from the Claims Administrators, and deduct its fee before forwarding the balance of the settlement payments to our clients. SPC does not pay any fee to CCC, and SPC does not receive any payment or compensation from CCC. The services of CCC are independent from, and are not those of, Raymond James Financial Services, Inc. ("RJFS") and its affiliates, SPC, and Sella & Martinic, LLC. Securities activity for SPC clients, conducted at firms other than RJFS, are not monitored by CCC and are not included in this service.

Clients have the right to Opt-In or Opt-Out of the service. For clients living in the states of CA, VT, AK, ME, MA, ND and LA, the default is Opt-Out. To receive the service of CCC, clients must affirmatively sign and return a form provided by SPC and check the Opt-In box. For clients living in all other states, the default is Opt-In. Clients who do not want to participate in this service must affirmatively sign and return a form provided by SPC and check the Opt-Out box.

SPC retains records relating to professional services that it provides to better able assist Clients with professional needs and, in some cases, to comply with professional guidelines. In order to protect Client non-public personal information, SPC maintains physical, electronic and procedural safeguards that comply with professional standards. Under strict confidence, a backup database of SPC Clients and accounts is maintained.

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Officers, Investment Adviser Representatives and CERTIFIED FINANCIAL PLANNER™ Professionals

SPC executive officers, IARs and CERTIFIED FINANCIAL PLANNER™ Professionals are noted below, including their education, date of birth, commencement date with SPC, and business background if employed by SPC for fewer than five (5) years.

E. Geoffrey Sella, CPA/PFS, CFP®

CEO and Principal Owner
IAR (1991)
Marquette University, BS
DOB 1958
Raymond James Financial Services
Registered Principal

Daniel A. Ball, Esq.

General Counsel and CCO (2015)
IAR (2017)
Georgetown University Law Center,
LL.M. in Securities Regulation
Antioch School of Law, JD
University of Texas at Austin, BA
DOB 1956
Raymond James Financial Services
Registered Principal

Leo D. Martinic, CPA

Treasurer
IAR (2001)
Marquette University, BS
DOB 1958
Raymond James Financial Services
Registered Principal

William Gregory Chatfield, CFP®

Secretary IAR (1991)
Frederick Community College, AA
DOB 1962
Raymond James Financial Services
Registered Options Principal

Matthew E. Gilchrist, CPA/PFS, CFP®

IAR (2009)
University of Maryland, BA
DOB 1984
Raymond James Financial Services
Registered Representative

Pamela L. Mudd, CPA, CFP®

IAR (2004)
University of Maryland, BS
DOB 1965

Rory M. McGlynn, CFP®

IAR (2012)
College of the Holy Cross, BA
DOB 1987
Raymond James Financial Services
Registered Representative

Jason J. Davis, CFA, CIMA®

Financial Analyst
IAR (2012)
University of Maryland, BA
DOB 1987
Raymond James Financial Services
Registered Principal

Charles V. Kimmel, III, CFP®

Financial Planning Dept. Supervisor
IAR (2009)
University of Maryland University
College, BS
DOB 1985
Raymond James Financial Services
Registered Representative

Jason C. Perlman, CFP®

IAR (2016)
University of Tennessee, BS
DOB 1991
Raymond James Financial Services
Registered Representative

Bradley P. Lipman, CPA, CFP®

IAR (2018)
Elon University, BS
DOB 1989
Sella & Martinic, LLC (2017-present)
Lively, Ostrye & Worch, P.C.
(2012- 2017)
Raymond James Financial Services
Registered Representative

Philip J. Mantua, Jr., MBA, CFP®

IAR (2016)
Eastern University, BA and MBA
DOB 1988
Raymond James Financial Services
Registered Representative

Elise M. Weinstein, CFP®

Financial Planning Associate
IAR (2017)
Boston University School of Law, JD
University of Pennsylvania, BS
DOB 1967

PART 2A OF FORM ADV: FIRM BROCHURE

Item 4: Advisory Business

Professional Designation Glossary		
Credential	Accrediting Organization	Requirements
Certified Financial Planner™ (CFP)	Certified Financial Planner Board of Standards, Inc.	A financial planner who has completed study and passed examinations in risk management, investments, tax planning, retirement planning, and estate planning. Must have a minimum level of three years of experience, continue to update knowledge in the field, and adhere to prescribed code of ethics. Continuing Education/Experience Requirements: 30 hours every 2 years
Certified Public Accountant (CPA)	State Boards of Accountancy for CPA licenses American Institute of Certified Public Accountants (AICPA)	To attain the right to use the Certified Public Accountant designation (CPA), an individual must satisfactorily complete the following: <ul style="list-style-type: none"> • Education – College education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting) • Experience – Minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA) • Examination – Successful passage of the Uniform CPA Examination • Continuing Education – Successful completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period) • Ethics – All members must adhere to the AICPA's Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interests (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services
Personal Financial Specialist (PFS)	American Institute of Certified Public Accountants (AICPA)	To attain the right to use the Personal Financial Specialist (PFS), one must successfully meet the following requirements: <ul style="list-style-type: none"> • Education – Candidate must complete the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. The individual must hold a CPA license. In addition, they must fulfill 75 hours of personal financial planning CPE credits. • Experience – Candidates must fulfill 3,000 hours of personal financial planning business experience • Examination – Candidates must successfully pass a comprehensive financial planning exam • Continuing Education – Must fulfill 60 hours of financial planning CPE credit every three years. • Ethics – PFS is required to adhere to the AICPA's Code of Professional Conduct, and is encouraged to follow AICPA's Statement on Responsibilities in Financial Planning practice. • Membership – Candidates must also be an active member of the AICPA.
Chartered Financial Analyst (CFA)	CFA Institute	<ul style="list-style-type: none"> • To become a CFA charterholder, candidates must satisfy the following requirements: • Education – Candidate must have a Bachelor's (or equivalent degree). • Experience – Candidates must have four years of qualified work experience in an investment decision-making process acceptable by the CFA Institute. • Examination – Candidates must pass Levels I, II and III of the CFA Program, which emphasize asset valuation, financial reporting and analysis, portfolio management techniques, economics, investment strategies and models, derivatives and alternative investments, among other subjects. • References – Candidates must have 2 – 3 letters of reference. • Ethics – Candidates must adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct. • Membership – Candidates must become a member of the CFA Institute.

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Professional Designation Glossary

Credential	Accrediting Organization	Requirements
Certified Investment Management Analyst (CIMA)	Investments & Wealth Institute™, <i>formerly</i> Investment Management Consultants Association® (IMCA®)	<p>Those who have earned the CIMA® certification must meet the eligibility requirements, including the “four E’s”: experience, education, examination, and ethics.</p> <ul style="list-style-type: none"> • Have at least three years of work experiences in the financial services industry • Pass a background check • Study for and pass a Qualification Examination • Completion of an executive education classroom program, either in-person or online, at a top 20 business school registered with the IMCA® • Study for and pass a comprehensive Certification Examination • Have a satisfactory record of ethical conduct as determined by the IMCA® Admissions Committee • Agree to abide by the IMCA® Ethics standards and sign a license agreement • Every two years following initial certification, members must complete and report a minimum of 40 hours of continuing education credit, including two ethics hours.

PART 2A OF FORM ADV: FIRM BROCHURE

Item 5: Fees and Compensation

INVESTMENT ADVISORY SERVICES FEES

Financial Planning

SPC is engaged by Clients to provide Financial Planning Services and investment management services related to the Client's individual financial situation, needs, investment objectives and circumstances. Clients are assigned one or two IARs who devise, help implement and maintain a Client's Financial Plan. A Financial Plan may include 1) a review, analysis and advice on the Client's assets, including assets not held with SPC's selected broker/dealer (see Portfolio Management), 2) retirement planning, 3) survivor needs analysis, 4) income, estate and gift tax planning, 5) education funding, and 6) life, disability, and long-term care insurance planning. In preparing a Financial Plan for a Client, the IAR gathers information through personal interviews with the Client and through documents and/or Client profile questionnaires completed by the Client. Each service includes an analysis of the Client's financial information, which may, but is not necessarily required to include items such as: their current assets, income, investments, liabilities, short and long-term capital and liquidity needs, risk tolerance and short and long-term financial goals and objectives. IARs may also help the Client coordinate the implementation of any recommendations made, including referrals to other practicing professionals such as an attorney, accountant or insurance agent whose services may be required.

SPC uses a Financial Planning Agreement ("FPA") signed by Clients to confirm the scope of Financial Planning Services, responsibilities of SPC and the Clients, financial planning fees, payment terms, refund policy, services not provided, potential conflicts of interest, assignment, termination, limitation of liability, arbitration, and other terms and conditions. The FPA was implemented in January of 2019. Previously, SPC used an Investment Advisory Agreement ("IAA") to confirm similar aspects of SPC's financial planning services. Over time and typically during account reviews or planning meetings with SPC, existing Clients are asked to sign the FPA to replace and supersede the previous IAA. Until a Client has signed the FPA, SPC will continue to provide the same level of services under the IAA in place. The material differences are set forth below:

IAA	FPA
The title of the IAA is a misnomer because the investment advisory agreement SPC uses is the Ambassador Agreement, although the IAA is still a financial planning services agreement.	The FPA is a better title because the services provided under it are financial planning services like the planning services provided under the IAA.
The IAA incorporates by reference the Ambassador Agreement to explain portfolio management services provided through accounts held at Raymond James Financial Services, Inc.	Portfolio management services in Ambassador accounts are separate from financial planning services, the FPA does not incorporate by reference the Ambassador Agreement.
The IAA explains the services under the annual or recurring fee options, including flat fees and hourly fees.	The FPA improves the description of services and fee options. It also specifies SPC's billing practices for annual or recurring services, including options to pay on an annual, monthly, quarterly or periodic basis.
The IAA does not provide for a fee increase.	The FPA allows SPC to increase annual or recurring fees up to 10% per year beginning with the 2nd anniversary of the agreement.
Provides for arbitration in the event of a dispute.	Provides for arbitration in the event of a dispute with updated clauses to meet regulatory disclosures.
Signatures are manual.	Allows for manual and electronic signatures.
Schedule A describes categories of financial planning services.	Schedule A lists more detailed categories of financial planning services.

Financial Planning Fees

For initial Financial Planning Services, SPC offers two fee options: (1) a flat fee, or (2) an hourly rate fee. The fee options are discussed by SPC with the Client and they mutually agree upon the preferred fee option and the amount of the fee. Flat fees may range from \$500 to \$6,000. Hourly rate fees may range from \$250 to \$400 per hour. SPC does not utilize a fixed formula for determining fees.

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After initial Financial Planning Services, SPC is available, on an ongoing basis, to answer questions, assist the Client, and review and monitor the appropriateness of the Client's plan in light of changes in the tax laws, financial markets, and the Client's financial situation, needs, investment objectives and circumstances. The Client may request regular reviews (quarterly, semi-annually or annually) of the Client's plan or financial situation. For these annual or recurring Financial Planning Services, SPC offers two fee options: (1) a flat fee, or (2) an hourly rate fee. Flat fees may range from \$250 to \$1,700. Hourly rate fees may range from \$250 to \$400 per hour. SPC does not utilize a fixed formula for determining fees.

The flat fee is based upon a good faith assessment by SPC of the reasonable value of the Financial Planning Services to be provided. It also is based upon the Client's financial situation and circumstances, the extent to which SPC may provide brokerage or investment advisory services for the Client at Raymond James Financial Services, Inc. ("RJFS"), and other relevant facts disclosed by the Client to SPC. Changes in the Client's circumstances which may cause the scope of Financial Planning Services to be increased, or if the Client requests additional services, the flat fee may be increased.

The hourly fee billed to the Client is based upon the amount of time devoted to the Client's matter by any IAR, financial planning team member, and client services associate of SPC. At the discretion of SPC, the hourly fee billed may be less than the total hourly time expended if SPC determines in its discretion that the total hourly fee would be higher than the reasonable value of the services rendered. Fees are not adjusted upward from the amount calculated using hourly rates.

In the FPA signed by Clients, the annual or recurring flat fee and the rate per hour may be increased by SPC in its discretion up to ten percent (10%) per year beginning with the second anniversary of the annual or recurring fee.

Payment Terms

Fees are generally due and payable by the Client promptly upon submission of an invoice to the Client by SPC unless other arrangements are made. For annual or recurring services, SPC's customary practice is to send an invoice to the Client in December of the preceding calendar year for annual or recurring Financial Planning Services which will be provided or made available to the Client in the succeeding calendar year. However, the Client and SPC may agree upon a monthly, quarterly or other periodic fee billing basis.

Refund Policy and Termination

If the fee is paid in advance of services, the Client may request a refund verbally or in writing within five (5) business days of payment. The request for a refund will be treated as a termination of the financial advisory agreement and relationship. Financial planning fees paid by the Client will be refunded. The Client will have no further obligation to SPC upon return of the fees and SPC will have no further obligation to the Client.

If the fee is paid in advance of services and the Client requests a refund verbally or in writing after five (5) business days of payment, the request for a refund will be treated as a termination of the financial advisory agreement and relationship.

If SPC has commenced its Financial Planning Services, SPC reserves the right to retain some or all of the prepaid fee for the time expended in commencing work on the Client's matter. The balance of unearned fees will be refunded to the Client.

The financial advisory relationship may be terminated by either the Client or SPC upon written notice. Termination will not affect any liabilities or obligations incurred, arising from, or owed by either party to the other.

Assignment

SPC and the Client may not assign the agreement between them to a third party without the written consent of both the Client and SPC.

Portfolio Management

SPC provides investment advisory services to clients consisting of portfolio evaluations, the buying and selling of securities within a portfolio, investment management, allocation of assets, and recommending securities in managed investment accounts held in a Client's broker/dealer account (referred to here as "Portfolio Management"). Portfolio Management services are different from services which SPC provides to Clients in commission-based brokerage accounts. *See Item 10, Securities Brokerage.*

PART 2A OF FORM ADV: FIRM BROCHURE

Item 5: Fees and Compensation

SPC's selected broker/dealer for securities accounts is Raymond James Financial Services, Inc., member FINRA/SIPC, and its affiliate, Raymond James & Associates, member NYSE/SIPC (interchangeably referred to in this Form ADV as "Raymond James," "RJFS", and/or "RJA" as the context may warrant). Clients sign a Master Client Agreement with Raymond James covering each securities account held at RJFS. Raymond James provides to SPC, among other services, custody of Client accounts and clearing of Client securities transactions. As custodian, Raymond James maintains custody of securities position in the Client's account and credits interest and dividends received on the securities, if any, to the account. *Please refer to Item 10, Other Financial Industry Activities and Affiliations, for more complete information.* **Investment advisory services are offered through SPC. SPC is not a registered broker-dealer and is independent of Raymond James.**

Fee Schedule

SPC and its IARs receive compensation for Portfolio Management. Portfolio Management fees are separate from and in addition to Financial Planning fees received under the FPA or IAA discussed in the Financial Planning section above. Portfolio Management fees are paid on investment accounts established for SPC to provide investment advisory services.

Annual Asset-Based Fee

For Portfolio Management investment advisory services, Clients sign an Investment Adviser Client Agreement to which RJFS, SPC and the Client are parties. SPC charges Clients an Asset-based Fee based on the asset value of the Client's broker-dealer securities account held at RJFS. The Asset-based Fee is calculated as a percentage of the asset value. The percentage is assessed and paid on a quarterly basis in advance based on the ending value of the completed quarter. The terms of the Asset-based Fee are set forth in the Investment Adviser Client Agreement. The Asset-based Fee for the Client on an annualized basis is between 0.50% to 2.25% of the asset value, although the actual effective fee could be higher or lower based on fluctuations in the market value of the account in any quarter. The agreed upon fee for each Client varies depending upon many factors such as the value, number and character of the Client's account(s) and scope of the investment and financial advisory services to be provided. As a benchmark, Clients generally pay a fee of 1.25%; however, a Client whose related accounts with RJFS in the aggregate are valued at more than \$1 million may pay a lower fee closer to 1.00%. Also, by way of example, a Client whose only account is primarily in a bond portfolio may pay less than 1.25% if SPC's management time when the fee arrangement is made is expected to be less time-consuming than managing an equity or balanced portfolio. Estate accounts managed by SPC typically pay the highest allowable fee because SPC's management time is much higher.

A portion of the Asset-based Fee is retained by RJFS for administrative services. When a Portfolio Management account is opened, the Asset-based Fee is billed for the remainder of the current quarterly billing period and is based on the initial contribution. Thereafter, the Asset-based Fee is billed quarterly in advance, based upon the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. The brokerage statements issued by RJFS disclose the amount of the Asset-based Fee.

Payment of the Asset-based Fee in advance may cause the actual percentage amount charged to the Client during any quarter to be more or less than the stated percentage due to fluctuations in the Client's account value during the quarter deposits and/or withdrawals made during the quarter. If an account decreases in value in any quarter, the quarterly fee assessed and paid in advance may yield a slightly higher management fee percentage. Similarly, if an account increases in value in any quarter, the quarterly fee assessed and paid in advance may yield a slightly lower management fee percentage.

Clients authorize and direct Raymond James as custodian to deduct Asset-based Fees from their accounts at the beginning of each calendar quarter. Clients authorize and direct Raymond James to pay SPC. RJFS/RJA provide various administrative services to Clients which include determining the fair market value of assets held in their accounts, account transactions, receipt and disbursement of funds including fees paid to SPC, interest and dividends received, and account gain or loss by security, as well as for the total account.

Cash in excess of 20% of the account value for three quarters or more are excluded from billing. SPC will have the option to mark cash or securities as non-billable for non-discretionary fee-based accounts. This arrangement between SPC and the Client may be for a security that the Client wishes to hold for an extended period of time and does not wish for SPC to sell in the foreseeable future. Also, Clients can choose to maintain securities or cash in their brokerage account that they do not wish to be assessed an advisory fee. The option to mark cash or securities as non-billable for discretionary fee-based retirement accounts will still be prohibited by Raymond James.

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Raymond James may designate certain securities as non-billable assets (also known as Administrative-Only investments), if it determines that they are not eligible for the advisory fee. Mutual funds which pay 12b-1 fees are classified as non-billable assets on which the advisory fee is not charged even though the fund shares are held in an Asset-based Fee account. A 12b-1 fee is a marketing or distribution fee, essentially a trailing commission, paid by a mutual fund to the broker-dealer of record. The fee ranges between 0.25% and 1.00% of a fund's net assets on an annualized basis and is included in the fund's expense ratio. Mutual fund purchases with a front-end sales charge paid through Raymond James within the last two years are designated as non-billable assets, including dividends of mutual fund shares. New issues and syndicated offerings are designated as non-billable assets.

The Annual Asset-based Fees include all execution charges except (1) certain dealer-markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities Exchange Act of 1934, as amended, and any other charges or taxes imposed by law for transactions in the account; and (2) offering concessions and related fees for public offerings of securities as described in the prospectus.

RJFS facilitates the maintenance of custody of Client securities positions through RJA at no additional charge, including holding securities in nominee name.

Conversion of Mutual Fund Class C Shares

Raymond James has established conversion processes to exchange mutual fund Class C shares to a lower cost share class once the Class C shares have been held for at least one year or are otherwise no longer subject to a mutual fund company's contingent deferred sales charge (CDSC). The Class C share CDSC is typically 1% of the amount invested. The one year holding period is the required minimum holding period established by mutual fund companies before the shares become eligible for exchange to another share class without being subject to CDSC. However, some funds may require that investors hold the Class C shares greater than or less than one year before these shares are CDSC-free. CDSC-free Class C shares held in advisory program accounts will automatically be exchanged, on a tax-free basis, to the recommended share class by Raymond James on a quarterly basis.

The conversion does not apply to mutual funds in an advisory account which are not eligible for advisory fee billing. Clients may hold fund shares in a fee-based AMBASSADOR account that were originally purchased in a commission-based account and assessed a front-end load at Raymond James. However, Raymond James will designate these shares as Administrative-Only (non-billable) assets for two years from their original purchase date, and no advisory fee will be charged on these assets during this period. This two-year exclusion period has been implemented by Raymond James to avoid Clients being assessed both a sales load or commission, and an advisory fee on the same asset, but only applies to those above-mentioned securities that were purchased through Raymond James.

529 C Shares Policy

Clients who establish 529 Plans for beneficiaries 12 years old or younger through Raymond James are generally not permitted to purchase C shares unless one of the following is available:

- An auto-conversion feature that converts C shares to A shares within eight years of purchase
- A beneficiary who is 5 years of age or older, and the plan has a lower 12b-1 fee for C shares – typically 50 bps or less
- A signed Class C Shares Purchase in 529 Plan Client Acknowledgement (a Raymond James form)

This Raymond James policy applies to all 529 plans established or networked to a Raymond James account on or after October 2, 2017.

SPC has assessed the Raymond James policy and has decided that it is in the best interests of our Clients to go one step further. As of matter of policy, for new share purchases, SPC's default share class choice for 529 Plans will be in C shares, regardless of the beneficiary's age, as long as the family of funds has an auto-conversion feature. The families of funds which SPC use have auto-conversion features of 5 and 6 years. For accounts which employ a periodic investment plan (PIP) strategy, SPC will continue with the existing strategy and reevaluate the suitability of the strategy as the beneficiary ages. If our Client is investing a large sum of money up front, SPC will consider whether breakpoints for front-end loaded 529 Plans (A shares) make better economic sense for our Client than the purchase of C shares. SPC will consider other factors brought to its attention which may warrant the purchase of A shares instead of C shares.

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Item 5: Fees and Compensation

Assignment, Termination and Conversion

SPC will not assign an Investment Adviser Client Agreement without the Client's consent. The Client, RJFS or SPC who are parties to an Investment Adviser Client Agreement may terminate the Agreement at any time upon written notification to the other parties. The Agreement is terminated upon receipt by SPC or RJFS of notice of death of the Client. Upon termination of the Agreement, the investment account is converted to a commission-based account. In the event of termination, SPC, through RJFS, refunds to the Client the prorated portion of the Asset-based Fee for the quarter of termination. After an account has been converted to a commission-based account, securities transactions are assessed a customary brokerage commission.

Accounts

For Portfolio Management, SPC utilizes the RJFS AMBASSADOR account described below. Asset-based Fees which the Clients pay for investment advice and services are based upon the value of assets in their account, independent of the level of trading activity. By deciding to pay a fee based on asset values rather than commissions on transactions, a Client's fee may be higher than the cost of a commission alternative during periods of lower trading activity.

The Asset-based Fee charged is in addition to the management fees and operating expenses internally charged by open-end and closed-end mutual funds and by exchange traded funds (ETFs). To the extent that a Client intends to hold shares for an extended period of time, these internal fund expenses should be added to the Asset-based Fees when evaluating the costs of a fee-based account. In addition, certain mutual fund families impose short-term trading charges (typically 1% to 2% of the original amount invested) which are generally NOT waived for fee-based accounts. These short-term charges are imposed by the funds (not SPC, RJFS or RJA) to deter "market timers" who trade actively in fund shares.

Clients should consider these short-term trading charges when selecting the account and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, which may increase the overall cost to the Client are disclosed in each fund's prospectus.

Certain no-load variable annuities may be offered in AMBASSADOR accounts and may be subject to the Asset-based Fee, which is in addition to the mortality and expense charges, management fees and operating expenses charged by the insurance companies offering these products. More sophisticated investments such as options and margin may be offered in AMBASSADOR accounts. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on a Client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This would create a conflict of interest where an IAR is motivated to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin results in interest charges in addition to all other fees and expenses associated with the securities involved. The use of margin also increases the risk of loss to Client portfolios.

Investments which are included in the asset value of the Client's Asset-based Fee account(s) for purpose of calculating the Asset-based Fee compensation to SPC are hereinafter referred to as "Fee Investments." These investments include open-end mutual funds offered with no sales commission or load, publicly traded closed-end mutual funds, ETFs, common and preferred stocks, American Depository Receipts, options contracts, real estate investment trusts, corporate bonds, U.S. Government and Government agency bonds, mortgage backed securities and municipal bonds, cash and money market investments, and any other investment that may, from time to time, be designated as a Fee Investment. For the purposes of the Client Agreement, the term "value of the account" shall mean the total absolute value of the securities in the account, long or short, plus all credit balances, with no offset for any margin or debit balances.

Certain mutual funds which may be acquired or transferred into a Client's AMBASSADOR account may pay 12b-1 fees. A 12b-1 fee is a marketing or distribution fee, essentially a trailing commission, paid by a mutual fund to the broker-dealer of record. The fee ranges between 0.25% and 1.00% of a fund's net assets on an annualized basis and is included in the fund's expense ratio. To the extent RJFS may receive 12b-1 fees from a mutual fund in the Client's account, the Client will receive a credit in the account from RJFS in an amount equal to such fees. Certain mutual funds transferred into or held in a Client's account may be designated as Administrative-Only Investments (non-billable assets) and these accounts will not

PART 2A OF FORM ADV: FIRM BROCHURE

Item 5: Fees and Compensation

receive a 12b-1 fee credit for these assets, but the value of the assets will not be included in the asset under management fee calculation. Mutual fund shares with a sales load, typically Class C shares, are deemed to be non-billable assets in the AMBASSADOR account. In other instances, the mutual funds and RJFS may have an arrangement that prevents RJFS from assessing an asset under management fee on the mutual fund. Although an asset under management fee is not assessed, when these mutual funds pay 12(b)-1 fees, the fees are paid to the financial advisor and are not credited back to the Client's account. Notably, the AMBASSADOR account prohibits the purchase of new mutual fund shares with a sales load, i.e., Class C shares. Thus, the mutual fund investments which pay 12b-1 fees to the financial advisor are often investments purchased in brokerage accounts or held directly by a Client before being transferred into AMBASSADOR.

Other investments may be bought or sold by Clients in their Asset-based Fee accounts and may be designated as "Fee Exempt Investments." Fee Exempt Investments generally include new or secondary securities offerings, including brokered certificates of deposit. Should a Client buy any of these securities, the Client will pay, directly or indirectly, a commission which is defined by the terms of the offering as stated in the prospectus or confirmation for the security. Unless otherwise agreed to by the Client and RJFS, said investments will be exempt from inclusion in the asset value of the Client's account subject to the Asset-based Fee for a period of twelve (12) months from the date of purchase in the Client's account. After a twelve (12) months period from the date of purchase, the applicable Fee Exempt Investments will revert to Fee Investments. In addition, Fee Exempt Investments may include Class C mutual fund shares which have a back-end commission if sold before a certain time (known as a contingent deferred sales commission), money market funds, and shares of Raymond James Financial stock.

If cash or securities, or a combination thereof, amounting to at least \$100,000 are deposited to or withdrawn from an account on an individual business day in the first two months of the quarter, Raymond James will: (i) assess Asset-based Fees to the deposited assets based on the value of the assets on the date of deposit, or (ii) refund prepaid Asset-based Fees based on the value of the assets on the date of withdrawal. No additional Asset-based Fees or adjustments to previously assessed Asset-based Fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by the client. Notwithstanding the above, Raymond James reserves the right, in its sole discretion, to process or not process fee adjustments, as applicable, when the source and destination of deposits and withdrawals involve a client's other fee-based advisory accounts. In addition, Raymond James may, in its sole discretion, take any action it considers fair and reasonable with respect to the application of fee adjustments based upon its review of the timing and amounts of deposits to and withdrawals from a client's account.

SPC uses its discretion to reach an agreed upon fee suitable for each Client relationship which may be lower than the fee in a RJFS schedule but never higher. Generally, the Asset-based Fee for a Client on an annualized basis is between 0.50% to 2.25% of the asset value, although the actual effective fee could be higher or lower based on fluctuations in the market value of the account in any quarter. The agreed upon fee for each Client varies depending upon many factors such as the value, number and character of the Client's account(s) and scope of the investment and financial advisory services to be provided. As a benchmark, Clients generally pay a fee of 1.25%; however, a Client whose related accounts with RJFS in the aggregate are valued at more than \$1 million may pay a lower fee closer to 1.00%. Also, by way of example, a Client whose only account is primarily in a bond portfolio may pay less than 1.25% if SPC's management time when the fee arrangement is made is expected to be less time-consuming than managing an equity or balanced portfolio. Estate accounts managed by SPC typically pay the highest allowable fee because SPC's management time is much higher.

Accounts – Additional Disclosures

Most of SPC IARs are registered representatives of Raymond James Financial Services, Inc., member FINRA/SIPC, and must recommend Raymond James to all advisory clients for brokerage services. IARs are subject to FINRA Conduct Rule 3280 that restricts them from conducting securities transactions away from Raymond James. Therefore, Clients are advised that IARs are limited to conducting securities transactions only through Raymond James. It may be the case that Raymond James charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker/dealer of their choice and have no obligation to effect transactions through Raymond James. However, if a Client does not utilize Raymond James as their broker/dealer, SPC will not be able to accept the Client's account(s), place securities trades for the client or perform any Portfolio Management investment advisory services for the Client.

PART 2A OF FORM ADV: FIRM BROCHURE

Item 5: Fees and Compensation

IARs may receive other forms of compensation as a part of business activities unrelated to the Adviser. These activities may create a conflict for the IAR. However, SPC has policies and procedures in place to recognize and appropriately deal with any conflicts that arise amidst the IAR's multiple roles. These activities are discussed in *Item 10*.

Raymond James calculates quarterly fees based on the actual number of days in the billing period. This policy applies to individual additions and withdrawals made during the first two months of the quarter. Fees will be calculated based on the day they occur and will not be aggregated across multiple days. Fees will be based on the previous quarter-end Relationship Value – that is, the Relationship Value will not be adjusted to account for intra-quarter additions or withdrawals.

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

SPC does not have performance-based fees or utilize side-by-side management. Performance-based fee arrangements involve the payment of fees based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Item 7: Types of Clients

SPC has the following types of clients:

- Individuals
- Estates
- Corporations
- Trusts
- Charitable Organizations
- Pension and Profit Sharing Plans

SPC does not require a minimum asset account for financial planning or hourly consulting. RJFS has a minimum investment of \$25,000 for an AMBASSADOR account; however, SPC may open AMBASSADOR accounts for clients with only \$1,000 based upon the specific circumstances of an account or client.

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

The investment programs and strategies recommended to clients are based upon the client's investment objectives, time frame, financial situation and needs, and tolerance for risk, as identified during consultations with our financial advisors and other representatives. It is important for an investor to review investment objectives, risk tolerance, time horizon, tax objectives and liquidity needs with their financial advisor prior to selecting an investment product, program or strategy. All investments carry a certain degree of risk and no one particular security, investment product, investment style or portfolio manager is suitable for all types of investors.

SPC and its financial advisors recommend and offer a broad spectrum of investment products, programs and strategies. Given the number of financial advisors providing advice at SPC, the methods of analysis and investment strategies recommended will vary based upon the individual financial advisor making the Client assessment and providing the advice.

METHODS OF ANALYSIS

SPC and its financial advisors may employ one or more of the following methods of investment analysis:

Fundamental Analysis: involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

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

Technical Analysis: involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Cyclical Analysis: a type of technical analysis that involves evaluating recurring price patterns and trends. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

SPC obtains research from several sources including Raymond James research, financial publications, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the Securities and Exchange Commission.

INVESTMENT STRATEGIES

SPC provides numerous investment management styles and strategies, including large and small cap equity, international equity, fixed income, and a broad spectrum of mutual funds and exchange traded funds, either individually or in combination within a portfolio. Generally, SPC recommends a long-term approach to investing and provides clients a diversified investment strategy incorporating domestic and international equities, fixed income, and other asset classes such as real estate, and commodities. However, sell stop or portfolio hedging strategies may be utilized to limit downside risk, which may result in short term holding periods. SPC also may employ shorter term strategies as economic conditions warrant or for tax benefits. SPC strives to build assets over time with sound investments. Investment strategies are structured only after careful analysis of a Client's overall financial situation, risk tolerance, and investment objectives. As economic conditions change, recommendations and investment philosophy may change accordingly to maximize benefits and minimize risk to Client portfolios.

SPC IARs may utilize margin and option trading for Clients based upon a Client's financial situation, risk tolerance, and investment objectives. All margin and option accounts must be approved by RJFS Compliance and consented to in writing by the Client. The exact composition of recommended programs and investment strategies will be determined by the Client's legal and tax considerations and greatly influenced by the Client's liquidity needs and tolerance for risk (fluctuations in portfolio values).

SPC also provides investment advice based on asset allocation strategies through the Eagle and RJFS managed account programs offered through Raymond James. Unaffiliated asset allocation products may also be available through SPC. Unless specifically noted, tax efficiency is not a primary consideration in the management of accounts offered by Raymond James through the programs named above.

SPC, through its financial advisors, may offer advice on collectibles, hard assets, fixed insurance, unit investment trusts, and business valuation and succession planning. Raymond James, through its advisors, may also offer non-publicly traded products, including non-listed real estate investment trusts, limited partnerships, hedge funds, equity funds and other structured products.

PRINCIPAL RISKS

Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

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

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

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

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

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

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

Business Risk: Business risk refers to the possibility that the issuer of a stock or a bond may experience a substantial decline in revenues, or may go bankrupt or be unable to pay interest or principal in the case of bonds.

Item 9: Disciplinary Information

There are no legal, disciplinary or administrative events affecting SPC, its management or its IARs.

Item 10: Other Financial Industry Activities and Affiliations

SECURITIES BROKERAGE

IARs or related persons, in their individual capacities as Registered Representatives of Raymond James Financial Services, Inc., are paid a portion of the commissions charged on securities transactions in brokerage accounts. The amount of the commissions is disclosed to Clients on the confirmation statements which are mailed to Clients after a securities transaction has been executed in a brokerage account. In addition, Registered Representatives are paid commissions on the purchase of mutual funds in brokerage accounts. Some mutual funds may pay an annual 12b-1 fee to Registered Representatives for marketing and distributing their products, essentially a trailing commission. The commission percentage and 12b-1 fee are disclosed in the mutual fund prospectus provided to brokerage account Clients. Securities transactions in AMBASSADOR accounts are not charged commissions; therefore, IARs do not receive commissions on securities transactions in AMBASSADOR accounts. For 12b-1 fees paid on mutual funds held in AMBASSADOR accounts, the Registered Representatives do not receive the fees and RJFS credits the fees back to the Clients' accounts, with the following exceptions: Certain mutual funds transferred into or held in a Client's AMBASSADOR account may be designated as Administrative-Only Investments (non-billable assets) and these accounts will not receive a 12b-1 fee credit for these assets. Mutual fund shares with a sales load, typically Class C shares, are deemed to be non-billable assets in an Asset-based Fee account. Although an Asset-based Fee is not assessed on these mutual fund shares, when these Class C share mutual funds pay 12b-1 fees, the fees are paid to the financial advisor instead of the Clients. Notably, the Ambassador account prohibits the purchase of mutual fund shares with a sales load, i.e., Class C shares. Thus, the mutual fund investments which pay 12b-1 fees to the financial advisor are often investments purchased in brokerage accounts or held directly by a Client before being transferred into Ambassador.

IARs who are Registered Representatives and receive commissions from securities transactions, mutual fund purchases, and 12b-1 fees have an inherent conflict of interest when they recommend brokerage account transactions because they are paid commissions on recommendations which are acted upon. Even the recommendation to hold a mutual fund is an inherent conflict of interest if the mutual fund pays 12b-1 fees. Another conflict of interest exists for a mutual fund being purchased in a brokerage account if there are lower-cost share classes available and the Registered Representatives who are IARs do not disclose the availability of the lower-cost shares.

Commission charges may vary depending upon any number of factors, including type of security, purchase or sale, secondary market price, volume of trading, market float, and traded or listed exchange. SPC believes that commissions charged by RJFS are competitive with other full service broker-dealers and, while generally fair and reasonable, are not the lowest in the industry.

PART 2A OF FORM ADV: FIRM BROCHURE

Item 10: Other Financial Industry Activities and Affiliations

Client accounts which are charged a Portfolio Management fee (Asset-based Fee accounts) are not charged commissions and transaction fees. However, clients who have a brokerage account and execute brokerage transactions through RJFS are charged commissions and transaction fees. Brokerage transactions are placed only through RJFS. There is an inherent conflict of interest in this arrangement in that SPC through its IARs or related persons who are Registered Representatives of RJFS share in a percentage of the brokerage commissions; however, commission charges paid by Clients are not higher as a result. Also, SPC is unable to arrange a broker-dealer platform for its Clients which may be lower in cost than RJFS, which is an inherent conflict of interest.

IARs and related persons previously recommended Raymond James Consulting Services, an account platform offered by RJA. Raymond James Consulting Services retains outside portfolio managers who are Registered Investment Advisers. RJA also sponsors Eagle Asset Management, a Registered Investment Adviser. IARs or related persons no longer recommend any of these platforms but have some legacy accounts that continue to pay fees and/or commissions. Quarterly fees to Eagle and other portfolio managers under Raymond James Consulting Services are automatically deducted from Client accounts and detailed on RJA statements. The statement includes line items showing the value of the Client's assets upon which the fee is based and the manner in which the fee is calculated. It is the Client's responsibility to review these statement entries for accuracy and to notify SPC of any discrepancies.

Raymond James & Associates, Inc. ("RJA"), a New York Stock Exchange member firm, executes securities transactions for RJFS. Transactions and compensation are governed by SEC regulations regarding disclosure requirements. SPC also offers, through RJFS, public and private limited partnerships and Real Estate Investment Trusts.

INSURANCE BROKER/AGENT

SPC and its IARs or related persons have insurance company affiliations, individually, from which they receive commissions. Insurance products (life, disability, and long-term care insurance) are offered by SPC's licensed advisors. Clients are under no obligation to execute recommendations relating to insurance and/or annuity products through SPC's IARs. Variable insurance products are placed through Raymond James Insurance Group, an affiliate of RJFS.

TAX PREPARATION

SPC IARs or related persons offer tax preparation services through the related firm, Sella & Martinic, LLC, through a separate engagement letter with clients. Sella & Martinic, LLC charges separate fees for preparation and/or amending of Client income tax returns based upon the complexity of the return and the time involved by the preparer. Fees for income tax preparation are payable by the Client upon completion of the return. Sella & Martinic, LLC provides additional accounting services but does not provide any attest services (such as audits, reviews and compilations). Edward Geoffrey Sella, Leo Martinic, Pamela Mudd, William Gregory Chatfield, Matthew Gilchrist, Rory McGlynn, Elise Weinstein and Bradley Lipman receive compensation from Sella & Martinic, LLC. Some Financial Planning Associates and support staff of SPC provide assistance to Sella & Martinic, LLC, often during tax season, and they receive compensation from Sella & Martinic, LLC for their services. In addition, Sella & Martinic, LLC is a sub-tenant of SPC Financial, Inc. As such, Sella & Martinic, LLC pays rent to and shares in common expenses with SPC. **Sella & Martinic, LLC is not a registered broker-dealer and is independent of RJFS.**

OTHER ACTIVITIES

SPC IARs and related persons may participate in events or accept speaking engagements regarding various financial topics unrelated to investment services or securities products. SPC IARs or related persons may render general tax and financial advice to Clients when providing financial planning services.

For more information regarding other financial industry activities and affiliations by a specific IAR, please consult the *Brochure Supplement* for the respective individual.

PART 2A OF FORM ADV: FIRM BROCHURE

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

SPC IARs or related persons may buy or sell securities that are also recommended to Clients. SPC has adopted specific policies to prevent its IARs and related persons from trading ahead of Client orders, from receiving better pricing than Clients when trading in the same securities at the same time, from the misuse of material, non-public information to trade in securities, and from the misuse of any Client information to trade in securities. SPC also prohibits without pre-approval from its Chief Compliance Officer, purchase by its IARs or related persons of any Initial Public Offering or privately issued securities, to prevent misappropriation of an investment opportunity from Clients. SPC strictly monitors IARs and related persons' securities accounts, and employs additional specific procedures and reviews to enforce these policies. SPC policies and procedures are contained in SPC's Code of Ethics, a copy of which will be furnished to Clients or prospective Clients upon request.

A potential conflict may exist as a result of the compensation associated with the AMBASSADOR account because SPC may have a financial incentive to recommend a fee-based program rather than recommending that the Client pay for investment advisory services, brokerage, and other services separately. This potential conflict could extend to the various share classes of mutual funds available and the fees assessed by the funds. AMBASSADOR is an advisory account, and SPC is being paid for its knowledge, judgment, advice and investment management; therefore, SPC is not required to recommend the lowest cost alternative to Clients. However, as a fiduciary, SPC considers whether the fee which Clients are paying is appropriate based on the services provided. In addition, in retirement accounts, if lower cost mutual fund shares are available, SPC will recommend them for new purchases.

SPC, its IARs, and related persons have a duty to exercise authority and responsibility for the benefit of the Client, to place the interests of the Client first, and to refrain from having outside interests that conflict with the interests of the Client. All SPC IARs and related persons must avoid any circumstances that might adversely affect, or appear to affect, the duty of complete loyalty to the Client. All SPC IARs and related persons must adhere to SPC's Code of Ethics.

Item 12: Brokerage Practices

SPC currently uses RJA as its Custodian. Clients may use a Custodian of their choice and have no obligation to utilize RJA/RJFS. However, SPC cannot accept the account if the Client chooses another Custodian. The Custodian may have their own fee and cost schedules; they are entitled to as a Custodian of the account. These fees and costs are completely independent of SPC, and SPC does not receive any portion of these collected fees.

Clients who maintain brokerage accounts with RJFS which are not Fee-based accounts pay commissions on securities trades. The amount of the commissions will vary depending upon the type of security, the exchange or market where traded, the number of shares traded, the price, and other factors. RJFS sets the commission rate.

The commission schedule in effect as of the date of this ADV, subject to change by RJFS, is below. The minimum commission on stocks and bonds is \$75 per trade.

ALL EQUITY TRADES

Principal Money Involved	Commissions
\$0 - \$4,999.99	3% of funds + \$5.00
\$5,000 - \$19,999.99	2% of funds + \$55.00
\$20,000 - \$49,999.99	1% of funds + \$255.00
\$50,000 and Above	0.8% of funds + \$355.00

Bond transactions must be at a price (including any markup/markdown) that is fair and reasonable. The markup/markdown is automatically calculated by RJA's Bond Desk Trading platform. Factors affecting price include the number of years until the next call on the bond, the price of the bond, and the number of years until maturity. If the calculated gross markup/markdown falls below \$75, a minimum markup/markdown of \$75 will be charged.

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Item 12: Brokerage Practices

For options trades, Clients should discuss with their Registered Representative or IAR the commissions in effect. Commissions are based on a schedule keyed to the principal value of the trade entered.

Mutual fund orders are exempt from RJA minimum ticket requirements, however, commissions (sales loads) are set by the mutual fund. When a no-load fund is held in a brokerage account, RJA retains the administrative fee or 12b-1 fee and allocates the proportionate share to the Registered Representative on the account. RJA classifies no load mutual funds as those without front-end or back-end sales concessions and with 12b-1 fees of 25 basis point (0.25%) or less. In addition, for mutual funds, RJFS charges transaction fees of \$15 on load funds and \$40 on no-load funds if the funds are not “Partner Funds” (mutual fund companies which have agreed to pay marketing and support fees to Raymond James).

A \$5.95 handling/process fee is charged by RJFS on most transactions. Clients also may incur RJFS service fees for issuing certified or cashier’s checks, outgoing wire transfers, returned deposit items, extensions for payment of securities received after the settlement date, overnight or Saturday check disbursements, and on small stock transactions which are \$300 or less. RJFS presently charges \$125 to transfer an account from Raymond James. RJFS may waive any of these fees for client relationships valued at \$500,000 or more.

Investment of Cash Reserves

Raymond James has established a system in which cash reserves “sweep” daily to and from the Client’s investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered the Client’s sweep account.

Available sweep options include the Raymond James Bank Deposit Program (“RJBDP”) and the Client Interest Program (“CIP”) sponsored by Raymond James. In June 2019, clients who held shares of Eagle Class - JP Morgan Money Market Funds were converted to the RJBDP and CIP, as applicable. With the RJBDP, available cash is deposited into interest-bearing accounts at up to 20 banks, providing for up to \$3 million in deposit insurance coverage (\$6 million for joint accounts of two or more) by the FDIC. Raymond James will deposit up to \$245,000 (\$490,000 for joint accounts of two or more) in each bank using a predetermined bank priority list.

With the CIP, cash is placed in high-quality liquid investments, including U.S. Treasuries or Securities, or fully collateralized by U.S. Treasury securities or deposited in qualifying trust and/or cash accounts with major U.S. banks. CIP balances are included in coverage provided by the Securities Investor Protection Corporation (SIPC) and excess SIPC. CIP is typically used for cash awaiting investment.

Clients may select RJBDP and CIP, or any combination thereof for non-retirement accounts. Fee-based IRAs and ERISA accounts are not eligible for the RJBDP.

Client rates are determined based on total RJBDP and CIP relationship cash balances. A cash-based structure rewards higher balances with higher rates. The rates and breakpoints associated with the new tiers are determined by Raymond James based on competitive rates and factors at the time of implementation. Clients with \$5MM and above in assets automatically qualify for a minimum interest rate regardless of their cash balance.

For further information please refer to the Cash Sweep Options disclosure statement, a copy of which is available from your IAR or is available on the Raymond James public website, www.raymondjames.com.

Please note: SPC assesses advisory fees on cash sweep balances held in advisory accounts.

Billing cash balances, particularly when the cash balance is maintained for an extended period of time or comprises a significant portion of the Account Value, may create a financial incentive for a financial advisor to recommend maintenance of this cash versus investing in an otherwise advisory fee-eligible security. For example, it is generally expected that the advisory fee will be higher than the interest a Client will earn on this cash balance through their sweep account, so the Client should expect to achieve a negative return on this portion of their account, although such cash balances will not be subject to market risk (that is, risk of loss) associated with securities investments. As a result, Clients should periodically re-evaluate whether their maintenance of a cash balance is appropriate in light of their financial

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Item 12: Brokerage Practices

situation and investment goals, and should understand that this cash may be held outside of their advisory account and not be subject to advisory fees.

Current SIPC and Excess SIPC Coverage

Raymond James & Associates is a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available at www.sipc.org.

Raymond James has purchased excess SIPC coverage through various syndicates of Lloyd's, a London-based firm. Excess SIPC is fully protected by the Lloyd's trust funds and Lloyd's Central Fund. The additional protection currently provided has an aggregate firm limit of \$750 million, including a sub-limit of \$1.9 million per customer for cash above basic SIPC for the wrongful abstraction of customer funds.

Account protection applies when a SIPC-member firm fails financially and is unable to meet obligations to securities clients, but it does not protect against market fluctuations.

Best Execution

"Best Execution" has been defined narrowly as the execution of securities transactions for Clients in such a manner that the Clients' total cost or proceeds in each transaction are the most favorable under the circumstances. Best Execution also has been defined more broadly to include the full range and quality of a broker-dealer's services, including execution capability, responsiveness, financial responsibility, commission rates, and the value of research. Raymond James, as the Custodian for SPC's Clients' accounts, has a duty to provide Best Execution. RJA monitors execution prices that are provided to all of its clients from the trading desk by performing several daily, weekly, and monthly quality of execution reviews. RJA has a Best Execution Committee that examines batches of stocks to ensure that customers are receiving quality executions.

As an investment advisory firm, SPC recognizes its responsibility to seek to obtain Best Execution for its Clients' transactions. The Securities and Exchange Commission has stated, "the determinative factor [in an adviser's best execution analysis] is not the lowest possible commission cost but whether the transaction represents the best qualitative execution for the managed account." See OCIE National Exam Program Risk Alert, July 11, 2018, footnotes 3 and 4. SPC relies upon Raymond James for undertaking Best Execution because the investment advisory business of SPC is maintained within a Branch Office of RJFS. Most of the IARs of SPC are licensed as registered representatives of RJFS. As registered representatives, they are prohibited from participating in securities transactions outside the scope of their affiliation with RJFS. See FINRA Rule 3280. RJFS does not allow SPC's registered representatives to open Client accounts with other broker-dealer firms.

SPC evaluates the quality of RJFS's execution of Clients' transactions using many different factors, including but not limited to:

- Full range and quality of the broker-dealer services provided by RJFS
- Execution capability, financial stability and responsibility of RJA
- Responsiveness of RJFS to SPC
- RJA's trading expertise, reputation and integrity
- Assets under management platform
- Commission rates
- Value of research
- RJFS's support, training and trading
- RJA's Best Execution practices and reports

Still, better execution prices may be available through another broker-dealer based on other factors including volume, order flow, and market making activity. SPC does not represent or guarantee that the securities transactions executed through RJA will receive the lowest execution cost, which in turn may be more expensive for the Clients. SPC has selected Raymond James as its broker-dealer firm and Custodian of Client accounts based on the factors listed above.

PART 2A OF FORM ADV: FIRM BROCHURE

Item 12: Brokerage Practices

Research and Trading Practices

SPC IARs and related persons may receive research information through its broker-dealer affiliation on securities, market, and economic conditions. Raymond James does not impose surcharges on Clients for research. However, Raymond James does seek to do investment banking and other business with some companies covered by its research. Raymond James complies with all securities laws and regulations to manage these potential conflicts of interest.

Additionally, Raymond James does not require that SPC IARs or related persons recommend any securities to Clients.

The Advisor may aggregate sale and purchase orders of securities held by the Advisor's Clients with similar orders being made simultaneously for other Clients if such aggregation is reasonably likely to result in overall economic benefit to Clients based on an evaluation that the Clients are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In some instances, the purchase or sale of securities for Clients will be affected simultaneously with the purchase or sale of like securities for other Clients. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions is determined and the Clients may be charged or credited, as the case may be, the average transaction price. RJFS commission charges are the same for individual or block trades.

Brokerage Accounts vs. Managed-Fee Based Accounts

In considering Client objectives and needs, SPC typically considers whether it is better for Clients to be in a managed-fee based account or a brokerage account. Unlike a managed-fee based account, in a brokerage account only relationship, SPC generally does not provide comprehensive financial planning and investment advice tailored around a specific financial plan. In a brokerage account relationship, Clients pay commissions on transactions, i.e., the purchase and sale of securities. In a managed-fee based account relationship, Clients do not pay commissions on transactions but instead pay an annual percentage fee based on Client assets under management.

Item 13: Review of Accounts

SPC IARs offer Clients the opportunity for annual and/or periodic reviews or updates of their financial plans and investment advice. More frequent meetings may be triggered by a Client request, or by market or economic events, including changes in governing law. Portfolio Management Client accounts are periodically monitored by SPC IARs for ongoing correlation of the Client portfolio to the Client stated investment objectives and risk tolerance. Portfolio Management Clients (non-discretionary) are contacted by SPC IARs as warranted by changes in a Client's portfolio allocation, portfolio performance, market or economic events, known changes in a Client's financial situation, changes in governing tax law, and new or varied securities offerings.

Clients are assigned a month each year for their annual review. SPC IARs and/or the Financial Planning staff of SPC contact the Client for current financial data. One or more Financial Planning team members prepares the Clients annual financial documents and submits them to the IAR for review. The IAR then conducts the Client annual meeting, occasionally in conjunction with Financial Planning staff.

SPC offers a variety of reports to Clients as applicable, including Client personal financial statements, retirement projections, an estimate of survivor needs at death, overview of education funding needs, and asset allocation reports, including Morningstar Detail and Snapshot reports. For Portfolio Management Clients, SPC also provides performance reports, including historical, realized gain and loss, and performance by security. Raymond James also furnishes either quarterly or monthly account statements to SPC Clients who maintain Raymond James accounts.

PART 2A OF FORM ADV: FIRM BROCHURE

Item 14: Client Referrals and Other Compensation

If a Client acts upon the IAR's advice and chooses to use one of RJFS's affiliates as a money manager, custodian or to purchase insurance, SPC or its IAR may receive compensation in the form of commissions from the affiliate. If a Client chooses to use an IAR in his individual capacity as an insurance agent, the individual IAR will receive a commission. Additionally, if a Client purchases a mutual fund containing a 12b-1 fee, SPC and the IAR may receive such fees.

As part of its fiduciary duties to Clients, SPC endeavors at all times to put the interests of its investment advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by SPC or its related persons in and of itself creates a potential conflict of interest.

SPC does not pay for or receive compensation for client referrals.

Third-Party Solicitor

Since 2018, Rory McGlynn, CFP® of SPC has advertised his investment advisory services on the website of The Lampo Group, LLC d/b/a Ramsey Solutions™ ("RS"), which operates a program known as SmartVestor™. In 2020, it came to the attention of SPC that the Securities and Exchange Commission recently deemed RS to be a third-party solicitor within the meaning of Rule 206(4)-3 under the Investment Advisers Act of 1940. For this reason, SPC makes the following disclosure:

SmartVestor™ is an advertising service for investing professionals. When a consumer provides contact information through the SmartVestor™ website, the program introduces the consumer to up to five (5) investing professionals ("Pros") in their geographic area. It is up to the consumer to interview the Pros and decide whether to directly retain them.

As a SmartVestor™ Pro, Mr. McGlynn and/or SPC pay RS flat monthly membership (\$249) and advertising fees (\$1,800) to advertise his services in the SmartVestor™ Program. In return, Mr. McGlynn receives contact information for prospective investment advisory clients. Consumers entering a zip code corresponding to Mr. McGlynn's advertising markets can view his profile, and other Pros in the same markets, on the SmartVestor™ website. The advertising fee is based upon criteria including market size (small, medium, large or premium) and historic volume of web traffic to RS's SmartVestor™ website. The fees paid by Mr. McGlynn and/or SPC are irrespective of whether someone becomes a client, and the fees are not passed on to the client. The fees paid are not based upon the number of leads, contacts, or referrals which Mr. McGlynn may receive from RS or the SmartVestor™ website. Mr. McGlynn and SPC do not pay to or share with RS or SmartVestor™ any portion of the investment advisory fees a client is charged.

Neither RS nor its affiliates are engaged in providing investment advice to SPC clients. RS does not receive, control, access or monitor client funds, accounts, or portfolios of Mr. McGlynn and SPC. Any services rendered by Mr. McGlynn and SPC are solely their services and not those of RS or SmartVestor™.

Item 15: Custody

SPC is deemed to have "custody" when an IAR has possession or authority over a Client's funds or securities, including the authorization to make or permit withdrawals and distributions. This typically occurs when an IAR of SPC serves as a trustee of a Client's trust or executor of a Client's estate. When an IAR of SPC serves as a trustee of a Client's trust, SPC does not charge the trust an asset under management fee; instead, the trustee charges the trust a statutory trustee fee established under state law, which fee is less than an advisory fee.

As required by SEC Rule 206(4)-2, SPC hires an independent certified public accounting firm registered with the Public Company Accounting Oversight Board to perform an annual surprise examination of accounts over which SPC is deemed to have custody. The objective of the examination is to verify that Client funds and securities are properly maintained in a separate custodial account and to reconcile contributions and withdrawals. The accounting firm renders an opinion as to whether SPC has been in compliance in all material respects with the SEC Rule. The accountant's report is filed with the SEC on Form ADV-E and is available on the SEC's Investment Adviser Public Disclosure website at <https://www.adviserinfo.sec.gov/Firm/104618>. In each of the annual examination reports, SPC has been found to be in compliance in all material respects with the custody rule.

PART 2A OF FORM ADV: FIRM BROCHURE

Item 16: Investment Discretion

SPC obtains discretionary authority over Client accounts through Raymond James Client Agreements. A Client always maintains the right not to grant discretion if the Client chooses. An investment advisory Client who has delegated investment discretion to SPC or a third-party manager should be aware of their ability to impose reasonable restrictions on the investments made within their account(s), or reasonably modify existing restrictions they may have already imposed. Reasonable restrictions may include the designation of particular securities or types of securities that should not be purchased in their account (i.e. Company XYZ or companies involved in a particular industry, etc.), or should be sold if held in their account. However, since investment discretion has been delegated to SPC or a third-party manager, SPC or the manager may determine that the implementation of such a restriction may be impractical. In the event such a determination is made, the Client will be notified promptly.

Even if discretion has been granted, as owner of the securities in their account(s), Clients also have the right to:

- 1) Withdraw securities or cash from their account(s), provided they maintain the minimum account balance, as appropriate, based on their particular account type;
- 2) Vote securities or delegate the authority to vote securities to another person (i.e. proxies, tender offers, etc.);
- 3) Be provided written confirmation, in a timely manner, of securities transactions placed for their account; and
- 4) Proceed directly against any issuer (i.e. class action participation) and not be obligated to join other parties as a condition precedent to initiating such a proceeding.

Should a Client wish to impose or modify existing restrictions, or if their financial condition or investment objectives have changed, they should contact their IAR or SPC's Compliance Officer at 301-770-6800. An IAR may have limited discretionary trading authority to determine the types and amount of securities bought and sold in a Client account. This authority is granted in writing by the Client for each account through a discretionary asset management agreement. The IAR cannot take possession of funds or securities. Clients should understand that Raymond James Financial stock (RJF) cannot be purchased and held in discretionary accounts. Doing so could create a conflict of interest due to an IAR's personal affiliation with RJF and/or their personal holdings of RJF stock and/or RJF stock options.

Even with discretion, SPC does not render advice to or take any actions on behalf of Clients with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in a Client's account, or the issuers thereof, become subject. SPC also does not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of Clients with respect to transactions, securities or other investments held in a Client's accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, is expressly reserved to the Client.

SPC does not prepare or file proofs of claims in class action securities cases for our clients. SPC has arranged with Chicago Clearing Corporation (CCC) to provide a class action litigation claims service. SPC provides data to CCC semi-annually consisting of our clients' securities trades and account information to enable CCC to identify qualifying trades which CCC uses in filing proof of claims. CCC's contingency fee for monitoring class actions and filing claims is twenty percent (20%) of the settlement amount recovered for a client. SPC does not pay any fee to CCC, and SPC does not receive any payment or compensation from CCC. Clients have the right to Opt-In or Opt-Out of the service. See Item 4: Advisory Business, Privacy Policy.

Item 17: Voting Client Securities

SPC does not vote proxies on behalf of Clients. Clients should receive their proxy materials from the Custodian or transfer agent. However, in the event that SPC receives such material, it will forward the proxy materials to the Client. Furthermore, SPC does not advise Clients on how to vote their proxies.

PART 2A OF FORM ADV: FIRM BROCHURE

Item 18: Financial Information

SPC has not been subject to bankruptcy and knows of no reason that its financial condition would be impaired in meeting its contractual obligations to Clients. The most current balance sheet for SPC is attached in the back of this brochure.

Paycheck Protection Program

The Coronavirus Aid, Relief, and Economic Security Act enacted March 27, 2020 (“CARES Act”) provided multiple potential benefits to small businesses. One of the benefits provided was the Paycheck Protection Program (“PPP”) which was funded with upwards of \$670 billion to provide loans for qualifying small businesses to help cover their costs associated with payroll, benefits, interest, rent and leases, and utilities during the Coronavirus COVID-19 Pandemic. The intent of Congress and the White House when passing the PPP was to give small businesses the funding necessary to survive the Coronavirus shutdown, which the federal government estimated would last two months. The loan amount was based on a business’s average 2019 monthly payroll multiplied by 250%. The PPP benefit also has loan forgiveness provisions and forgiveness is based upon using the loan proceeds during the covered period. The forgivable loans were designed to help employers pay their employees.

SPC applied for and obtained a PPP loan in the amount of \$412,000. The loan was necessary to support the ongoing operations of SPC due to the uncertainty of the then current economic conditions. The markets had declined dramatically over a short period of time, with future declines and the recovery time frame being uncertain, potentially affecting SPC’s revenues, in particular - advisory fees earned from assets under management. There were unknown risks of the likelihood of COVID-19 infecting any of SPC’s financial team and clients, how their health would fair if that happened, and the impact on SPC’s business. When the U.S. Small Business Administration (“SBA”) rolled out PPP loans under the CARES Act, SPC availed itself of the opportunity to protect its employees and business.

Payroll costs supporting SPC’s PPP loan consist of the total amount of compensation to SPC’s employees in the form of a salary, wage, commission, accrued leave, group health care benefit, retirement benefit, and state or local taxes assessed on employee compensation. While the loan covers salary, it does not apply to employee salaries over \$100,000 per year per employee.

On June 5, 2020, the Paycheck Protection Program Flexibility Act (“PPFPA”) was signed into law, modifying the PPP. Under the PPFPA, the PPP loan allows for SPC to request the SBA for forgiveness of the loan proceeds used in the first 24 weeks from loan disbursement (rather than the original 8 weeks) for eligible payroll costs, leases and rent obligations, provided that at least 60% (rather than the original 75%) of the amount of the loan proceeds to be forgiven must be for eligible payroll costs. The remaining 40% of loan proceeds may be spent on any combination of eligible payroll and/or non-eligible payroll costs (e.g., rent) to be entitled to forgiveness of the loan.

The interest rate on the PPP Loan is one percent (1%) per year. SPC must make principal and interest payments every month amortized over the term of the loan beginning ten (10) months from loan date (rather than the original seven (7) months) unless SPC requests forgiveness. For loan proceeds that are not forgiven, the maturity date of the PPP loan issued to SPC is 5 years, but under the PPFPA, SPC and its lender could agree to a longer repayment period with a maximum of 10 years. SPC deposited PPP loan proceeds into its operating account and used the proceeds to cover eligible payroll costs. SPC retained its employee workforce without any reductions in 2020. SPC believes that it is eligible to submit a PPP loan forgiveness application because it incurred and paid allowable payroll costs and rent during the covered period. SPC plans to decide in or about July 2021 whether it will request forgiveness of the PPP loan or repay it. SPC is waiting to make its decision to allow time for any additional changes to the program by the SBA, Congress and the President. If SPC submits a loan forgiveness application, its eligibility will be evaluated in accordance with the PPP regulations and guidance issued by the SBA through the date of application.

SPC FINANCIAL, INCORPORATED

AUDITOR'S REPORT AND

STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 2020 AND 2019

SPC FINANCIAL, INCORPORATED
AUDITOR'S REPORT AND
STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
SPC Financial, Incorporated
Rockville, Maryland

We have audited the accompanying statements of financial condition of SPC Financial, Incorporated (the Company) as of December 31, 2020 and 2019, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statements of financial condition referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2020 and 2019, in accordance with accounting principles generally accepted in the United States of America.

E. Cohen and Company, CPAs

March 5, 2021

PART 2A OF FORM ADV: FIRM BROCHURE

SPC FINANCIAL, INCORPORATED STATEMENTS OF FINANCIAL CONDITION DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 2,021,682	\$ 1,724,884
Accounts receivable, net of allowance for doubtful accounts of \$2,300 and \$8,450, respectively	3,055	8,449
Prepaid expenses	185,793	107,867
Due from related parties	7,369	770
Other receivables	-	50,693
Total current assets	<u>2,217,899</u>	<u>1,892,663</u>
Long-term assets		
Property and equipment, net	163,781	116,987
Deferred tax asset	32,257	-
Deposits	19,502	22,316
Total assets	<u><u>\$ 2,433,439</u></u>	<u><u>\$ 2,031,966</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Current portion of note payable	\$ 68,115	\$ 12,144
Accounts payable	57,771	51,798
Accrued salaries and expenses	299,093	205,154
Income tax payable	6,389	-
Deferred revenue	600	700
Total current liabilities	<u>431,968</u>	<u>269,796</u>
Long-term liabilities		
Deferred rent	93,776	51,670
Note payable, net of current portion	344,027	-
Total liabilities	<u>869,771</u>	<u>321,466</u>
Stockholders' equity		
Common stock - no par value; 20,000 shares authorized, 15,000 shares issued and outstanding	6,940	6,940
Retained earnings	1,556,728	1,703,560
Total stockholders' equity	<u>1,563,668</u>	<u>1,710,500</u>
Total liabilities and stockholders' equity	<u><u>\$ 2,433,439</u></u>	<u><u>\$ 2,031,966</u></u>

See independent auditor's report and notes to financial statements.

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PART 2A OF FORM ADV: FIRM BROCHURE

SPC FINANCIAL, INCORPORATED NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. Organization and summary of significant accounting policies

Organization

SPC Financial, Incorporated (the Company) was incorporated on November 27, 1970, pursuant to the laws of the State of Maryland. On October 16, 1978, the Company filed an application with the Securities and Exchange Commission (SEC) to become an Independent Registered Investment Advisor, with approval granted October 23, 1978.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Cash and cash equivalents

The Company considers all cash and investment accounts with original maturities of three months or less to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2020 or 2019.

Accounts receivable

The face amount of accounts receivable is reduced by an allowance for doubtful accounts. The allowance reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible are written off to the allowance for doubtful accounts.

Property and equipment

The Company maintains a policy of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the individual classes of assets, which range from three to ten years. Leasehold improvements are stated at cost and are amortized using the straight-line method over the shorter of their estimated useful lives or the lease term.

Income taxes

Effective January 1, 2013, the Company elected under the Internal Revenue Code to be taxed as an S Corporation for federal and state income tax reporting purposes. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income (federal for 2020, federal and state for 2019). Therefore, no provision or liability for federal income taxes has been included in the financial statements as of December 31, 2020, and no provision or liability for federal and state income taxes has been included in the financial statements as of December 31, 2019. Certain specific deductions and credits flow through the Company to its stockholders. In May 2020, legislation enacted in the State of Maryland created an election for pass-through entities (PTEs), including S Corporations, to pay tax at the entity level rather than at the individual level. The election for PTEs applies to tax years beginning on or after January 1, 2020. In December 2020, the Company made the election to pay Maryland income taxes at the entity level. Accordingly, a provision for current and deferred state income taxes has been provided in the financial statements as of December 31, 2020. The tax effects of the transactions reported are reflected in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between financial and income tax reporting.

SPC FINANCIAL, INCORPORATED NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. Organization and summary of significant accounting policies (continued)

Income taxes (continued)

Deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are reflected at income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

The Company follows the requirements of the Financial Accounting Standard Board (FASB) Accounting Standard Codification (ASC) 740, which requires an assessment of uncertainty in income taxes and certain financial statement disclosures relating to recognition, measurement, and disclosure of uncertain tax positions. Management has evaluated the Company's tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements as of December 31, 2020.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Deferred rent

Total non-contingent minimum lease payments due under non-cancellable long-term operating leases are recognized as rent expense over the term of the leases on a straight-line basis. The excess of reported expense over payments due under the terms of the leases at the statement of financial condition date is reflected as a deferred rent liability.

Deferred revenue

The Company recognizes revenue as earned. The unearned portion of revenue collected is reflected as deferred revenue in the accompanying financial statements.

Pending accounting standards

Effective for its annual financial statements for 2022 and thereafter, the Company expects to adopt a new accounting standard issued by the FASB that will require significant changes in accounting for leases under which the Company is a lessee. Upon adoption, among other effects, the Company will be required to record assets and liabilities for all operating lease obligations with terms of 12 months or greater. These changes will entail certain retrospective adjustments. The quantitative effects of this change on the Company's future financial statements and related retrospective adjustments have not yet been determined.

PART 2A OF FORM ADV: FIRM BROCHURE

SPC FINANCIAL, INCORPORATED NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

2. Accounts receivable

All of the officers of the Company are registered representatives of an affiliated corporation, Raymond James Financial Services, Inc. (RJFS), which is a registered broker-dealer and is regulated by the Financial Industry Regulatory Authority (FINRA).

In their capacity as registered representatives of RJFS, the officers of the Company may receive commissions from broker-dealer securities transactions. The commission income from RJFS is assigned back to the Company by the officers. The commissions and fees are disclosed to the clients either through prospectuses, confirmations of trades, or written agreements with the portfolio manager, copies of which are provided to the clients.

Commissions receivable, included in accounts receivable, represents commissions earned from transactions, net of any clearing costs and fees. At December 31, 2020 and 2019, the net amount due to the Company from RJFS was \$221 and \$6,784, respectively. The remaining commissions receivable were due from non-related parties.

3. Property and equipment

Property and equipment consist of the following at December 31:

	2020	2019
Vehicles	\$ 229,407	\$ 229,407
Office furniture and fixtures	244,805	244,805
Office equipment and computers	24,835	57,496
Software	11,388	11,388
Leasehold improvements	104,125	33,300
	<u>614,560</u>	<u>576,396</u>
Less accumulated depreciation and amortization	<u>(450,779)</u>	<u>(459,409)</u>
Property and equipment, net	<u>\$ 163,781</u>	<u>\$ 116,987</u>

4. Notes payable

Notes payable consist of the following at December 31:

	2020	2019
Note payable to shareholder:		
Unsecured, due in monthly installments of \$1,378, \$	-	\$ 12,144
including interest at 6%, matured October 2020		
Paycheck Protection Program (PPP) loan	<u>412,142</u>	<u>-</u>
	<u>412,142</u>	<u>12,144</u>
Less current portion	<u>(68,115)</u>	<u>(12,144)</u>
Note payable, net of current portion	<u>\$ 344,027</u>	<u>\$ -</u>

PART 2A OF FORM ADV: FIRM BROCHURE

SPC FINANCIAL, INCORPORATED NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

4. Notes payable (continued)

In April 2020, the Company received a loan in the amount of \$412,142 pursuant to the PPP under the Coronavirus Aid, Relief and Economic Security Act (the CARES Act). The loan and accrued interest are forgivable in an amount equal to the payments made for payroll, benefits, rent, and utilities during the twenty-four-week period beginning on the loan disbursement date (covered period), not to exceed the principal balance of the loan if the borrower maintains its payroll levels in the covered period. The amount of loan forgiveness is reduced if the borrower terminates employees or reduces salaries during the covered period. The unforgiven portion of the loan is payable over two years at an interest rate of 1%, with a deferral of payments until the first month after the U.S. Small Business Administration (SBA) determination of any unforgiven portion of the loan amount. For borrowers that do not apply for loan forgiveness, the payment deferral period will end 10 months after the end of the covered period. As of the date of this report, the Company has not determined whether it will apply for loan forgiveness. Until a determination is made, the Company accounted for the loan in accordance with ASC 470, *Debt*. The loan, if not forgiven, is scheduled to mature in April 2022, and the Company estimates that monthly payments of principal and interest of approximately \$17,350 would begin in September 2021, unless forgiveness of the debt is applied for and granted by the SBA.

5. Stock purchase agreement

The Company has a stock purchase agreement with the minority stockholders of the Company. Upon the death or termination of employment of these stockholders, the agreement calls for the purchase of the Company's stock by the Company from the stockholder or the estate of the deceased stockholder. The purchase price will be the fair market value of the stock as determined in accordance with the terms of the agreement. The determination of the purchase price is to be completed within 90 days of the Company's year-end. The maximum commitment for repurchase of stock effective January 1, 2021, is \$1,254,600.

6. Lease commitments

The Company leases office space in Rockville, Maryland under an operating lease expiring in December 2029. The lease calls for annual fixed increases of 3% per year over the lease term. The total minimum lease payments required under the lease are recognized as an expense over the term of the lease on a straight-line basis.

Future minimum lease payments for years ending December 31 are as follows:

2021	\$ 364,678
2022	374,707
2023	385,011
2024	395,599
2025	406,478
2026 and thereafter	<u>1,740,810</u>
Total	<u>\$3,667,284</u>

SPC FINANCIAL, INCORPORATED NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

7. Related party receivable

During the years ended December 31, 2020 and 2019, an entity wholly owned by two of the stockholders had an informal agreement to reimburse the Company for administrative expenses incurred on their behalf. The balance due at December 31, 2020 and 2019, was \$7,369 and \$770, respectively, and is included as a related party receivable.

8. Deferred tax asset

Deferred income taxes are recorded based upon temporary differences between the financial statement and tax bases of assets and liabilities. On December 31, 2020, the deferred tax asset consisted of temporary differences related to prepaid expenses, accrued liabilities, and accumulated depreciation.

9. Commitments

The Company has employment agreements with several officers and employees that provide for certain disability and/or death benefits. The minimum cumulative contingent liability of the Company under these agreements at December 31, 2020, was \$2,109,000.

10. Employee benefit plans

The Company maintained a SIMPLE IRA (the Plan) for eligible employees of the Company through December 31, 2019. The annual contribution to the Plan was a dollar for dollar matching of the employee's contributions up to a maximum of 3% of the employee's compensation for the year. Company contributions were made each pay period. Employees vested immediately in all contributions.

Effective January 1, 2020, the Company implemented a 401(k)-retirement plan (the 401(k) plan) covering substantially all employees. The 401(k) plan provides for employee deferral contributions as well as discretionary matching and company contributions.

The Company also maintains a flexible spending plan which is funded by employees through payroll deductions. The Company also has a health reimbursement plan under which employees may be reimbursed up to a specific limit per employee for out-of-pocket health costs. The Company records its liability under this plan assuming that 60% - 80% of the maximum benefit is actually incurred in each year.

11. Concentrations of credit risk

The Company maintains cash in financial institutions in amounts which, from time to time, exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. The Company has not experienced any losses in cash and cash equivalents, and believes it is not exposed to significant credit risk. Amounts in excess of FDIC-insured limits at December 31, 2020, approximated \$289,000. In addition, the Company had approximately \$1,717,000 in a U.S. Treasury Cash Reserve Fund at December 31, 2020.

SPC FINANCIAL, INCORPORATED NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

12. Risk and uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of the new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

While there has been progress in developing and distribution of a COVID-19 vaccine, there continues to be uncertainty around the breadth and duration of the business disruption, as well as its impact on the global economy. Nonetheless, the Company will continue to monitor the financial and business implications of the pandemic on its operations and will implement new strategies as appropriate.

13. Subsequent events

Management of the Company has evaluated events or transactions that occurred after December 31, 2020, through March 5, 2021, the date the financial statements were available to be issued and has determined that no subsequent events or transactions, with the exception of the matter discussed in Note 12, have occurred that require recognition or disclosure in the financial statements.

PART 2A OF FORM ADV: FIRM BROCHURE

PRIVACY POLICY SPC FINANCIAL, INC.

WHAT DOES SPC FINANCIAL, INC. DO WITH YOUR PERSONAL INFORMATION?

Why? Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What? The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Name	- Date of Birth	- Email Address
- Social Security Number	- Insurance Policy Information	- Financial Information
- Address	- Raymond James Account Information	- Tax Returns
- Phone Number	- Account Information & Balances	- Legal Documents

How? All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons SPC Financial, Inc. chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does SPC Financial, Inc. share?	Can you limit this sharing?
For our everyday business purposes- such as to process your transactions and maintain your account(s).	Yes	No
For our marketing purposes- to offer our products and services to you.	Yes	No
For joint marketing with other financial companies.	No	We don't share
For our affiliates' everyday business purposes- information is shared with SPC Financial, Inc.	Yes	No
For our affiliates to market to you.	No	We don't share
For nonaffiliates to market to you.	No	We don't share

To limit our sharing - Email or call 1-301-770-6800 to speak to your financial advisor.

Please note:
If you are a **new** customer, we can begin sharing your information **30** days from the date we sent this notice; however, for our affiliates' everyday business purposes, information may be shared with SPC Financial, Inc. immediately. When you are **no longer** our customer, we continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

Independence Investment advisory services offered through SPC Financial, Inc. SPC Financial, Inc. is not a registered broker/dealer.

Questions? Call your financial advisor at 1-301-770-6800.

PART 2A OF FORM ADV: FIRM BROCHURE

PRIVACY POLICY SPC FINANCIAL, INC.

Who we are

Who is providing this notice? SPC Financial, Inc.

What we do?

How does SPC Financial, Inc. protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files, office space and buildings.
How does SPC Financial, Inc. collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> - Open an account or deposit money - Submit documents for financial planning purposes - Purchase an insurance policy <p>OR</p> <p>We also collect your personal information from others, such as Raymond James Financial Services, Inc., Insurance companies, or e-Money Advisor.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ▪ sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for a service that is provided to me jointly with someone else?	Your choices will apply to everyone on your account unless you tell us otherwise.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. We do not jointly market.

Other important information

State or local regulations	If, in addition to federal law, you are protected by specific state or local regulations concerning information sharing and marketing, SPC Financial, Inc. will fully comply with these regulations as well.
Chicago Clearing Corporation	SPC Financial, Inc. (SPC) has arranged with Chicago Clearing Corporation (CCC) to provide a class action litigation claims service for our clients. CCC monitors securities class action cases. SPC provides data to CCC semi-annually consisting of our clients' securities trades and account information executed at Raymond James Financial Services, Inc. (RJFS) to enable CCC to identify qualifying trades which CCC uses in filing proof of claims for our clients. Clients have the right to Opt-In or Opt-Out of the service. For clients living in the states of CA, VT, AK, ME, MA, ND and LA, the default is Opt-Out. To receive the service of CCC, clients must affirmatively sign and return an Opt-In form to SPC. For clients living in all other states, the default is Opt-In. Clients who do not want to have their trades and account information shared with CCC must affirmatively sign and return an Opt-Out form to SPC. The services of CCC are independent from, and are not those of, RJFS and its affiliates, or SPC.