



**SBC WEALTH**  
**MANAGEMENT**  
Strategic Benefit Consultants

**Strategic Benefit Consultants, Inc.**  
**dba SBC Wealth Management**

**SBC Brochure Document**

2920 East 96th Street  
Indianapolis, IN 46240  
sbcwealth.com

This Form ADV Part 2A (Brochure) provides information about the qualifications and business practices of Strategic Benefit Consultants, Inc. (SBC, Firm, Advisor, us, we, or our). If you have any questions about the contents of this Brochure, please contact us at: 317-848-4744, or by email at [epentz@sbcwealth.com](mailto:epentz@sbcwealth.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. Our IARD firm number is 122433.

SBC is a registered investment adviser with the SEC. SBC's registration as an investment adviser does not imply any level of skill or training. Additional information about SBC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "Investment Adviser Search" and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

March 22, 2021

Strategic Benefit Consultants, Inc.

## **Item 2 - Material Changes**

---

### ***Annual Update***

The Material Changes section of this Brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

---

### ***Material Changes since the Last Update***

The changes since our last update filed on 03/04/2020 are that as of December 31, 2020, SBC managed \$827,408,258 of client assets on a discretionary basis within 2475 client accounts.

As of April 1, 2019, if a client has an immediate family member(s) (defined as parents and children to include in-laws) that are also clients of SBC, the lowest household rate will apply to all family accounts.

---

### ***Full Brochure Available***

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 317-848-4744 or by email at: [epentz@sbcwealth.com](mailto:epentz@sbcwealth.com).

## Item 3 -Table of Contents

<b>Item 2 - Material Changes .....</b>	<b>i</b>
Annual Update .....	i
Material Changes since the Last Update .....	i
Full Brochure Available .....	i
<b>Item 4 - Advisory Business .....</b>	<b>1</b>
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	2
Tailored Relationships .....	2
Types of Agreements.....	3
Termination of Agreement .....	4
<b>Item 5 - Fees and Compensation .....</b>	<b>4</b>
Description.....	4
Other Compensation.....	5
<b>Item 6 - Performance Based Fees .....</b>	<b>5</b>
<b>Item 7 - Types of Clients .....</b>	<b>5</b>
Description .....	5
<b>Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>6</b>
Methods of Analysis.....	6
Investment Strategies .....	6
Risk of Loss .....	6
<b>Item 9 - Disciplinary Information.....</b>	<b>8</b>
Legal and Disciplinary.....	8
<b>Item 10 - Other Financial Industry Activities and Affiliations.....</b>	<b>8</b>
Affiliations .....	8
Advisor Panel Disclosure.....	9
<b>Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>9</b>
Code of Ethics.....	9
Participation or Interest in Client Transactions.....	10
Personal Trading.....	10

Trade Errors.....	11
<b>Item 12 - Brokerage Practices .....</b>	<b>11</b>
Selecting Brokerage Firms.....	11
Directed Brokerage .....	12
<b>Item 13 - Review of Accounts.....</b>	<b>12</b>
Periodic Reviews .....	12
Review Triggers .....	12
Regular Reports.....	12
<b>Item 14 - Client Referrals and Other Compensation.....</b>	<b>13</b>
Incoming Referrals.....	13
Referrals Out .....	13
Other Compensation.....	13
<b>Item 15 - Custody .....</b>	<b>14</b>
<b>Item 16 - Investment Discretion .....</b>	<b>15</b>
<b>Item 17 - Voting Client Securities.....</b>	<b>15</b>
Proxy Votes .....	15
<b>Item 18 - Financial Information .....</b>	<b>15</b>
Financial Condition .....	15
<b>Business Continuity Plan .....</b>	<b>15</b>
General .....	15
Disasters.....	15
Alternate Offices .....	15
Loss of Key Personnel .....	16
<b>Information Security Program.....</b>	<b>16</b>
Information Security .....	16
Privacy Notice.....	16

## **Item 4 - Advisory Business**

---

### ***Firm Description***

SBC was founded in 1983 and became a Registered Investment Advisor in 1986. SBC has been an SEC registered advisor since 2013.

The primary business of SBC, as a Wealth Management/Financial Planning firm, is to work with individual clients to help maximize current income and/or cash flow both taxable and tax free, and/or create long-term capital appreciation using prudent financial strategies consistent with our clients' objectives, needs, risk tolerances, and assets.

Investment advice is an integral part of both wealth management and financial planning. In addition, other benefits to clients of SBC may include, but is not limited to: tax efficiency discussion and planning; income distribution and management strategies consistent with your objectives; estate planning and analysis of trust and will documents; retirement planning education, counseling and strategies at the household level; and asset management. In addition, we provide unlimited access to your advisor via phone or electronic communication; risk management and behavior counseling through all market environments; and when needed, survivor counseling and tax planning.

Broker-dealers and other financial institutions that hold investment accounts for advisory clients are referred to as custodians (hereinafter referred to as "custodian"). SBC does not act as a custodian of client assets. SBC offers wealth management and financial planning services for its clients through its Investment Advisory Representatives (IARs).

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which services may be beneficial to the client.

---

### ***Principal Owners***

Scott G. Holley is a 44.5% stockholder. Patrick B. Morrow is a 44.5% stockholder. Erin N. Pentz is a 5% stockholder. Carson M. Shadowen is a 5% stockholder. Andrew Fairman is a 1% stockholder.

---

## ***Types of Advisory Services***

Services to clients of SBC may include, but is not limited to:

### Personal Financial Planning

- Investment Analysis & Planning
- Projections for Retirement Planning
- Educational Funding Strategies
- Coordination With Other Professionals
- Periodical Review and Implementation

### Investment Advisory Services

- Wrap Fee Program and/or Separately Managed Accounts
- Asset Management
- Recommendations for Investment Diversification
- Search and Selection of Investment Managers
- Implementation and Review of Recommendations

### Retirement and Distribution Planning

- Projection for Retirement Planning and Wealth Accumulation
- Employer Plan Distribution and Rollover Planning
- Income and Tax Management
- Annual Performance Monitoring and Evaluation

### Estate and Legacy Planning

- Analysis of Trust and Will Documents
- Insurance Review and Recommendation
- Minimization of Estate Settlement Cost
- Asset Ownership Review
- Implementation of Plan Recommendation and Periodic Reviews

As of December 31, 2019, SBC managed \$688,602,742 of client assets on a discretionary basis within 2155 client accounts.

---

## ***Tailored Relationships***

All our services are tailored to meet the individual needs of the client. Each of our client's needs, goals, and objectives are unique. The goals and objectives for each client are documented in our client relationship management system. Certain clients may be restricted from investing in certain securities or types of

securities. We understand these restrictions and modify our recommendations accordingly.

Any investment restrictions must be provided in writing to us and the client's account will be regularly monitored for adherence to those restrictions.

Our IARs rely on you to notify them of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). These changes may prompt changes in your investment account and the investment strategies employed.

Agreements may not be assigned without client consent.

---

### ***Types of Agreements***

The following agreements define the typical client relationships.

#### **Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed. However, all wealth management clients must have a financial plan to determine the appropriate objectives.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event the client's situation is substantially different than disclosed at the initial meeting, a maintenance fee of \$400 will be charged. The client must approve the change of scope in advance of the additional work being performed.

#### **Hourly Planning Engagements**

SBC provides hourly planning services for clients who need advice on a limited scope of work.

## **Wealth Management Agreement**

SBC offers a wrap fee program in which we provide wealth management services on a discretionary basis to purchase and sell stocks, bonds and other securities as SBC may select. The wrap fee includes our advisory fee and brokerage fees. This program is more fully described in our Wrap Fee Program Brochure. It will be provided free of charge upon request.

A wrap fee program may cost you more or less than purchasing these services separately, depending on the amount of trading activity in your account, the value of services that are provided to you under this program, and other factors. Therefore, IARs may have a financial incentive to recommend the wrap fee program over other programs or services. Generally, wrap programs may result in higher overall costs to you in accounts that experience little trading activity.

---

### ***Termination of Agreement***

A client may terminate any of the aforementioned agreements at any time by notifying SBC in writing and paying the rate for the time spent on the engagement prior to notification of termination. If the client made an advance payment, SBC will refund any unearned portion of the advance payment.

## **Item 5 - Fees and Compensation**

---

### ***Description***

#### **Financial Planning Engagement**

The fee for financial planning is a flat fee of \$2400. All fees are subject to a 50% retainer with the remainder of the fee due upon receipt of the written financial plan. The fee may or may not include a progress review during the next 12 months. A maintenance fee of \$400 will be charged upon the client's request to update their financial plan. If the client also falls under the wealth management agreement, all financial planning fees will be offset by the annual advisory fee generated.

Fees are not negotiable, however, fees for firm related family engagements may be lower.

#### **Hourly Planning Engagements**

The hourly rate for limited scope engagements is \$400 per hour.

Fees are not negotiable, however, fees for firm related family engagements may be lower.



## **Wealth Management Agreement**

Please reference our Wrap Fee Program Brochure for detailed information on our Wealth Management Services fee schedule.

---

### ***Other Compensation***

Recommendations to SBC clients may also include the purchase of an insurance policy or annuity product issued by any one of several companies with which SBC or associated persons may have a relationship. The companies selected are those that SBC and/or its associates may deem appropriate for its client's needs. It is SBC's policy to disclose the relationships and participation of all related parties to clients in connection with any recommendation(s) prior to affecting any transaction(s).

The above-described arrangements may present a conflict of interest because they could create an incentive for your IAR to make recommendations based upon the amount of compensation we could receive rather than based upon your particular needs. We are nonetheless committed to always acting in your best interests.

You are under no obligation to purchase investment or insurance products or to implement any financial plan recommendations through your IAR. You may purchase those products and implement financial plan recommendations through the investment or insurance professional of your choice.

## **Item 6 - Performance Based Fees**

---

We do not charge performance-based fees for any of the services described in this brochure. Performance-based fees are generally based on a percentage of the capital gains on and/or appreciation of the client account assets.

## **Item 7 - Types of Clients**

---

### ***Description***

SBC's clientele consists primarily of individual investors including high net worth individuals, trusts or estates. Some pension and profit-sharing plans may also constitute part of our clientele, as well as thrift institutions, charitable organizations, corporations, and insurance companies.

Client relationships vary in scope and length of service.

There is no account minimum for financial planning services. Additional information on household and account minimums is available for Wealth Management Services in our Wrap Fee Program Brochure.

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

---

### ***Methods of Analysis***

SBC has used primarily a fundamental approach to the economy, financial markets, and individual securities but may use security analysis methods and resources of a technical, cyclical, or charting nature. It advises as to securities on a broad basis under a traditional financial planning approach, i.e., SBC's investment advice is most likely to take the form of a recommendation of a prudent diversification of investment assets based on modern portfolio theory.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, individual due diligence meetings with investment companies, and company press releases.

Other sources of information that SBC may use include Morningstar Advisor research, Lipper Analytical services, Standard and Poor's research, Thompson Financial Investment View, and others.

---

### ***Investment Strategies***

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use exclusively no-load actively managed funds as the core holdings with passively managed index and exchange-traded funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). SBC may also provide investment advice on research and development, equipment leasing, REITs, and other forms of direct participation programs.

---

### ***Risk of Loss***

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. 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 be more valuable than a dollar the next year, because purchasing power is eroding at the rate of inflation.
- **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:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations decreases the chances of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Global Epidemics or Pandemics:** Occurrences of epidemics or pandemics, depending on their scale, may cause different degrees of damage to global, national and local economies, or extreme volatility in US or global markets. In general, this may result in a significant reduction in commercial activity on a local or global scale that can adversely impact many businesses. Governments, on the national, local and state level, may institute a variety of measures including closing borders, lockdowns, quarantines, states of emergencies, and disruption of supply chains, which collectively may disrupt or slow the national or global economy. Such disruption may adversely affect Client returns.
- **Money Market Funds:** Money market funds pay dividends that generally reflect short term interest rates, and historically the returns for money

market funds have been lower than for either stock or bond funds. That is why inflationary risk (the risk that inflation will outpace investment returns over time) can be a potential concern for investors in money market funds.

- Bond Funds: There are many different types of bonds, bond funds can vary dramatically in their risks and rewards. Some of the risks associated with bond funds include credit risk, interest rate risk, and prepayment risk.
- Stock Funds: Generally, market risk is the greatest risk for investors in stock funds. Stock prices can fluctuate for a broad range of reasons, including the overall strength of the economy or of specific market segments, national or geopolitical situations, or demand for particular products or services.
- Exchange Traded Funds (ETFs): Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on exchanges. Like stock mutual funds, ETF prices may be affected by the prices of the underlying securities and the overall market. ETFs that track a particular sector may be affected (positively or negatively) by factors affecting that particular sector.

## **Item 9 - Disciplinary Information**

---

### ***Legal and Disciplinary***

The firm and its management person have not been involved in the past ten years in any legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of the firm's management.

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

---

### ***Affiliations***

SBC is not, nor are any of SBC's management persons (except as disclosed below), registered, nor does SBC have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

In addition, neither SBC nor any of SBC's management persons have any arrangement that is material to our advisory business or to our clients that we or any of SBC's management persons have with any related person that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,

- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

In addition, certain SBC's IARs are licensed to sell insurance products through various companies. These individuals may receive compensation for the sale of such products. Clients are under no obligation to purchase insurance or investment products through them and are free to choose the sources through which to implement investment advisory recommendations.

---

### ***Advisor Panel Disclosure***

Scott Holley serves on the TD Ameritrade Institutional Advisor Panel. The Panel consists of a number of independent investment advisors that inform and provide feedback to TD Ameritrade Institutional ("TDAI") on issues relevant to the independent advisor community. Scott has been appointed to serve on the Panel for a three-year term by TDAI. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate advisor for serving on the Panel but TDAI pays or reimburses advisor for travel, lodging and meal expenses advisor incurs in attending in person Panel meetings. The potential benefits received by advisor or its personnel by serving on the panel do not depend on the amount of brokerage transactions to TDAI.

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

---

### ***Code of Ethics***

SBC has adopted a written Code of Ethics. All employees of SBC are deemed to be supervised persons and are therefore subject to this Code of Ethics. In carrying on its daily affairs, SBC and all of our associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm.

SBC have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of SBC might take advantage of that knowledge for their own benefit. SBC has in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to you; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

To obtain a copy of the firm's current Code of Ethics, please contact the firm's Chief Compliance Officer, Ms. Erin Pentz, at [epentz@sbcwealth.com](mailto:epentz@sbcwealth.com), or call 317-848-4744, and we will ensure that a copy of the Code is provided to you.

---

### ***Participation or Interest in Client Transactions***

SBC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the SBC operations manual.

---

### ***Personal Trading***

The Chief Compliance Officer reviews all employee trades each quarter. Her trades are reviewed by a designated person. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

SBC does not execute transactions on a principal or agency cross basis.

---

### ***Trade Errors***

In the event a trading error occurs in a client account, it is this firm's policy to make clients whole for any losses. The firm corrects all trade errors through Trading Error Accounts maintained by the firm's custodian. All gains resulting from a trade correction will be swept from the trading error account on 30-day intervals and contributed to charity.

## **Item 12 - Brokerage Practices**

---

### ***Selecting Brokerage Firms***

SBC participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") Member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC registered broker-dealer. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

SBC does not have any affiliation with product sales firms.

SBC will utilize the brokerage/custodial services where we believe SBC can meet our fiduciary obligation of best execution. SBC does not warrant or represent that commissions for transactions implemented through such broker/custodian will be lower than commission available if you use another brokerage firm.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although SBC will seek competitive rates, SBC may not necessarily obtain the lowest possible commission rates for client account transactions.

SBC will establish brokerage account(s) for clients with TD Ameritrade to maintain custody of clients' assets and to effect trades for their accounts. Clients must evaluate our custodian before opening an account. Factors that SBC considers include financial strength, reputation, execution, pricing, and service, among other factors. However, SBC does not consider whether SBC receives client referrals when selecting or recommending a custodian to our clients.

SBC will periodically and systematically review the quality of execution services from any broker/custodian we utilize relative to the factors described above. We will perform a formal review on an annual basis, and a more limited review each quarter. We also review certain reports relative to best execution

quarterly. We will document the results of our review process and our decision on whether to change or continue with such custodian. SBC uses the results of our review that occurred over the previous year to determine whether to continue with the existing brokerage arrangements or amend them based upon the results.

While the firm utilizes no-load mutual funds for the majority of client holdings, the firm does batch or aggregate the purchase or sale of ETF transactions when appropriate.

---

### ***Directed Brokerage***

SBC does not routinely recommend, request, or require that you direct us as to how to execute brokerage transactions on your behalf (i.e., using a particular broker-dealer for execution purposes). Clients may be able to receive lower overall commission rates, enhanced execution, or other services at another broker/dealer. Each client must evaluate each broker/dealer carefully to ensure that the broker selected provides them with the best blend of cost, clearance and settlement, and other services.

Where the wrap fee program is not recommended, the use of other brokerage firms may be appropriate. However, clients may not receive best execution on certain trades. For example, such clients usually cannot participate in block orders with other firm clients and the lower transaction costs such trades afford. In such transactions, share prices are averaged across client accounts participating in the block transaction.

## **Item 13 - Review of Accounts**

---

### ***Periodic Reviews***

Account reviews are performed no less than quarterly by the client's IAR or SBC's research/portfolio specialist. Account reviews are performed more frequently when market conditions dictate.

---

### ***Review Triggers***

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

---

### ***Regular Reports***

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications, Financial Planning and or Retirement reports, on at least an annual basis.



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

---

### ***Incoming Referrals***

SBC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

---

### ***Referrals Out***

SBC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

---

### ***Other Compensation***

As disclosed under Item 12 above, SBC participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between participation in the program and the investment advice given to Clients, although SBC receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to SBC by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by SBC's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Firm but may not benefit its Client accounts. These products or services may assist in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help SBC manage and further develop its business enterprise.

The benefits received by SBC or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, SBC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the choice of TD Ameritrade for custody and brokerage services.

SBC also receives from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent Investment Advisors participating in the program. Specifically, the Additional Services include Orion, Docupace, Redtail, MoneyGuidePro, Wealth Access, Morningstar and Advicent. These resources enable a higher degree of reporting, portfolio evaluation, trading capabilities, investment research, and compliance documentation for all client accounts. TD Ameritrade subsidizes the Additional Services to SBC in its sole discretion and at its own expense, and SBC does not pay any fees to TD Ameritrade for the Additional Services. SBC and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

SBC’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, SBC’s Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with SBC, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, the Firm may have an incentive to recommend to its Clients that the assets under management be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. SBC’s receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

Certain wholesalers of financial products may sponsor and pay for client luncheons, or other events, that SBC hosts. These arrangements may give rise to conflicts of interest, or perceived conflicts of interest, with the firm’s clients in connection with SBC’s recommendation of certain financial products. However, SBC’s commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with SBC’s independent decision making when choosing the most appropriate financial products for our clients.

## **Item 15 - Custody**

---

In accordance with current guidance from the SEC relating to Standing Letters of Authorization (SLOA), SBC is deemed to have custody of accounts with these instructions. Under this SEC guidance, we are not required to obtain a surprise audit. Clients will receive an annual confirmation from the account custodian confirming the existing SLOA instructions. We urge you to review those statements carefully.

SBC does not take physical possession of client cash or securities or custody any assets. Additional information on Custody is available for Wealth Management Services in our Wrap Fee Program Brochure.

## **Item 16 - Investment Discretion**

---

SBC does not have investment discretion over financial planning agreements. Additional information on our investment discretion is available for Wealth Management Services accounts in our Wrap Fee Program Brochure.

## **Item 17 - Voting Client Securities**

---

### ***Proxy Votes***

SBC does not vote proxies on securities. Clients are expected to vote their own proxies.

## **Item 18 - Financial Information**

---

### ***Financial Condition***

SBC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because SBC does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

---

### ***General***

SBC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. In the event SBC cannot be contacted, clients may access their funds and securities by contacting the custodian, TD Ameritrade, at (800) 431-3500.

### ***Disasters***

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornadoes, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite weekly.

### ***Alternate Offices***

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

---

### ***Loss of Key Personnel***

SBC has signed a Business Continuation Agreement between its owners.

## **Information Security Program**

---

### ***Information Security***

SBC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

---

### ***Privacy Notice***

SBC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the investment advisory process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

*With your permission*, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with the custodian in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.