



## Item 1 – Cover Page

Stonebridge Financial Planning Group, LLC

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May 27, 2021

This Brochure provides information about the qualifications and business practices of Stonebridge Financial Planning Group, LLC ("SFPG," "us," "we," "our"). SFPG's IARD firm number is 154616.

If clients ("you," "your") have any questions about the contents of this Brochure, please contact us at (407) 695-7100. 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.

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

## Item 2 – Material Changes

The material changes made since the last annual filing of our Form ADV Part 2 or “Disclosure Brochure” dated March 23, 2021 are:

SFPG has revised Item 4 to reflect that Pinnacle and Apex investment account(s) maintained at Triad have been converted to a new program called the Triad Wealth Management Platform (WMP) - Advisor Managed Portfolios Program (Advisor Managed Portfolios). SFPG further revised Item 4 to describe the various characteristics of the Advisor Managed Portfolios program. Please see Item 4 for additional information.

SFPG has revised Item 5 to describe the new billing methodology for Advisor Managed Portfolios accounts, as well as the new account minimum for this type of account. SFPG further revised Item 5 to describe additional fees and charges which may apply and the conflict of interest associated with Triad’s administrative fee. Please see Item 5 for additional information.

The material changes made since the annual filing of our Disclosure Brochure dated March 9, 2020 are:

SFPG has revised Items 4 and 5 to describe that we offer a social security analysis service on a standalone basis, as well as how this service is billed. Please see Items 4 and 5 for additional information.

SFPG has revised Item 5 to clarify that our IARs who are registered representatives may recommend mutual fund products which pay 12(b)-1 fees in non-advisory brokerage accounts. Please see Item 5 for more information.

SFPG has revised Item 5 to describe the conflict of interest involved with our receipt of asset-based fees, as well as how we address that conflict of interest. Please see Item 5 for more information.

SFPG has revised Item 13 to clarify how frequently accounts are reviewed and monitored by our firm. Please see Item 13 for more information.

This section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this Brochure on the SEC’s public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). We may, at any time, update this Disclosure Brochure and send a copy to you with a summary of material changes, or send you only a summary of material changes that includes an offer to send you a copy of the full brochure [either by electronic means (email) or in hard copy form].

If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or contact our President/Chief Compliance Officer, Dianne M. Webb at (407) 695-7100 or via email at [dwebb@stonebridgefpgroup.com](mailto:dwebb@stonebridgefpgroup.com).

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## **Item 4 – Advisory Business**

Stonebridge Financial Planning Group, LLC (“SFPG” or the “Firm”) was organized as a limited liability company under the laws of the State of Florida on October 11, 2007 and is principally owned by Dianne M. Webb. We are registered as an investment adviser with the Securities and Exchange Commission (SEC) to provide investment advisory services. As of May 14, 2021, we have \$197,937,481 in assets under management managed on a discretionary basis and \$1,108,762 in assets under management managed on a non-discretionary basis.

We offer investment advisory and financial planning services to individuals (including high net worth individuals), pension and profit sharing plans. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Please contact Dianne M. Webb, President/Chief Compliance Officer, if you have any questions about this Disclosure Brochure.

Individuals associated with us who are qualified will provide advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (IARs). SFPG will require the IARs to be properly licensed and registered, unless exempt, in states in which such individuals are conducting investment advisory business.

Below is a description of the investment advisory and financial planning services we offer. For more detail on any product or service please reference the Advisor Managed Portfolios Client Agreement or Investment Advisory Agreement, as applicable, wrap brochure (if applicable) or speak with your SFPG IAR.

### **Investment Supervisory Services**

We manage client portfolios on a discretionary and non-discretionary basis. As of May 14, 2021, we have \$197,937,481 in assets under management managed on a discretionary basis and \$1,108,762 in assets under management managed on a non-discretionary basis.

You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions may affect the composition and

performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

We offer investment advisory services primarily through “Advisor Managed Fee Based Accounts,” which includes private managed accounts. Trades are generally cleared through National Financial Services, Inc. (“NFS”), pursuant to the clearing agreement between NFS and the broker-dealer with whom our representatives are registered, Triad Advisors, LLC (“Triad”). Custody of funds and securities are generally maintained by NFS, not by SFPG.

Services provided under some or all of these options may be available from other providers for lower fees.

### **Fee-Based Advisor Managed Accounts**

We have the ability to offer certain investment advisory services through various types of accounts established by Triad (the “Triad Wealth Management Platform”) at NFS. The Triad Wealth Management Platform offers various account structures that allow our IARs to effectively meet your investment needs and preferences. Based on our consultations with you, the IAR determines your investment goals and risk tolerance. Our IARs prepare customized asset allocations, investment selection, and investment strategies to meet your individual financial situation and investment objectives. Several factors may influence which type of account your IAR recommends, including but not limited to: 1) your preference for a “wrap” fee, which combines the advisory fee we charge with transaction-based charges into a single fee; your desire to pay transaction charges per trade on certain or all securities, 2) account size, 3) anticipated trading frequency, 4) anticipated securities to be traded, and/or 5) management style. In each type of account, the IAR may manage and provide advice on mutual funds, stocks, bonds, Exchange Traded Funds (ETFs), Limited Partnerships (LPs), and options.

#### **1. Advisor Managed Portfolios Program**

The Triad Wealth Management Platform – Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through NFS.

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools and based on your responses to the risk

tolerance questions and discussions that you and your IAR have together regarding, among other things, your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation, we construct a portfolio of investments for you. Your IAR has the option to allocate your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds (“ETFs”), mutual funds and other securities (“Program Investments”) which are based on your investment goals, objectives, and risk tolerance.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Recommendations are made on a discretionary or non-discretionary basis, as selected by you in the “Statement of Investment Selection” schedule to your Advisor Managed Portfolios Client Agreement or Investment Advisory Agreement, as applicable. If discretionary, we have the ability to trade your account without obtaining your prior consent. If non-discretionary, you will make the ultimate decision regarding the purchase or sale of investments. However, even with non-discretionary authority, we have the ability to periodically rebalance your account to maintain the initially agreed upon asset allocation without your consent. We also have the ability to convert certain mutual fund holdings in your account to a lower-cost share class, whenever such share class is available, without your consent.

Advisor Managed Portfolios are offered on a Wrap and Non-Wrap basis. Non-Wrap accounts have separate advisory fees and transaction charges, and are potentially suitable for clients who, among other things, prefer to experience transaction charges on a per trade basis, for smaller accounts and/or those in which the IAR anticipates very low trading activity annually. Wrap accounts are potentially suitable for clients who, among other things, after consultation with their IAR, anticipate heavy trading activity and prefer a no transaction fee per trade account on most trades.

For further Advisor Managed Portfolios details, please see the Triad Wealth Management Platform Advisor Managed Portfolios Appendix 1 (“Wrap Fee Program Brochure”). We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing

### **Advice to Clients on Matters Not Involving Securities**

We offer financial planning services encompassing, but not limited to, the following:

- Investment Analysis and Planning;
- Estate Planning;
- Retirement Income Planning;
- Tax Planning and Preparation;
- Risk Management;
- Education Planning;
- Insurance/LTC Planning
- Divorce Financial Analysis & Planning; and
- Survivor/Widowhood Adjustment

Financial planning information will be obtained through personal interviews concerning your current financial status, future goals and attitudes towards risk. Related documents that you supply are carefully reviewed, along with data gathered from you. During the financial planning process we create a comprehensive financial plan for each planning client. In addition, when a client pays for financial planning services, the client receives online access to their full financial plan for twelve months. A client may extend their access beyond twelve months for additional fees as discussed below in Item 5.

We also offer comprehensive tax preparation and divorce planning services. All clients interested in these services are required to sign a separate Tax Return Preparation Engagement Agreement and/or Divorce Planning Retainer Agreement outlining the terms and scope of these services.

We have a conflict of interest when we provide divorce financial analysis and planning for existing advisory clients. If we provide investment advisory services to a married couple and we learn that they intend to get divorced, each individuals' interest will be in conflict with one another. We resolve this conflict by, upon notice of a divorce, terminating our relationship with one or both of the individuals and verbally explaining the conflict to each client.

We also offer a social security analysis service on a standalone basis. The purpose of this service is to help investors determine when to start taking social security benefits.



### **Educational Seminars, Workshops and Newsletter**

SFPG engages in the delivery of Educational Workshops and Seminars. These services focus on general education only and do not provide for individualized advice or recommendations. There is generally no cost for attendance at these workshops and seminars, although in certain cases SFPG may charge a nominal fee. SFPG also provides quarterly newsletters to its clients and prospective clients with general information regarding investment-related topics and financial planning, as well as general lifestyle items related to health and wellbeing. The newsletter also contains information on any client events or other firm news. SFPG does not charge for this service.

## Item 5 – Fees and Compensation

### **Management Fees**

The fees we charge to manage accounts are based on a percentage of the market value of assets under management including cash. In addition, each mutual fund, ETF or third party investment manager charges asset management fees, which are in addition to the management fees charged. The fees charged by such funds or managers are disclosed in each fund's prospectus or third party investment manager's Form ADV Part 2. Fees are negotiable at the sole discretion of SFPG. The management fee also does not cover debit balances or related margin interest or SEC fees or other fees or taxes required by law. In addition, certain accounts may require a minimum management fee or quarterly maintenance fee that will be detailed in the applicable Advisor Managed Portfolios Client Agreement or Investment Advisory Agreement.

### **Payment of Fees**

For the majority of accounts, management fees are payable quarterly or monthly in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter or month. Fees are negotiable and automatically deducted from the account by the custodian pursuant to the Advisor Managed Portfolios Client Agreement or Investment Advisory Agreement, as applicable. For accounts on the Triad Wealth Management Platform, monthly or quarterly management fees are determined by prorating the applicable rate in the annual fee schedule for the number of calendar days for each month or quarter. In the event that additions to, or withdrawals from, the account are made in excess of \$10,000 during any given month or quarter, the monthly or quarterly management fee will be adjusted on a pro-rata basis to the account from which the charge was debited.

Before the management fees are distributed to SFPG for the advisory services given to the clients, Triad deducts from the management fee an administrative fee of up to 0.26% annually for administrative services based on the total portfolio value which the agreed upon advisory fee was based. This deduction does not increase the management fee you pay.

### **Termination of Contracts**

The Advisor Managed Portfolios Client Agreement or Investment Advisory Agreement, as applicable, may be terminated by either party at any time by written notice.

Termination shall be effective when received by all other parties to the agreement. Fees paid in advance will be prorated to the date of termination and any unearned portion of the fee will be refunded to you.

We provide a current copy of this brochure to prospective clients before entering into an advisory contract or, at the latest, at the time of entering into the contract.

Detailed information on the termination terms and fees can be found in the applicable advisory agreement or client agreement.

### **Fee-Based Advisor-Managed Accounts**

#### **1. Advisor Managed Portfolios Account**

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account"). We also offer Advisor Managed Portfolios with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly or monthly management fee described below for advisory services, you will also pay separate per-trade transaction charges.

Advisor Managed Portfolios accounts have a \$50,000 minimum account size, which may be waived in our sole discretion. The basic asset based fee schedule for the Advisor Managed Portfolios Non-Wrap Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Management Fee</u></b>
On the first \$0 - \$750,000	1.50%
On the next \$750,001 - \$1,000,000	1.25%
On the next \$1,000,001 - \$2,000,000	1.00%
On the next \$2,000,001 - \$5,000,000	0.80%
Above \$5,000,001	0.60%

The basic asset based fee schedule for the Advisor Managed Portfolios Wrap Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Management Fee</u></b>
On the first \$0 - \$750,000	1.60%
On the next \$750,001 - \$1,000,000	1.35%
On the next \$1,000,001 - \$2,000,000	1.05%
On the next \$2,000,001 - \$5,000,000	0.85%
\$5,000,001+	0.65%

The management fee rate may be either a flat annual fee rate (for example, a maximum rate of 1.50% for Non-Wrap Accounts and 1.60% for Wrap Accounts) or will be a blended rate, using two or more of the rate tiers set forth above. The management fees are calculated by multiplying the Portfolio Value to the corresponding fee percentage shown per tier above. Please note that our maximum fees may be lower than the maximum fees for this type of account that Triad allows. If that is the case, it is because we choose to charge fees that are lower than the maximum permitted under the Advisor Managed Portfolios Program.

A portion of the annual management fees (up to 0.26%) will be paid to Triad as administrative fees. These fees cover administrative, and supervisory services provided by Triad, as well as execution, clearing and custodial services provided by NFS. Administrative fees for Non-Wrap Accounts are lower than the administrative fees paid in connection with Wrap Accounts.

The amount of the administrative fee payable to Triad may be subject to a discount if SFPG maintains Advisor Managed Portfolio accounts with aggregate assets under management at target levels negotiated with Triad. This presents a conflict of interest, as SFPG and its IARs have an incentive to recommend that clients open an Advisor Managed Portfolio account in order to retain a higher amount of the total management fee paid by each client who opens an Advisor Managed Portfolio account. We address this conflict of interest by ensuring any such recommendations are in the client's best interest. For more information regarding our brokerage practices, please see Item 12 of this brochure.

All Advisor Managed Portfolio accounts are subject to additional fees and charges including IRA and retirement plan maintenance and termination fees, ADR fees, transfer costs, margin interest, national securities exchange fees, costs associated with exchanging currencies, wire transfer fees, paper confirmation fees or other fees as required by law. These fees are not included and are in addition to the management fee referenced above. Neither SFPG nor your IAR receive any portion of these fees.

Mutual funds and ETFs invested in the account have their own internal fees which are separate and distinct from management fees (for more information on these fees, see the applicable fund prospectus). Some Fund fees include 12(b)-1 fees which are internal distribution fees assessed by the Fund, all or a portion of which are paid to the distributor(s) of the Funds. SFPG and your IAR do not retain any portion of such 12(b)-1 fees paid by the Funds. In certain instances, clients may be eligible to purchase certain

mutual funds and ETFs without incurring transaction charges subject to certain conditions. For details, please refer to Item 4 (No Transaction Fee Programs) of the Triad Wealth Management Platform Advisor Managed Portfolios Wrap Fee Program Brochure.

Clients who select the Non-Wrap Fee option are assessed transaction and other service charges in addition to the management fee. Transaction charges can apply to securities sales, purchases and exchanges. The charges vary for mutual funds, variable products, stocks, bonds and option transactions. These transaction and other service charges may be higher or lower than transaction charges, commissions or other service fees client would pay at other broker-dealers. For complete fee details, including management fee schedule guidelines and a list of transaction charges, please see the Triad Wealth Management Platform Advisor Managed Portfolios Wrap Fee Program Brochure and the Triad Schedule of Miscellaneous Account and Service Fees.

Our receipt of an asset-based fee presents a conflict of interest. This is because the more assets there are in the client's account, the more the client will pay in fees. Therefore, we have an incentive to encourage clients to increase the assets in their accounts. We address this conflict of interest by ensuring any such recommendations are in the client's best interest.

### **Third-Party Investment Managers**

SFPG also sometimes recommends the use of third-party managers for clients' accounts. The third-party manager manages clients' portfolios for a fee that is separate from the fee the SFPG charges. This separate fee will reduce the overall management fee paid to SFPG. This arrangement creates a conflict of interest for our firm because we have an incentive to not recommend a third-party manager because it reduces the fee paid to us. SFPG addresses this conflict of interest by carefully considering the need for the recommendation of the third-party manager and whether the entire fees as proposed are reasonable and commensurate with the quality of service being provided.

Moreover, conflicts of interest exist when our firm recommends third-party money managers who are paid a smaller percentage of our management fee versus third-party money managers who are paid a larger percentage or who do not share fees. Lastly, our firm has a conflict of interest in that it will only use or recommend third-party managers that have a relationship with us and have met the conditions of our due diligence review. There may be other third-party managers that may be suitable that we do not have a relationship with or that may be more or less costly. To mitigate or remedy any conflicts of interest, third-party money manager arrangements are fully

disclosed in this Brochure and shown in our compensation disclosure form to clients before effecting transactions.

### **Investment Advisory Services not Involving Investment Supervisory Services**

Our IARs also provide investment advisory services on a limited discretionary or non-discretionary basis. These services include establishing and monitoring investment objectives, risk tolerance, asset allocation goals and time horizon. In addition, our IARs may provide information and research about investment products and strategies, and review portfolio performance reports.

### **Furnishes Advice to Clients on Matters Not Involving Securities**

For a full financial plan, we may charge a flat fee up to \$2,500. We may also charge up to \$1,000 for an annual update to the financial plan, unless agreed upon between us. The fee will be quoted prior to the contract being executed. The fee for this service will be determined according to the complexity of the plan as well as the extent of service you desire. An estimated fee will be given upon contracting with you. Fees may be negotiable. For Advisory Clients with a minimum of \$500,000 invested with SFPG, all financial planning fees may be waived at our discretion. In lieu of a flat fee, fees may be charged on an hourly rate up to \$210 per hour.

Financial planning fees are paid in advance of the planning services unless otherwise agreed upon between us. We will complete all financial plans not later than six months after receipt of the fee, and often within a few weeks. The contract may be terminated by either party at any time by written notice. We will, upon your written request, refund fees prorated to the amount of work completed.

We also offer tax preparation and divorce planning for Women in Transition, separate services in which separate fees will be charged should you utilize these services.

Tax preparation fees are based on the complexity of the situation and the estimated amount of time spent working on the client's situation. Current year tax preparation fees will be quoted prior to the execution of the client engagement agreement. Tax preparation fees start at \$335 and are due upon the completion of the tax return. Fees are negotiable. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.0% per month. The agreement may be terminated by either party at any time by written notice. Clients will be obligated to compensate SFPG for all time expended through the date of termination.

Divorce planning fees are based on the complexity of the situation and the estimated amount of time spent working on the client's situation. Divorce planning fees will be quoted prior to the execution of the client retainer agreement. Hourly rates generally range from \$185 to \$225, with a \$1,000 retainer paid in advance. These amounts may vary depending on the services provided and the client's situation. Fees are negotiable. The remainder is due within 30 days of the final invoice. Any part of the retainer that is not used will be refunded after an initial \$500 minimum fee. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.5% per month plus cost of collection. A \$25 late fee may be assessed if minimum payments are not received by the due date each month.

A social security analysis is also offered on a standalone basis for a maximum fee of \$750. A 50% retainer is due in advance, with the remainder due after completion of the analysis. If services are terminated prior to completion of the analysis, SFPG will refund fees prorated to the amount of work completed.

You are not obligated to use these services. There is a conflict of interest in recommending tax preparation and divorce planning to our clients as we have an incentive to recommend our own services to receive fees. This conflict is managed by ensuring that all recommendations are in the best interest of the client.

### **Educational Seminars & Workshops**

SFPG may charge a nominal fee for its Educational Workshops and Seminars. Any such fee will be clearly communicated to clients and prospective clients in the flier or other communication describing the event. Attendance of these events is entirely voluntary, and as a client you are not required to attend Educational Workshops or Seminars provided by our firm.

### **Retirement Plan Rollovers**

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account to be managed by SFPG, such a recommendation creates a conflict of interest as we will earn a new (or

increase our current) advisory fee as a result of the rollover. We address this conflict of interest by reviewing any such recommendation to ensure it is in the best interest of the client. No client is under any obligation to roll over retirement plan assets to an account managed by us.

### **Additional Compensation**

In the capacity of registered representatives of Triad Advisors, LLC, IARs or other associated persons of SFPG may receive commissions for securities transactions we may recommend to clients. These transactions present a conflict of interest in that they give the registered representatives (our IARs) an incentive to recommend investment products based on the compensations received rather than on your needs. We manage this conflict of interest by disclosing it here and reviewing the suitability of each proposed transaction that would result in payment of commissions prior to approving said transaction. As CFP® professionals, our IARs must act in your best interest when recommending investment products to you. Our IARs no longer recommend mutual fund products which pay 12(b)-1 fees as compensation. However, our IARs may recommend mutual fund products which pay 12(b)-1 fees in non-advisory brokerage accounts, and receive 12(b) in their separate capacity as registered representatives of Triad. This presents a conflict of interest, which we address as described above.

SFPG is also licensed as an insurance agency in the state of Florida. Certain IARs or other associated persons of SFPG are licensed to sell life insurance products, including annuities, on behalf of various insurance companies through SFPG. The appropriately licensed IARs and SFPG will receive a portion of the overall commission for the sale of such products. This creates a conflict of interest because we have an incentive to recommend insurance products to clients based on the compensation received, rather than based on the clients' needs. You are under no obligation to purchase insurance products through any particular insurance agency or IAR and may affect any such transactions where you desire. Insurance products may be available to you elsewhere at lower cost. We manage this conflict of interest by requiring all IARs who are licensed to offer insurance products to our clients to review the potential sale of any products for the purpose of determining adherence to applicable insurance suitability standards and fully disclosing to a client when a particular transaction will result in the receipt of commissions or other associated fees. As CFP® professionals, our IARs must act in your best interest when recommending insurance products to you.

Please be aware that you have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with SFPG.



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

We do not charge performance based fees (i.e., advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account). Our compensation structure is disclosed in detail in Item 5 above. We also do not engage in side-by-side management of accounts.

## **Item 7 – Types of Clients**

We provide investment advisory and financial planning services to individuals including high net worth individuals and profit sharing plans. We also provide investment advisory and financial planning services to corporations. We have minimum account requirements to open or maintain some accounts, which are described above in Item 5 next to each corresponding type of account.

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

Our investment strategies include long term buy and hold and short-term trading strategies. We primarily provide investment advice concerning equities, fixed income, certificates of deposit, investment company securities (mutual funds) and variable insurance products. We also may provide investment advice concerning partnership interests, including, but not limited to, real estate, oil and gas interests, and other business or industry.

Each portfolio will be initially designed to meet particular investment goals and objectives taking into account your financial situation, circumstances, and risk tolerance. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions may affect the composition and performance of your portfolio.

We base our investment advice in part upon information gathered from financial newspapers, magazines, and research materials prepared by others. We also utilize Morningstar, which provides support services in portfolio design and strategy implementation, and Riskalyze, which helps us analyze the level of risk our clients may currently have.

In determining the investment advice to give to you, we may utilize charting to determine trends and project future values. In a fundamental analysis, we analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets your needs and objectives. We will take into consideration when making investment decisions the stages of the business during a given point in time. We may also perform a security analysis discipline, known as a technical analysis, in forecasting the direction of prices through the study of past market data, primarily price and volume.

There are inherent risks involved in each investment strategy or method of analysis we use and the particular types of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **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.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading.** Clients should note that Adviser may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Adviser endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.
- **Risks Related to Investment Term.** If you require us to liquidate your portfolio during a period in which the price of the security is low, you will not realize as much value as you would have had the investment had the opportunity to regain its value, as investments frequently do, or had we been able to reinvest in another security.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **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. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.
- **Financial Risk.** Excessive borrowing to finance a business' operations decreases the risk 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.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Risks specific to sub-advisors and other managers.** If we invest some of your assets with another adviser, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.** As described above, SFPG may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

- **Equity Market Risks.** SFPG will generally invest portions of client assets directly into equity investments, either individual stocks or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.
- **Option Risks.** The purchaser of a put or call option can lose all of the cost of the option (the premium). Most options expire "out of the money," meaning the purchaser will lose his or her premium on most options purchased. Selling puts and/or calls in a particular equity does not affect the downside risk of owning that equity, as described in "Equity Market Risks," above. There are additional significant risks involved in selling uncovered or "naked" puts or calls, that is, puts or calls on securities in which you as the client do not already own an underlying position in the security.
- **Risks Related to Alternative Investment Vehicles.** From time to time and as appropriate, SFPG may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective Managers. When the investment objectives and strategies of a Manager are out of favor in the market or a Manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the Manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time.
- **Fixed Income Risks.** SFPG may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment

funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

- **Foreign Securities Risks.** SFPG may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

## **Item 9 – Disciplinary Information**

We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

Neither our advisory firm nor a management person of our firm has been involved in any material disciplinary event.



## Item 10 – Other Financial Industry Activities and Affiliations

Neither SFPG nor any of our management persons (except as disclosed below) are registered, or 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, except as noted below.

In addition, neither SFPG nor any of our management persons have any relationship or arrangement with any person related to SFPG that is material to our advisory business or to our clients.

However, IARs of SFPG are registered representatives of Triad Advisors, LLC ("Triad"), a registered broker dealer and a member of FINRA & SIPC with various state regulatory agencies. Triad is also licensed as an SEC investment adviser. Any compensation arrangements or other business relationships between SFPG and Triad are described in detail in items 4 and 5 above. Triad is a wholly-owned subsidiary of Advisor Group, Inc. ("Advisor Group"), an independent wealth management firm network which recently merged with Ladenburg Thalmann Financial Services ("LTFS"), the previous owner of Triad. Advisor Group offers securities and investment advisory services through its subsidiaries, including Triad, FSC Securities Corporation, Royal Alliance Associates, Inc., SagePoint Financial, Inc., Woodbury Financial Services, Inc., and Securities America, Inc., broker-dealers, registered investment advisers and members of FINRA and SIPC.

The IARs may spend as much as 20% of their time with Triad and as agents of various insurance companies.

The above relationships are considered material. See discussion of the conflicts of interest relating to this relationship in Item 5 above. However, we are not under common control and ownership with, and therefore, not affiliated with Triad Advisors, LLC or its affiliates.

SFPG also sometimes recommends the use of third-party managers for clients' accounts. For a detailed discussion of these arrangements and the material conflicts of interest they present, please see Item 5 of this brochure.

SFPG also has an agreement with an accountant, Adam Spoolstra, to provide tax return preparation services to clients of SFPG. Mr. Spoolstra owns a non-affiliated accounting firm, Spoolstra Consulting LLC. Supervised persons of SFPG may recommend Spoolstra Consulting's services to clients of SFPG. Likewise, supervised persons of

SFPG who are also agents of Spoolstra Consulting may recommend SFPG's services to clients of Spoolstra Consulting. This presents a conflict of interest in that the supervised person has an incentive to recommend Spoolstra Consulting or SFPG based on compensation received from these entities. We address this conflict of interest by ensuring any such recommendations are in the best interest of the client.

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

We have 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.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where our personnel may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons (defined as investment personnel, which includes portfolio managers, assistant portfolio managers, research analysts and trading room personnel, our officers, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to you and prospective clients upon request.

If you so choose, you may implement investment advisory recommendations by utilizing the IAR’s status as registered representatives of Triad. In their capacity as registered representatives of Triad, our IARs can sell securities to any client for commissions. This

presents a conflict of interest as the IARs could receive fees and commissions if you choose to implement recommendations of the IARs in their capacity as registered representatives of Triad. Please see Items 5 and 10 for more information.

Our IARs may buy or sell for their own accounts securities that you also hold. Conversely, they may buy and sell securities for your accounts which they themselves may own. This creates a conflict of interest because it may be possible for us or our associates to receive more favorable prices than our clients. To mitigate or remedy this conflict of interest, such transactions are permitted if in compliance with our Policy on Personal Securities Transactions. Reports of personal transactions in securities by our IARs are reviewed by the firm's Compliance Department quarterly or more frequently if required. Nonetheless, we do not, nor does a related person, recommend that you buy or sell for your accounts securities in which we (or a related person) have a material financial interest.

Additionally, we may recommend securities to you, or buy or sell securities for your accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account. This creates a conflict of interest because it may be possible for us or our associates to receive more favorable prices than our clients. We monitor this conflict by ensuring that securities transactions for the accounts of IARs or employees in the same security as that purchased or sold for our clients are entered only after completion of all reasonably anticipated trading in that security for client accounts on any given day. In the event that we make a block trade for multiple clients that includes securities in the accounts of our IARs or employees, we ensure that the allocation is equitable and fair to all accounts, in accordance with the allocation procedure described in Item 12 below. We do not execute transactions on a principal or agency cross basis.

## Item 12 – Brokerage Practices

SFPG's IARs, in their capacity as registered representatives of Triad, will usually recommend Triad's broker-dealer services to SFPG's advisory clients and NFS's custodial services. You are free to implement securities transactions through any broker-dealer and are under no obligation to purchase or sell securities through Triad or our IARs who are also registered representatives of Triad. However, unless we have a relationship with your chosen custodian we will not be able to continue to provide discretionary management for your accounts. We do not warrant or represent that commissions for transactions implemented through SFPG will be lower than commission available if clients were to use another brokerage firm. We believe, however, that the overall level of services and support provided to clients by SFPG outweighs the potentially lower transaction cost available under other brokerage arrangements. Nevertheless, we do not consider whether we or a related person receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers to our clients. Please see Items 5 and 10 for more information regarding commissions paid to registered representatives of Triad. Not all advisers require their clients to direct brokerage.

There may be several prices at which securities transactions are actually executed. This is because we may make trades throughout the day for the same securities in different accounts which may end up in different pricing depending on when we receive client approval for the transaction. In the event that we make a block trade for multiple clients, it is our practice to average the execution prices of the related trades and apply the average price to each transaction and account in order to ensure that the allocation procedure will be equitable and fair to all accounts. No account will be favored over another account unless reasons, consistent with the best interests of each account, are documented. All allocation costs are shared on a pro rata basis based on a client's participation.

SFPG receives certain services and products, such as fundamental research reports, technical and portfolio analyses, economic forecasting and general market information, historical data base information and computer software that assist our investment management process, from its custodians in conjunction with client transactions. Furthermore, SFPG receives the following services or products from Triad in conjunction with client transactions: 1) assistance with questions and guidance on compliance; 2) investment contracts for advisor managed accounts; 3) templates and sample procedures and contracts for regulatory initiatives elected by Triad, for example

retirement plan fee disclosure drafts (408-b-2), investment performance presentation procedures and cash solicitation/referral arrangement procedures; 4) assistance with state and SEC audit inquiries and responses; 5) E&O Insurance at adviser's expense for sanctioned advisory activities; 6) ongoing advertising, email, social media and website reviews; 7) transaction and periodic reviews on advisory accounts; 8) billing services; 9) Triad due diligence for third-party money managers and platforms; 10) periodic branch audits to ensure policies and procedures are understood and followed; 11) valuable insight, best practices, and up-to-date information on compliance issues via special webinars, newsletters and direct emails; and 12) independent compliance experts for advanced support services including, annual registration renewal, SEC to state transitions, mock SEC and state examinations, compliance program design and manuals.

When SFPG uses client brokerage commissions to obtain research or other products or services, SFPG receives a benefit because SFPG does not have to produce or pay for the research products or services. SFPG endeavors to use all services and products received in order to better service all client accounts. This is a conflict of interest because SFPG has an incentive to select or recommend a broker-dealer based on its interest in receiving the products or other services described above, rather than on the clients' interest in receiving the most favorable execution. To address this conflict, when selecting a particular broker for execution of your transactions, we will seek to obtain most favorable terms under the circumstances by considering such factors as: price, execution capability, reliability, responsiveness, financial responsibility, and the value of any products or services provided by such brokers. We also perform periodic reviews of execution services and value clients receive to ensure clients are receiving best execution.

#### Administrative Trade Errors:

From time-to-time SFPG may make an error in submitting a trade order on your behalf. Trading errors may include a number of situations, such as:

- The wrong security is bought or sold for a client;
- A security is bought instead of sold;
- A transaction is executed for the wrong account,
- Securities transactions are completed for a client that had a restriction on such security; or
- Securities are allocated to the wrong accounts.

When this occurs, we may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the corrective action, the gain will remain in your account unless it is legally not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax or other reasons).

In the event SFPG aggregates trade orders, the allocation procedure will be equitable and fair to all accounts. No account will be favored over another account unless reasons, consistent with the best interests of each account, are documented. All allocation costs are shared on a pro rata basis based on a client's participation.

## Item 13 – Review of Accounts

REVIEWS: Either Chief Compliance Officer Dianne Webb, Investment Adviser Representative Rhonda Shurtleff, or Investment Adviser Representative Rebecca Robey will meet with you to monitor and review your accounts up to three times a year as mutually agreed upon. Clients will receive a written report after each review. A more frequent review of your accounts will be conducted upon your request. Reviews of investment accounts typically look at portfolio consistency with regards to your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. We will also review account holdings, transactions, charges, and performance as provided on such statements and other account reports. We monitor the investments that make up the majority of our clients' holdings on a weekly basis.

If you receive financial planning advice, reviews are made at least once annually for clients with accounts managed by SFPG, based on the cooperation of clients. Reviews cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as other goals communicated by you. In either type of review, accounts will also be reviewed upon notice of changes in your circumstances.

You are provided with written monthly account statements from the custodian, depending on the activity in the account. Reports include details of your holdings, asset allocation, and other transaction information. Comparisons to market indices and account performance may be used to evaluate account performance in review with you.



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

SFPG has an arrangement with Riskalyze, Inc. (“Riskalyze”), a third-party trading platform software provider, whereby Riskalyze offsets its licensing fees in exchange for SFPG maintaining over \$20 million in client assets in certain funds on the Riskalyze platform. The funds included in this discount program are managed by third-party asset managers who have partnered with Riskalyze to offer “no platform fee” funds (“NPF funds”) on the Riskalyze platform. One such asset manager is First Trust Advisors LP (“First Trust”). Because SFPG maintains over \$20 million in client assets in First Trust funds, SFPG also receives certain benefits from First Trust, including payment of client events hosted by SFPG. These arrangements present a conflict of interest in that SFPG has an incentive to recommend NPF funds and First Trust funds on the Riskalyze platform based on the compensation received, rather than on the client’s needs. We address this conflict by reviewing any such recommendation to ensure it is in the best interest of the client.

Other than as described herein, and particularly in Items 5 and 12, we receive no compensation from third parties for providing advice to our clients, nor do we compensate for client referrals.

You should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of SFPG and its IARs when making recommendations. SFPG endeavors at all times to put your interest first as part of our fiduciary duty.

We do not have any arrangement under which we compensate, or receive compensation from another for client referrals, nor do we compensate others for referring clients to us.

## Item 15 – Custody

We have custody of client funds or securities because we are granted authority, upon written consent from you, to deduct the management fees directly from your account and to delegate that authority to a financial institution. We also have custody due to our standing authority to make third-party transfers on behalf of our clients who have granted us this authority. This authority is granted to us by the client through the use of a standing letter of authorization (“LOA”) established by the client with his or her qualified custodian. The standing LOA authorizes our Firm to disburse funds to one or more third parties specifically designated by the client pursuant to the terms of the LOA, and can be changed or revoked by the client at any time. We do not have physical custody of client funds or securities. We have implemented the safeguard requirements of SEC regulations by requiring safekeeping of your funds and securities by a qualified custodian. We have further implemented procedures to comply with the requirements outlined by the SEC in its February 21, 2017 No-Action Letter to the Investment Adviser Association.

The custodian will send to you, at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of management fees paid to SFPG. For accounts at NFS, the account statement will state the management fee paid to Triad and then Triad pays SFPG its portion of the fee. You are encouraged to review these account statements received from the custodian against reports provided by us and immediately inform us of any discrepancies.

## **Item 16 – Investment Discretion**

Upon receiving written authorization from you, by execution of our Statement of Investment Selection and related powers of attorney, our IARs accept trading authority to assist you in implementing your investment strategy. You will have the right to place reasonable restrictions on such authority. Any restrictions must be submitted in writing to us.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

Clients receive proxies directly from their Custodians. We do not vote or assist in voting proxies. Our clients are responsible for directing their own proxies solicited by issuers of securities. Clients are responsible for making elections relative to mergers, acquisitions, tender offers, bankruptcy proceedings and other type events pertaining to the securities in Clients' account. Proxy and other solicitation information will be mailed to clients from the account custodian. Please follow the instructions for proxy voting included in the mailing.

## **Item 18 – Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you. We do not require or solicit prepayment of fees more than \$1,200 and six months or more in advance and therefore are not required to produce a balance sheet. In addition, we are not currently, nor at any time in the past ten years been the subject of a bankruptcy petition.