

## Item 1 Cover Page

Part 2A of Form ADV

Firm Brochure



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[www.sterlingfinancialworld.com](http://www.sterlingfinancialworld.com)

This brochure provides information about the qualifications and business practices of Sterling Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (402) 970-9300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sterling Financial Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Please note that registration as an investment advisory firm does not imply a certain level of skill or training.

## **Item 2      Material Changes**

We have made no material changes since our last amendment filed in 2022..

## **Item 3      Table of Contents**

### **Table of Contents**

<b>Item 1</b>	<b>Cover Page.....</b>	<b>1</b>
<b>Item 2</b>	<b>Material Changes .....</b>	<b>2</b>
<b>Item 3</b>	<b>Table of Contents .....</b>	<b>2</b>
<b>Item 5</b>	<b>Fees and Compensation .....</b>	<b>4</b>
	Fees for Pension Consulting.....	6
<b>Item 6</b>	<b>Performance-Based Fees and Side-by-Side Management .....</b>	<b>6</b>
<b>Item 7</b>	<b>Types of Clients.....</b>	<b>6</b>
<b>Item 8</b>	<b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>7</b>
<b>Item 9</b>	<b>Disciplinary Information .....</b>	<b>7</b>
<b>Item 10</b>	<b>Other Financial Industry Activities and Affiliations.....</b>	<b>7</b>
<b>Item 11</b>	<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>8</b>
<b>Item 12</b>	<b>Brokerage Practices .....</b>	<b>8</b>
	Block Trading.....	9
<b>Item 13</b>	<b>Review of Accounts.....</b>	<b>10</b>
<b>Item 14</b>	<b>Client Referrals and Other Compensation .....</b>	<b>10</b>
<b>Item 15</b>	<b>Custody.....</b>	<b>10</b>
<b>Item 16</b>	<b>Investment Discretion.....</b>	<b>10</b>
<b>Item 17</b>	<b>Voting Client Securities .....</b>	<b>11</b>
<b>Item 18</b>	<b>Financial Information .....</b>	<b>11</b>

## **Item 4      Advisory Business**

### **About the Firm**

Sterling Financial Advisors, LLC, (the “Adviser,” “SFA” “Us,” “We,” or the “Firm”) is a Registered Investment Advisory Firm offering Asset Management Services. More information about each of these services is included below.

The Adviser commenced business in 1998. Mary Jochim is the owner of Sterling Financial Advisors, LLC. Our Advisory Representatives, (“Financial Advisors”) manage client assets and provide Pension Consulting Services. We also provide securities valuation services for an accounting firm. Our Asset Management Services are offered as wrap accounts and non-wrap accounts. This is described further below. As of December 31, 2022, SFA’s total assets under management were \$95,802,490. Our discretionary assets under management were \$86,629,830. Our non-discretionary assets under management were \$9,172,660.

### **Asset Management Services**

We provide Asset Management Services through the Independent Clearing Account (ICA),

Through the Independent Clearing Account (ICA) custodied at Raymond James & Associates, Inc. (“RJA”) we can offer you a range of investment choices, including mutual funds, stocks, bonds, UITs, options and REITS. You receive personal investment advice based on your risk tolerance and investment objectives. Clients may impose reasonable restriction on these investments, such as limiting the types of securities or specific securities in which we may invest by indicating so in writing.

**\*\*Please note:** There is further information about RJA included in Item 12 of this brochure. These entities are not affiliated with Sterling Financial Advisors, LLC.

Asset Management Services are also offered in a wrap-fee program. Both the non-wrap and wrap-fee program accounts are managed by your selected Financial Advisor. Different Financial Advisors may manage these accounts using different methodology or investment selection. SFA and your Financial Advisor will receive a portion of the advisory fee we charge, whether or not that is in a wrap fee program or not.

### **Pension Consulting**

We provide Pension Consulting services, which include providing assistance on plan set up, security selection, employee education and enrollment and ongoing investment evaluations to plan sponsors. We also review the fees and expenses associated with the plan.

### **Securities Valuation Services**

Upon request, we provide securities valuation services to an accounting firm, Seim Johnson, LLP. In doing so, we receive an email requesting a price for a security or securities as of a specified date. We use available pricing services to generate the valuation and then send that information to the accounting firm.

## Item 5 Fees and Compensation

### Fees for the Investment Management Services (Charged in Arrears)

We typically deduct advisory fees ("Fees for the Investment Management Services") directly from your account using the below tiered fee schedule. Our fee schedule is different for our wrap fee program.

#### **Tiered Fee Schedule: Annual Fee:**

First \$500,000	1.50%
Next \$1,500,000	1.25%
Over \$2,000,000	1.0% and Negotiable

For example, if you were investing \$2,500,000, you would pay an annual fee of 1.5% on the first \$500,000, 1.25% on the next \$1,500,000 and 1% on the remaining \$500,000. Family members or friends may receive a reduced fee or may not pay any fee on their advisory accounts. All above quoted fees may be negotiated within the stated fee schedule; however certain circumstances may dictate an exception from the set range.

Sterling Financial Advisors, LLC has been a registered investment advisor since 1998 and through the years has amended and negotiated its advisory fees with individual clients. Clients' fees may therefore differ from the schedule listed above and clients should consult their advisory contract for the fee schedule particular to their account.

We will deduct these advisory fees directly from your advisory account(s). This is after we receive your written authorization. For this program we charge advisory fees in arrears and your asset management fee is based upon the balance of the account as of the end of the previous quarter.

You will pay transaction charges, custodial fees, or other account maintenance fees. These charges are in addition to the investment management fees we charge. In rare circumstances, you may pay commissions to the broker/dealer of any stocks, bonds or mutual funds purchased by broker/dealer. Our firm does not share or receive any portion of the additional fees and/or charges. These expenses are described further in the next section.

### Transaction Charges, Custodial Fees, Other Account Maintenance fees

There are nominal transaction charges for the execution of trades in the Independent Clearing account, listed below, that are paid to RJA in addition to our Investment Advisory Fee. These fees are collected by RJA as the custodian of your account and are not paid to or collected by Sterling Financial Advisors. These charges may be changed by RJA, and you should consult your custodial agreement for more information.

A growing number of Mutual Funds and Exchanged Traded Funds are available without a transaction fee. In addition to the foregoing transaction charges, you may pay a handling and postage charge. You may also incur charges for other account services provided by RJA not directly related to the execution and

clearing of transactions including, but not limited to, IRA custodial fees, wire fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

\*Mutual funds incur expenses for portfolio management services and fund administrative services. These expenses are disclosed in the mutual fund prospectus and are deducted directly from the unit value by the mutual fund. These charges are in addition to the fees you pay to the Adviser.

### **Termination**

Either of us may terminate the advisory agreement by providing written notice. We will not accept instructions to terminate the agreement unless you provide those instructions in writing.

You may terminate the agreement within five days of the date of execution without any penalty or charges. Because our accounts billed in arrears, you will be charged a fee pursuant to the number of days the account was managed for the current quarter.

### **Information about other Advisory Fees and other Expenses**

With respect to cash reserves of your advisory accounts, the custodian of the account assets (RJA) will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation). The custodian may change an investment option at any time by providing you with thirty (30) days advance written notice of such change, modification or amendment. As of October 2008, Cash Sweep Options include the Raymond James Bank Deposit Program ("RJBDP"), the Credit Interest Program ("CIP") sponsored by RJA, and the Heritage Cash Trust, including the money-market and municipal money-market fund, or any combination thereof.

Raymond James Bank is an affiliate of RJA and offers a similar interest rate to the yield on Heritage Cash Trust and the CIP, but generally earns more than the interest it pays on such balances. The Heritage Cash Trust money-market and municipal money-market fund both pay Heritage Asset Management, Inc. (also an affiliate) a fee for investment management and administrative services. Raymond James & Associates generally earns a higher rate of interest on CIP balances than the interest rate it pays on such balances. The income earned by Heritage Asset Management and RJA is in addition to the asset-based fees that RJA receives from these accounts.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are invested automatically on a daily basis. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a Client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the Client's account. Due to the foregoing practices, RJA may obtain federal funds prior to the date that deposits are credited to Client accounts and thus may realize some benefit because of the delay in investing such funds.

For further information please refer to the Cash Sweep Options disclosure statement, a copy of which is available from your Investment Adviser Representative, or is available on the Raymond James public website, [www.raymondjames.com](http://www.raymondjames.com).

You should also understand that the shares of certain mutual funds may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds to deter “market timers” who trade actively in fund shares. Your Advisor will and you should consider these short-term trading charges when selecting mutual funds in which to invest. These charges, as well as operating expenses and management fees, may increase the overall cost to the client by .50%-2% (or more), are available in each fund’s prospectus.

We believe the charges and fees offered are competitive with alternative programs available through other firms and/or investment sources yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

### **Fees for Pension Consulting**

We receive an advisory fee, which is calculated based on a percentage of Plan assets and is charged quarterly in arrears. This fee is paid out of the plan itself. The percentage of Plan assets is an annual fee of .60%. Should the pension consulting service be cancelled at any point, the fee will be pro-rated through the date of cancellation and charged to the plan.

### **Fees for the Securities Valuation Service**

We charge \$10 for each security priced. The invoice for this service is sent electronically upon completion of the valuation. Payment is due within thirty days. We also charge an annual fee of \$500 for this service, in arrears. This fee is payable by check. Should the securities valuation service be cancelled at any point, the client will pay for the portion of the year for which the service was rendered.

### **Important Information about Prior Fee Schedules**

Sterling Financial Advisors, LLC has been assisting clients with their financial goals since 1998. During those twenty-four years, , we have negotiated our advisory fees with clients and had different advisory fee schedules. The fee schedules in this document reflect our current fee schedules only. Established clients may have different schedules and should consult their signed advisory agreement to see what schedule applies to their account.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

We do not accept performance-based fees.

## **Item 7 Types of Clients**

We typically work with individuals, high net worth individuals, trusts, pension and profit sharing plans, and small businesses. Our minimum account value for clients who work with us is \$250,000. This

amount is negotiable at the discretion of the Financial Advisor and is based on potential for additional assets, personal relationship with the client, and the amount of services needed by the client.

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

Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Our methods of analysis and investment strategies do not present any significant or unusual risks. We may use the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

We may use the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Our primary investment strategies - Long Term Purchases and Short-Term Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer- term investment strategy.

We primarily allocate client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities and mutual funds, on a discretionary basis, consistent with the client's designated objectives.

## **Item 9      Disciplinary Information**

Neither we nor our Management Personnel have any Civil Proceedings, Administrative Proceedings or Self-Regulatory Organization disclosures to report.

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

Neither we nor any of our management persons are a broker/dealer or a registered person of a broker/dealer.

Neither we nor our management persons are registered nor have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Joseph Bayless is licensed to sell insurance. In that capacity, he may sell fixed insurance products or long term care insurance. When selling insurance, Mr. Bayless will typically earn a commission. This represents a conflict of interest in that he has an incentive to recommend insurance products for compensation. As a fiduciary, Mr. Bayless has a responsibility to put your needs ahead of his own. Clients are under no obligation to use Mr. Bayless for their insurance needs and are notified at the time of purchase that Mr. Bayless will receive compensation for the sale of insurance products.

We do not recommend or select other investment advisers for our clients.

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

Associated persons may buy or sell for their own accounts the same securities recommended to you. They may do so at the same time as they, or a related person, buy or sell the same securities for their own account. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to you. We request information about all of our associate's transactions and monitor them for any wrongdoing.

Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

We have adopted a Code of Ethics to instruct our personnel in their ethical obligations and to provide rules for their personal securities transactions. The Firm and our personnel owe a duty of loyalty, fairness and good faith to their clients, and the obligation to adhere not only to the specific provisions of the code but also to the general principles that guide the Code. The Code covers a range of topics including general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code to any client or prospective Client upon request.

## **Item 12 Brokerage Practices**

We will recommend you establish brokerage accounts with RJA, a FINRA member. RJA provides our firm with access to its institutional trading and operations services, which typically are not available to RJA retail customers. These services are generally available, without cost, to financial advisory firms who maintain a minimum threshold of client assets with RJA of greater than \$50 Million.

Services provided by RJA to financial advisory firms include research (including mutual fund research, third-party research, and Raymond James & Associates, Inc.'s (RJA) proprietary research), brokerage, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. RJA makes available software and other technologies that provide access to client account data, facilitate trade execution, provide research, pricing information, quotation services and other market data, assist with contact management, facilitate payment of fees to the firm from client accounts, assist with performance



reporting, facilitate trade allocation, and assist with back-office support, record-keeping, and client reporting. RJA also provides access to financial analysis software, practice management consulting support, best execution assistance, consolidated statements assistance, educational and industry conferences, marketing and educational materials, technological and information technology support, and RJA corporate discounts. Many of these services may be used to service all or a substantial number of our accounts, including accounts not maintained at RJA.

RJA may also provide the firm with other services intended to help the firm manage and further develop its business enterprise, including assistance in the following areas: consulting, publications and presentations, information technology, business succession, and marketing. In addition, RJA may make available or arrange and/or pay for these types of services provided by independent third parties, including regulatory compliance.

RJA is recognized as a full-service registered broker-dealer and registered investment adviser. We have no formal relationship with RJA for client referrals and receive no compensation from RJA (other than the services and arrangements described herein) for accounts opened by our clients.

### **Clearing & Custodial Arrangements**

We use RJA for custody of customer assets and execution of customer transactions. RJA, a corporate affiliate of RJA and member of the New York Stock Exchange and the Securities Investor Protection Corporation, acts as the clearing agent in the execution of securities transactions placed through RJA. Subject to our best execution obligations, we may trade outside of RJA.

In the selection of broker-dealers, we consider all relevant factors, including the commission rate, the value of research provided, execution capability, speed, efficiency, confidentiality, familiarity with potential purchasers and sellers, financial responsibility, responsiveness, and other relevant factors.

Except as otherwise provided, RJA's responsibility is limited to executing transactions pursuant to the direction of the firm.

### **Block Trading**

We may "bunch" buy or sell orders for two or more clients into a single large order and place the bunched order with a single broker or dealer for execution. Due to system complications, we typically only do so on the sell side of an order. We are not obligated to place all transactions on a "bunched" basis. When determining whether to "bunch" orders, we rely on our judgment as to what course of action is likely to be fair and in the best interests of the relevant accounts on an overall basis. That is, we seek to avoid putting any client account at an advantage or disadvantage compared to our other client accounts that are buying or selling the same security.

We permit block trading when the following conditions are met:

Orders of two or more clients may be bunched only if we have determined, on an individual basis that the securities order is:

1. In the best interests of each client participating in the order;
2. Consistent with our duty to obtain best execution; and
3. Consistent with the terms of the investment Advisory agreement of each participating client.

Where conducting a block trade, we will determine the accounts that will participate, and the specific allocations in advance of the transaction. If the entire order is filled, you will receive your portion of the allocation specified on the trade ticket. All allocations are prior to the close of business on trade date. Client accounts participating in the transaction will receive the weighted average price of the security and will incur a pro-rata share of the transaction cost.

If part of the order is unfilled, the allocation is based on a pro-rata share per client.

The books and records of the Firm separately reflect, for each client for whom an order is bunched, the securities held by, purchased, and sold for that client.

### **Item 13    Review of Accounts**

We review our clients' accounts periodically, not less than once a year, in order to determine if the positions held are consistent with the investment objectives. The reviews will be conducted by the Financial Advisor.

You will receive a confirmation of each transaction and monthly statements from RJA. RJA as part of its efforts to be environmentally sensitive recommends that you receive your RJA communications electronically. You will have 24-hour access to your account online and you will receive same day confirmations of any transactions. You will have same day availability of your monthly statements. If you prefer to receive hard copy RJA will be glad to provide.

We provide clients with quarterly written reports, which include current holdings, activity, contributions, allocations and performance relevant to the client account.

We always recommend that your review statements from RJA and SFA for accuracy and compare both for any discrepancies. If you have questions or concerns, please contact us immediately.

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

We do not pay anyone for client referrals for our accounts.

### **Item 15    Custody**

We have custody of client funds to the extent in that we deduct fees from your accounts. Clients provide us with written authorization to deduct advisory fees from their accounts. You will receive statements from the custodian of your assets no less than quarterly, and these statements include the disbursements in your account, including the amount of the advisory fee.

With your consent, our firm will issue quarterly statements, updates and reports electronically to lessen our firm's impact on the environment.

### **Item 16    Investment Discretion**

Sterling Financial Advisors provides investment advisory services on a discretionary basis to clients. Clients hire Sterling because they want a portfolio managed based on the principles discussed in this document. Prior to engaging SFA to provide investment advisory services, clients enter into a written Agreement with Sterling that sets forth the scope of its discretion.

Clients will also execute any and all documents required by the Custodian so as to authorize and enable Sterling, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or

exchange securities in and for your account. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any security (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by SFA for you are:

1. For discretionary clients, we require that it be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

## **Item 17    Voting Client Securities**

We do not vote proxies on your behalf. You retain that right unless you make other arrangements with the custodian of your assets. You will receive proxies or other solicitations directly from the custodian of your assets. You may contact us with questions about proxies.

## **Item 18    Financial Information**

Sterling has never filed for bankruptcy and is not aware of any financial condition that is expected to impair its ability to meet contractual commitments to client accounts.

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

## Miscellaneous

### Privacy Notice

Our mission is to help customers meet their financial goals. We are committed to providing you the very best service, the highest quality products, and valuable information about new services and benefits. The Privacy Policy contained in this disclosure may be amended at any time. We will keep customers informed of any applicable changes at least annually, or as required by law. The policy described here replaces all previous notices or statements with respect to the same subject matter. We are providing you with this information as required by Regulation S-P adopted by the Securities and Exchange Commission.

### Our Privacy Policy

In connection with providing client with investment products, financial advice, or other services, Adviser obtains non-public personal information about client including:

- Information Adviser receives from Client on applications
- Information about Client transactions with Adviser or others; and,
- Information from credit or service bureaus or third-parties.

### Information Adviser Discloses.

Adviser will not disclose information regarding Client or Client's account with Adviser except under the following circumstances:

- To establish or maintain an account with an unaffiliated third party, such as a clearing broker providing services to Client;
- To government entities or other third parties in response to subpoenas or other legal process as required by law.

**Adviser's Security Policy.** Only those individuals who need it to perform their jobs are authorized to have access to confidential client information. Adviser maintains physical, electronic, and procedural security measures that comply with applicable state and federal regulations to safeguard confidential Client information.

**Closed or Inactive Accounts.** If Client decides to close account (s) or become an inactive customer, Adviser will adhere to the privacy policies and practices as described in this notice.

**Changes to this Privacy Policy.** If Adviser makes any substantial changes in the way Adviser uses or disseminate confidential information, Adviser will notify Client.