

STERLING RETIREMENT GROUP OF SACRAMENTO

FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Sterling Retirement Group of Sacramento. If you have any questions about the contents of this brochure, please contact us at 916-724-1702. 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.

Sterling Retirement Group of Sacramento is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Sterling Retirement Group of Sacramento is available on the SEC's website www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Adviser is 168397.

2. MATERIAL CHANGES

We have the following material change to report since our firm's last annual update on February 10, 2022:

- In March 2023, we applied for registration with the U.S. Securities and Exchange Commission.

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4. ADVISORY BUSINESS

A. OWNERSHIP/ADVISORY HISTORY

Sterling Retirement Group of Sacramento (“we”) is an investment adviser registered in California. The firm is a California corporation that was formed on July 3, 2013. It was subsequently registered as a California investment adviser in September 2013. In March 2023, we applied for registration with the U.S. Securities and Exchange Commission. Gary Frontiera is the owner and investment adviser representative.

B. ADVISORY SERVICES OFFERED

Before we enter into an Adviser-Client relationship, we may offer a complimentary general consultation to discuss services available, give a prospective client time to review services desired, and determine whether a relationship might benefit the client. Investment advisory services begin only after we and the client formalize the relationship with a properly executed agreement. We offer the following services to our clients:

i. FINANCIAL PLANNING

Comprehensive Financial Planning:

Comprehensive Financial Planning is a multiple meeting process that results in a written financial plan for the client. First we have a discovery meeting, the purpose of which is to introduce ourselves, discuss the client’s financial circumstances and the concerns that prompted the client to contact us, and determine whether and how we will work together. During a second meeting the client will be asked to share in a data gathering and discovery process to determine the client’s specific needs, goals, intentions, time horizons, risk tolerance and investment objectives. Finally, at the last meeting, we will present the client’s written financial plan. At this meeting, we will also discuss options regarding implementation of any recommendations made following the conclusion of the planning process.

Clients are not obligated to follow any recommendations we may make or to implement their financial plan through us.

Consulting Services:

For clients who do not wish to engage in comprehensive financial planning, we offer consulting services. Consulting services typically focus on one or two specific areas such as financial and cash management, risk management, financial issues relating to divorce or death of a family member, estate planning, tax issues, retirement planning, educational funding, goal setting, or other needs identified by the client or by our review of the client’s financial circumstances. Through discussion with the client and/or questionnaires, we will collect pertinent data, identify goals, objectives, financial concerns and potential solutions. We will present the client with a written analysis. Following the conclusion of the consulting services, we may make recommendations regarding implementation of the financial strategies discussed.

Clients are not obligated to follow any recommendations we may make or to implement any recommendations through us.

ii. BUSINESS CONSULTING SERVICES

We provide business consulting services to our clients who have family or closely held businesses. This service entails one or more of the following: review financial statements to look for cost saving opportunities; review employer hiring strategies; review worker's compensation insurance; assisting hiring CPAs and corporate attorneys; real estate transaction reviews and due diligence; assistance with structuring the transfer of the business from one generation to the next; and other services as negotiated with the client.

iii. PORTFOLIO MANAGEMENT SERVICES

We manage individualized portfolios for our clients. We work with each client to formulate an individualized portfolio based upon his/her objectives, time frame, risk parameters and other investment considerations. We use marketable securities that may include bonds, common stock (equities), and treasury bonds. (Additional information about securities used their risks can be found under Item 8.) Our investment philosophy is to use principals of value, safety and quality to seek investment options globally. We place heavy emphasis on risk control, believing that avoiding losses allows appreciation potential of equities to be realized. We offer this service on an ongoing basis or as a one-time service. With the one-time service we work with the client to create a portfolio, but implementation of the portfolio will be handled by the client.

iv. SELECTION OF THIRD-PARTY INVESTMENT ADVISERS

After an initial meeting with the client and when deemed appropriate, we may recommend the services of an independent investment adviser ("Third Party Adviser"). The recommendation will depend on the client's circumstances, goals and objectives, strategy desired, account size, risk tolerance, or other factors. Working with the client we determine which Third Party Adviser may be appropriate.

We will review Third Party Advisers prior to making a recommendation to the client. We will consider the following factors during its review: whether it is registered in California, fees, reputation, performance, financial strength, management, price, reporting capabilities, client's financial situation, client's goals, client's needs, and client's investment objectives. After its review we will present the client with one or more recommendations.

If the client wishes to proceed with the recommendation, we will enter into a Co-Adviser relationship with the recommended Third-Party Adviser. The Co-Adviser relationship means our firm and the Third-Party Adviser will have separate rolls while serving the client. In effect, the client will engage both us and the Third-Party Adviser to serve his/her accounts and we and the Third-Party Adviser will provide separate services to the Client.

Under this arrangement, the Third-Party Adviser will be responsible for portfolio management, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations. While we will maintain our relationship with the client by monitoring the status of the client's accounts with the Third Party Adviser, make recommendations about the Third Party Adviser that could include changing to a different Third Party Adviser, meeting the client at least annually and acting as the client's primary financial adviser. All questions regarding the Third-Party Adviser's services and performance shall be directed to us.

As a result of us and the Third-Party Adviser having different roles, the client will engage each separately. The client will sign a Selection of Third-Party Adviser Service Agreement with us. This agreement outlines our services provided to the client and the fees associated with those services. It will also allow us the ability to monitor performance of the Third-Party Adviser on behalf of the client. The client will also sign a separate agreement with the Third-Party Adviser that will detail its services and fees.

When using the services of a Third-Party Adviser, clients will be given a copy of its Form ADV Part 2A. Clients are encouraged to read and understand this disclosure document.

C. TAILORED SERVICES

Our financial planning and portfolio management services are individualized to each client. A client may impose restrictions on investment in certain securities or types of securities. Any restrictions must be provided in writing.

D. WRAP PROGRAM

We do not sponsor or use wrap programs.

E. CLIENT ASSETS MANAGED

As of December 31, 2022, we manage \$112,000,000 in client assets on a discretionary basis.

5. FEES AND COMPENSATION

A. FINANCIAL PLANNING SERVICES

Our Comprehensive Financial Planning fee ranges from \$500 to \$5,000. The fee depends on the complexity of the client's financial situation, the research required and the preparation of the plan. The fee will be set forth in the Financial Planning Agreement with one half of the fee due upon entering the Agreement. The remainder of the fee is due upon presentation of the financial plan. For prepaid fees in excess of \$500.00, services will be completed within six months of the date fees are received.

Our Consulting Financial Planning fee is an hour rate of \$300 per hour. The number of hours will vary depending upon the complexity of the client's financial situation, the areas to be addressed, the research involved and the preparation of the financial plan. The estimated number of hours required and the fee will be set forth in the Financial Planning Agreement with one half of the fee due upon entering the Agreement. The remainder of the fee is due upon presentation of the financial plan. For prepaid fees in excess of \$500.00, services will be completed within six months of the date fees are received.

A client may cancel the Financial Planning Agreement for any reason during the first five (5) days from the date of signing the agreement and he/she will receive a refund of 100% of all fees paid. To cancel the agreement, the client must notify us and return any materials received to that date. Thereafter, the Agreement may be terminated at any time by giving ten (10) days written notice. After five (5) days if a client cancels, any prepaid fees will be refunded on a prorated basis based upon work completed.

PLEASE NOTE: When we provide financial planning services and the client implements the financial plan through one of our representatives, the representative will receive compensation in the form of a commission or fee. This creates a conflict of interest between the representative and the client. Therefore, when providing financial planning services, we would like clients to note: (a) a conflict exists between the representative's interests and the interests of the client, (b) the client is under no obligation to act upon the recommendation, and (c) if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the representative.

B. BUSINESS CONSULTING SERVICES

Our business consulting services are offered at a fixed or hourly fee rate as negotiated with the client.

Our fixed fee rate ranges from \$1,000 to \$50,000. The rate depends on the complexity of the client's business, the areas covered during the consultation, research and preparation time required. The fee will be set forth in the Business Consulting Agreement. Payment plans will be negotiable and vary from client to client. For prepaid fees in excess of \$500.00, services will be completed within six months of the date fees are received.

Our hourly rate for business consulting is \$300 per hour. The number of hours will vary depending upon the complexity of the client's business, the area(s) to be addressed, research and the preparation time required. The estimated number of hours required, and the fee will be set forth in the Business Consulting Agreement. Payment plans will be negotiable and vary from client to client. For prepaid fees in excess of \$500.00, services will be completed within six months of the date fees are received.

A client may cancel the Business Consulting Agreement for any reason during the first five (5) business days from the date of signing the agreement and he/she will receive a refund of 100% of all fees paid. To cancel the agreement, the client must notify us in writing and return any materials received to that date. Thereafter, the Agreement may be terminated at any time by giving ten (10) days written notice. After five (5) days if a client cancels, any prepaid fees will be refunded on a prorated basis based upon work completed.

C. PORTFOLIO MANAGEMENT SERVICES

Fees for portfolio management services will be a percentage of the assets under management that the client's pays on a quarterly basis. The quarterly fee will be calculated, accrued and due in advance based upon the annualized rate between .30% and 1.65%.

The pro-rated first quarter's management fee will be calculated on the Account's initial value as reported by its custodian. Thereafter, the periodic fee will be based upon the previous quarter end Account as reported by the client's custodian. The fee will be directly withdrawn for the client's account. (Please see Item 15 for additional details on fee withdrawal procedures.) Cash balances and investments in money market funds, demand deposit accounts, and certificates of deposit at banks or brokerage firms are covered by the Account and are included in the fee calculations.

Fees will not be based upon a share of capital gains or capital appreciation of the funds or of any

portion of the funds under advisory contract. Fees for services to be performed will not be collected six or more months in advance.

We may from time to time unilaterally amend our fees and billing arrangements. Any change will only become effective after thirty (30) days prior written notice. The fees for these portfolios are not based on the financial performance or capital gains or losses experienced by the Account.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee and it will not receive any portion of these commissions, fees, and costs.

A client may terminate the Investment Management Agreement for any reason at any time and, within the first five (5) business days after signing the contract, without any cost or penalty. Thereafter, the Agreement may be terminated at any time by giving ten (10) days written notice. Upon termination, fees will be prorated for the number of days that services were rendered during the termination quarter. All unearned fees will be refunded to the client.

D. SELECTION OF THIRD-PARTY INVESTMENT ADVISERS

The client will be charged two separate fees. The first fee shall be charged by the Third-Party Adviser and the second fee shall be charged by us. Please note that we will assure the combined fee will not exceed 3.00%.

Third-Party Adviser Fee

The Third-Party Adviser fee shall vary from adviser-to-adviser and it will be based upon the client's asset under management with the Third Party Adviser. The annual fees typically range from .50% to 1.00%. The client will be given the recommended Third-Party Adviser's ADV Part 2A disclosure document that will state its exact fees. Additionally, we will discuss the Third-Party Adviser's fees with the client upon recommendation.

We will not share in any portion of the Third-Party Adviser's fee. We do not receive any referral fees or solicitor fees from the Third-Party Adviser. Additionally, the client pays the same fee as other clients of the Third-Party Adviser. The Third-Party Advisers do not make their portfolios directly available to clients. The Third-Party Advisers require a client to use a primary adviser such as us that will maintain the adviser-Client relationship.

Our Fee

The Selection of Third-Party Investment Advisers fee will be a percentage of the assets under management as reported by the Third-Party Adviser. The annual fee will be calculated and due quarterly in advanced ranging from .30% to 1.65%.

The initial fee will be prorated for the number of days remaining in the first quarter and it shall be based upon the initial account value as report by the Third-Party Adviser. Thereafter, the fee will

be due quarterly in advance and it will be based on the client's previous quarter-end account value as reported by the Third-Party Adviser.

Fees will not be based upon a share of capital gains or capital appreciation of the funds or of any portion of the funds under advisory contract. Fees for services to be performed will not be collected six or more months in advance.

We may from time to time unilaterally amend its fees and billing arrangements. Any change will only become effective after thirty (30) days prior written notice. If the client does not accept the amended fee or billing arrangements, he/she may terminate the service at any time.

A client may terminate our services for any reason within the first five (5) business days after signing the Selection of Third Part Adviser's contract without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice to us. Upon termination, fees will be prorated for the number of days that services were rendered during the termination quarter. All unearned fees will be refunded to the client.

To cancel the Third-Party Adviser's agreement the client will need to review that agreement along with the Third-Party Adviser's ADV Part 2A, Item 5 – Fees and Compensation. The client may also contact the Third-Party Adviser directly at the address located on its Form ADV Part 2A, Third Party Adviser Agreement and/or if applicable Solicitor Disclosure Document. The Third-Party Adviser Agreement also controls whether the client will receive a refund of any pre-paid fees.

E. OTHER SECURITIES COMPENSATION

Mr. Frontiera is a registered representative of Purshe Kaplan Sterling Investments, member FINRA/SIPC. Through Purshe Kaplan Sterling Investments, he may sell securities to clients for a commission. This causes a conflict of interest because the commissions from Purshe Kaplan Sterling Investments are separate from the investment management fees outlined in the fees outlined above. Mr. Frontiera attempts to mitigate this conflict of interest to the best of his ability by placing the client's interest ahead of his own through his fiduciary duty. Additionally, it is our policy that recommended securities purchases do not have to be purchased through Mr. Frontiera or any of our affiliates.

RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts of interest with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

7. TYPES OF CLIENTS

We provide advice to individuals, corporations and other business entities. The advice to individuals may be for a variety of account types including but not limited to individual, trust, joint, individual retirement accounts, or other qualified accounts.

We do not require a minimum account size or place any other restriction related to opening or maintaining an account.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

We use various methods of analysis when choosing securities for client accounts. Our primary method includes a combination of fundamental analysis and technical analysis. Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. Technical Analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

In addition to using fundamental and technical analysis we also study various market indicators such as financial newspapers and magazines, research prepared by other investment advisers, company press releases, prospectuses, filings with the U.S. Securities and Exchange Commission and other market related filings. After studying the market indicators we allocate assets among various market sectors, asset classes and the securities found under Item 8.B. below.

In addition to the Methods of Analysis we use the following Investment Strategies:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities held less than 30 days)

B. RECOMMENDED SECURITIES AND INVESTMENT RISKS

We use several types of securities in our clients' accounts. These securities may include, but are not limited to, the following: Bonds and other corporate debt instruments; Commodities; Currencies (U.S. Dollar and Foreign Currency); Precious Metals such as Gold and Silver; Exchange Traded Funds (including but not limited to currency funds, inverse funds and leveraged funds); Mutual Funds such as Large Cap Growth, Large Cap Value, Mid Cap Growth, Mid Cap Value, Small Cap Growth, and Small Cap Value; ADRs; Government Debt instruments including Treasury Bills and Municipal securities; Stocks; Domestic Real Estate; Foreign Real Estate; Options; Preferred Stock; High Yield Debt; Emerging Markets; Foreign Fixed Income; Domestic Fixed Income; Money Market Funds and Cash.

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear.** While we use investment strategies that are

designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients should feel free to ask questions about risks they do not understand. We would be pleased to discuss them.

We strive to render its best judgment on behalf of our clients. Still, we cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond its control can affect the performance of an investment portfolio.

An investment could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. A client's account performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Active management fees risk:** Active management strategies that involve frequent trading generate higher transaction costs that diminish the fund's return. In addition, the short-term capital gains resulting from frequent trades often have an unfavorable income tax impact when such funds are held in a taxable account.

9. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events within the past 10-years that would be material to your evaluation of the firm or the integrity of its management.

We have no information applicable to this Item because we have not been the subject of any administrative, civil, criminal or self-regulatory proceedings.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. BROKER-DEALER AFFILIATIONS

Representatives of our firm are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a registered broker-dealer and member of FINRA/SIPC. PKS is a broker-dealer that is independently owned and operated and is not affiliated with our firm. In order to comply with FINRA Conduct Rule 3280, PKS as an unaffiliated broker-dealer may periodically review the investment advisory transactions of our firm. This information will be viewed by PKS' compliance department personnel for supervisory purposes only. No information viewed will be utilized for purposes of solicitation or shared with any affiliation outside the scope of regulatory compliance.

B. FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures or commodities broker.

C. OTHER INDUSTRY AFFILIATIONS

Our representatives may be insurance agents licensed in the State of California. As part of the financial planning services our representatives may recommend the purchase of an insurance product. Although not obligated to clients can purchase the recommended insurance product through our licensed representatives. These insurance purchases pay our representative an insurance commission. This is a conflict of interest because it creates a financial incentive to recommend the purchase based on a financial incentive and not a need. However, we address the conflict of interest by advising clients that they are not obligated to implement their financial plan or any insurance recommendations through our representatives. Additionally, we attempt to mitigate any conflicts of interest to the best of our ability by placing the client's interests ahead of our own and through our fiduciary duty.

D. SELECTION AND MONITORING OF THIRD-PARTY INVESTMENT ADVISERS

We recommend the services of third-party investment advisers. This information can be found under Items 4.C and 5.C.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

B. MATERIAL INTEREST IN SECURITIES

We do not have a material interest in any securities. This section is not applicable.

C. INVESTING IN OR RECOMMENDING THE SAME SECURITIES

On occasion, our owners and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different than those that they recommend to their clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. We attempt to mitigate the conflict of interest to the best of our ability through the enactment of our Code of Ethics, trading policies, and our fiduciary responsibilities. Our associates are aware of their fiduciary duty to their clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept by us, available to regulators to review on the premises.

12. BROKERAGE PRACTICES

A. RECOMMENDATION CRITERIA

We currently recommend the clearing and custody services of Trade-PMR Inc., Member FINRA/SPIC an unaffiliated broker-dealer that serves independent investment advisers. Some of the primary considerations in determining reasonableness of commissions are: rates charged by other brokers that provide clearing or custody services for registered investment advisers; reputation and financial strength; breadth and depth of available products, with an important factor being the broker's no-transaction-fee mutual fund universe; accuracy with which transactions are processed; customer service responsiveness; availability of technology solutions interoperable with our systems and suitable for managing multiple accounts; as well as client satisfaction. We periodically evaluate the foregoing factors, and while it may conclude based on its review that commission rates paid by clients are reasonable, lower commissions may be available from other brokers or in conjunction with retail (non-advisory) accounts, and certain mutual funds that carry a transaction fee may be available on a no-transaction-fee basis from other brokers or directly from the fund company.

i. RESEARCH AND SOFT DOLLARS

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. In order to stem the potential conflicts of interest that may arise from "soft dollar" arrangements, we pursue a policy of not entering into any such arrangements, either orally or in writing. Should we enter into a "soft dollar" arrangement, it shall be only to the extent that they comply with the "safe harbor" requirements of Section 28(e) of the Securities Exchange Act of 1934 and any then-current federal and state regulations.

ii. BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any broker-dealer or custodian.

iii. DIRECTED BROKERAGE

Some clients may direct us to use a specific broker-dealer to execute securities transactions for their accounts. When so directed, we may not be able to effectively negotiate lower brokerage

commissions or achieve best execution on clients' transactions. This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the clients' account because we cannot negotiate favorable prices.

B. TRADE AGGREGATION

When buying or selling the same security for multiple client accounts at the same time, we may "block" or group the trades together. As a result, each client will receive the average price obtained on the entire block, which may be more advantageous compared to that which would have been obtained on separate smaller orders.

When blocking orders, we will first determine the number of shares of a given security to be traded for each client account. Next, we will enter an order for the total number of shares to be traded as a block. After the order is filled, we will provide instructions to the custodian to allocate the trade among individual client accounts per calculations performed in the first step. In the event an order is only partially filled or pro-rata allocation would negatively affect a client, we will instruct the custodian in an alternative allocation of the trade.

13. REVIEW OF ACCOUNTS

A. PERIODIC REVIEWS

Our owner, Gary Frontiera, reviews client accounts on a quarterly basis. In addition to this review the owners also meet with clients annually to discuss and update their financial situations.

B. OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

C. REPORTS

Financial planning clients will receive a written report upon completion of the financial planning process. Portfolio management and selection of third-party adviser clients will receive at least quarterly statements from their account's custodian.

14. CLIENT REFERRALS AND OTHER COMPENSATION

A. OTHER COMPENSATION

We do not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

B. CLIENT REFERRALS

We may enter into an agreement with other financial services firms or individuals pursuant to which we will pay a portion of our management fee (Item 5.B) to the financial services firms or individual's solicitation and referral services. In turn, the financial services firms would share a portion of the fees with its investment adviser representatives. Clients obtained through the use of a solicitor or referral service will not pay a different fee (higher or lower) than the fee the client would have been charged if the client had been obtained without their services.

We are aware of the special considerations promulgated pursuant to the Solicitor's Rule 206(4)-3 of the Investment Advisers Act of 1940, and any comparable state regulations. As such, appropriate disclosures shall be made to our clients, all required written records will be maintained, and all applicable laws and regulations will be observed. A Solicitor's Disclosure Document will be provided to each client by the investment adviser representative, as required under the Rule, and we will retain the clients signed acknowledgement of receiving our Form ADV Part 2A and the Solicitors Disclosure Document.

15. CUSTODY

All client funds, securities and accounts are held at third-party custodians. We do not take possession of a client's funds, securities or accounts. However, portfolio management client will be asked to authorize us with the ability to deduct fees directly from the client's account. This authorization will apply to our management fees only. Prior to deducting the fee, we will send a billing statement (invoice) to each client, showing the fee to be debited and how it was calculated. A client may object to the deduction of our fees from the Account by notifying us at the address or telephone number shown on each billing invoice, or by notifying the account custodian. In addition to our billing statement, the custodian will also send an account statement at least quarterly, indicating the amount of fees withdrawn from the client's Account. We urge clients to carefully review their statements and notify us of any discrepancies as soon as possible.

16. INVESTMENT DISCRETION

Our financial planning services are non-discretionary. A non-discretionary investment account requires us to receive permission from the client prior to buying and/or selling securities in the client's account. The client retains full discretion to supervise, manage, and direct the assets of the account. The client maintains full power and authority to purchase, sell, invest, reinvest, exchange, convert, and trade the assets in the Account in any manner deemed appropriate and to place all orders for the purchase and sale of Account assets with or through brokers, dealers, or issuers selected by the client. The client is free to manage the account with or without our recommendation and all with or without our prior consultation.

A portfolio management client will sign a client investment management agreement that includes a limited power of attorney. This agreement grants us discretionary power over the account. In discretionary accounts, we will be allowed the power to pick and place trades, buy or sell securities of any type and in amounts it deems to be appropriate for the account, without first obtaining the client's consent to each trade. Directions will be given to the account custodian to complete the transaction. Clients must use an independent custodian. We do not, and cannot, have custody of clients' assets.

17. VOTING CLIENT SECURITIES

We do not vote proxies for securities held in clients' accounts. Proxy solicitation materials will be forwarded to clients for response and voting. In the event a client has a question about a proxy solicitation, the client should contact his/her investment adviser representative.

18. FINANCIAL INFORMATION

A. BALANCE SHEET

We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we do not have to provide a balance sheet.

B. FINANCIAL CONDITION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs its ability to service its clients.

C. BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.