

**Statherós Financial Solutions, Inc.** **2023**  
**Form ADV Part 2A**

---

**Firm Brochure**  
(Part 2A of Form ADV)



**Statherós Financial Solutions, Inc.**

**1107 Investment Blvd., Ste. 135**

**El Dorado Hills CA 95762**

**Phone: (916) 932-1219**

**Fax: (866) 294-7650**

**2107 N 1<sup>st</sup> Street, Ste. 415**

**San Jose CA 95131**

**Phone: (408) 871-1590**

**Fax: (408) 886-7039**

**WEBSITE: [WWW.STATHEROSFINANCIAL.COM](http://WWW.STATHEROSFINANCIAL.COM)**

**EMAIL: [kelly@statherosfinancial.com](mailto:kelly@statherosfinancial.com)**

This brochure provides information about the qualifications and business practices of Statherós Financial Solutions, Inc. If you have any questions about the contents of this brochure, please contact us at: (916) 932-1219, or by email at: [compliance@statherosfinancial.com](mailto:compliance@statherosfinancial.com). 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 Statherós Financial Solutions, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**March 2023**

# Statherós Financial Solutions, Inc. | 2023

## Form ADV Part 2A

---

### **Item 2: Material Changes**

#### *Annual Update*

This is firm's initial Form ADV filing, but the Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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

No material changes since the last update

#### *Full Brochure Available*

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (916) 932-1219 or by email at: [clientsvcs@statherosfinancial.com](mailto:clientsvcs@statherosfinancial.com)

# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

### Item 3: Table of Contents

<b>ITEM 2: MATERIAL CHANGES</b>	<b>2</b>
ANNUAL UPDATE	2
MATERIAL CHANGES SINCE THE LAST UPDATE	2
FULL BROCHURE AVAILABLE	2
<b>ITEM 3: TABLE OF CONTENTS</b>	<b>3</b>
<b>ITEM 4: ADVISORY BUSINESS</b>	<b>5</b>
FIRM DESCRIPTION	5
<i>Principal Owners</i>	5
TYPES OF ADVISORY SERVICES	5
INVESTMENT ADVISORY AGREEMENT	5
FULL-SERVICE ADMINISTRATIVE SERVICES AGREEMENT	6
RETIREMENT PLAN SERVICES AGREEMENT	6
OTHER SERVICES AGREEMENTS	6
ASSET MANAGEMENT	6
TERMINATION OF AGREEMENT	7
<b>ITEM 5: FEES AND COMPENSATION</b>	<b>8</b>
INVESTMENT ADVISORY SERVICES	8
BETTERMENT FOR ADVISORS PLATFORM	9
TD AMERITRADE	9
FULL-SERVICE ADMINISTRATIVE SERVICES	9
RETIREMENT PLAN ADVISORY SERVICES	10
FINANCIAL PLANNING SERVICES	10
OTHER FEES	11
FEE BILLING	11
<b>ITEM 6: PERFORMANCE FEES</b>	<b>11</b>
CONFLICT OF INTEREST BETWEEN DIFFERENT FEE STRUCTURES	11
<b>ITEM 7: TYPES OF CLIENTS</b>	<b>11</b>
DESCRIPTION	11
ACCOUNT MINIMUMS	12
<b>ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS</b>	<b>12</b>
METHODS OF ANALYSIS	12
INVESTMENT STRATEGIES	12
MARKET, SECURITY AND REGULATORY RISKS	12
<i>Market Risks:</i>	12
<i>Regulatory Risks:</i>	14
<i>Security Specific Risks:</i>	14
<b>ITEM 9: DISCIPLINARY INFORMATION</b>	<b>15</b>
LEGAL AND DISCIPLINARY	15
<b>ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</b>	<b>15</b>
AFFILIATIONS	15

# Statherós Financial Solutions, Inc. | 2023

## Form ADV Part 2A

<b>ITEM 11: CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>15</b>
CODE OF ETHICS .....	15
PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS .....	15
PERSONAL TRADING.....	16
<b>ITEM 12: BROKERAGE PRACTICES.....</b>	<b>16</b>
BROKERAGE SELECTION AND SOFT DOLLARS .....	16
TD AMERITRADE INSTITUTIONAL PROGRAM.....	16
BETTERMENT FOR ADVISORS PROGRAM.....	17
ORDER AGGREGATION .....	17
DIRECTING BROKERAGE FOR CLIENT REFERRALS.....	17
<b>ITEM 13: REVIEW OF ACCOUNTS .....</b>	<b>18</b>
PERIODIC REVIEWS.....	18
REVIEW TRIGGERS.....	18
REGULAR REPORTS .....	18
<b>ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION.....</b>	<b>18</b>
INCOMING CLIENT REFERRALS .....	18
<b>ITEM 15: CUSTODY.....</b>	<b>18</b>
CUSTODY POLICY .....	18
ACCOUNT STATEMENTS .....	19
PERFORMANCE REPORTS .....	19
<b>ITEM 16: DISCRETIONARY AUTHORITY FOR TRADING .....</b>	<b>19</b>
WEALTH MANAGEMENT CLIENTS: .....	19
RETIREMENT PLAN CLIENTS:.....	19
<b>ITEM 17: VOTING CLIENT SECURITIES.....</b>	<b>19</b>
PROXY VOTES .....	19
<b>ITEM 18: FINANCIAL INFORMATION.....</b>	<b>19</b>
FINANCIAL CONDITION.....	19
<b>BUSINESS CONTINUITY PLAN .....</b>	<b>20</b>
GENERAL.....	20
DISASTERS.....	20
ALTERNATE OFFICES .....	20
SUMMARY OF BUSINESS CONTINUITY PLAN.....	20
<b>INFORMATION SECURITY PROGRAM.....</b>	<b>20</b>
INFORMATION SECURITY .....	20
PRIVACY PRACTICES .....	20

# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

---

### **Item 4: Advisory Business**

#### *Firm Description*

Statherós Financial Solutions, Inc., (“the Advisor”) was founded in 2019 and is an SEC registered investment advisor.

Statherós Financial Solutions, Inc. is succeeding to the business of a registered investment adviser due to a change in the ownership structure of our predecessor investment advisory firm, PGR Solutions, LLC.

The Advisor provides personalized investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning. In additions to investment management the Advisor provides administrative and portfolio support services to other third-party investment managers and/or registered representatives of broker dealers and also provides retirement plan advisory and consulting services to qualified retirement plan sponsors.

The Advisor is a fee-only investment management firm and does not sell securities on a commission basis. However, there may be some associated persons who are in other fields where they receive commissions as compensation. In addition, some associates may serve at the pleasure of their client as a trustee, board member, or in a similar capacity. All such relationships are fully disclosed and subject to the review of management.

The firm is not affiliated with entities that sell financial products or securities.

Investment advice is provided, with the client making the final decision on investment selection. The Advisor does not act as a custodian of client assets and the client always maintains asset control.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Any conflicts of interest arising out of the Advisor or its associated persons are disclosed in this brochure.

#### *Principal Owners*

Jake Parsons 88% stockholder, Kelly Roemers 10% stockholder, other 2% stockholder

#### *Types of Advisory Services*

The Advisor provides investment supervisory services, also known as asset management services and manages investment Advisory accounts not involving investment supervisory services. On more than an occasional basis, the Advisor furnishes advice to clients on matters not involving securities, such as financial planning matters, investment management administration, retirement plan consulting and administrative services and actuarial services. The Advisor does not offer wrap fee programs.

As of December 31, 2022, Statherós Financial Solutions, Inc. manages approximately \$578,059,000 in discretionary assets for approximately 615 clients.

#### *Types of Agreements*

The following agreements define the typical client relationships. Agreements may not be assigned without client consent.

#### *Investment Advisory Agreement*

Advisor provides investment advice and management to individually managed accounts. Advisor acts on a discretionary or non-discretionary basis, per the clients’ requests, with respect to these accounts and client

# Statherós Financial Solutions, Inc. | 2023

## Form ADV Part 2A

---

assets are deposited in a qualified custodian account. The Advisor uses its own managed model allocations or will customize portfolio allocations for each client. The allocations for each client are primarily achieved through the use of mutual funds and/or exchange-traded funds (ETFs). In certain cases, allocations may also incorporate the use of institutional class index variable life/annuity products through a non-affiliated third-party firm that sponsors institutional index variable annuity products. In determining whether to recommend these annuities, or any investment product, the Advisor will consider whether the particular product meets the client's investment objectives and risk tolerances, among other factors.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship.

### *Full-Service Administrative Services Agreement*

The Advisor provides administrative and portfolio support services to clients of other third-party investment managers and/or registered representatives of broker dealers. These services may include access to managed models as well as the ability to customize allocations using the underlying funds for the third party to determine an appropriate allocation for their clients. Additional, back office services include but are not limited to documentation, reporting, account setup, client transaction processing, fee processing, file maintenance, and other administrative services.

### *Retirement Plan Services Agreement*

The Advisor provides retirement plan advisory services to qualified retirement plan sponsors. These Advisory services generally include employee education and enrollment meetings and investment management and discretionary advisory services to the Plan Sponsor and/or its employees in accordance with the Plans' Investment Policy Statements. Additional services include but are not limited to file maintenance, and access to model allocations.

### *Other Services Agreements*

Advisor may do general financial planning work for investment advisory clients. Such work is preliminary to and generally compensated solely by the fees for investment supervisory services. Financial planning may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Advisor. There is an inherent conflict of interest for the Advisor whenever a financial plan recommends use of professional investment management services. The Advisor or its associated persons may receive compensation as a result of the recommendation for the provision of investment management services. The client is under no obligation to accept any of the recommendations of the Advisor or use the services of the Advisor in particular.

Additionally, Advisor may provide actuarial consulting work for non-investment advisory clients. Such work is billed on an hourly basis directly to the client at \$300/hr. The Advisor at its sole discretion may elect to charge a different fee for this service or waive the fee entirely. The Advisor does not make any representation that these services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers.

### *Asset Management*

Assets are invested primarily in no-load or low-load mutual funds, usually through Qualified Custodians ("Custodians") and/or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Custodians may charge a transaction fee for the purchase of some funds.

# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

---

Stocks and bonds transferred to Advisor will be sold through a brokerage account as needed, usually as an accommodation or when transacting legacy securities. The brokerage firm charges a fee for stock and bond trades.

The Advisor does not receive any compensation, in any form, from fund companies.

Initial public offerings (IPOs) are not available through the Advisor.

### *Termination of Agreement*

The client may terminate immediately Advisor's investment management services within five (5) days of signing the agreement and will not be charged a fee provided no assets have transferred to the account. After then, the investment management agreement may be terminated at any time by mutual consent of the parties, or without such consent, by either party giving to the other party written notice of termination concurrent with or in advance of the termination date. If the agreement is terminated, client will only be charged a pro-rated fee up through the date assets are transferred out of the account managed by Advisor.

The third-party investment management services may be terminated by either party with written or verbal notice concurrent with or in advance of the effective termination date. Prepaid investment management fees, if any, will be returned to the third party.

The retirement plan consulting and administrative services may be terminated by either party with written notice 30 days prior to the effective termination date.

The Advisor reserves the right to stop work on any account that is more than 30 days overdue. In addition, the Advisor reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Advisor's judgment, to providing proper financial advice.

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

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 with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and

# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

- Give you basic information about conflicts of interest.

### Item 5: Fees and Compensation

#### *Investment Advisory Services*

The Advisor bases its fees on a percentage of assets under management and in some rare instances may charge hourly for actuarial consulting work for non-investment Advisory clients. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Fees for investment Advisory accounts are payable quarterly in arrears and are calculated based on the average daily account balance during the quarter. These fees are tiered in that the stated fee is applied to each portion of the client's average daily balance. The maximum percentage annual fee charged on each tier is based on the following schedule:

Annualized Investment Advisory Fees		
Account Value From	Account Value To	Annual Percentage Fee
\$0	\$499,999	Not to Exceed 1.20%
The next \$500,000	\$999,999	Not to Exceed 1.10%
The next \$1,500,000	\$2,499,999	Not to Exceed 0.80%
The next \$2,500,000	\$4,999,999	Not to Exceed 0.65%
The next \$5,000,000	\$9,999,999	Not to Exceed 0.40%
The next \$5,000,000	\$14,999,999	Not to Exceed 0.25%
Amount over \$15,000,000		Not to Exceed 0.10%

The Advisor at its sole discretion may elect to charge a client a fee different from the above schedule. The Advisor may and does provide investment management services to persons related to the Advisor at no management fee.

The Advisor relies primarily on mutual funds in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to The Advisor. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by The Advisor. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund without the services of The Advisor. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by The Advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the Advisory services being provided. Similar to other securities held in the client's account, the Adviser may also charge a management fee on the variable annuity assets.



# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

---

The client may terminate immediately Advisor's services within five (5) days of signing the agreement and will not be charged a fee. After then, the investment management agreement may be terminated at any time by mutual consent of the parties, or without such consent, by either party giving to the other party written notice of termination. If the agreement is terminated, any unused portion of any prepaid management fees will be returned to the client.

### *Betterment for Advisors Platform*

Statherós also offers advisory services to accounts less than \$500,000 through the Betterment for Advisors Platform. Clients on this platform will pay fees to Betterment that are in addition to the Investment Advisory Fees above. Betterment charges a wrap fee not to exceed 0.20% annually based on the clients' average daily balance. Fees are calculated and charged in arrears each calendar quarter. This wrap fee program by Betterment includes all services provided by Betterment including sub-advisory services, custody of assets, execution and clearing of transactions, and account reporting. Statherós does not receive any portion of the Betterment fee. Statherós does not make any representation that these services are at the lowest cost available and clients may be able to obtain these services at a more favorable rate from other providers.

### *TD Ameritrade*

Statherós has arrangements with TD Ameritrade to provide custody of assets, execution and clearing of transactions, and account reporting. Fees may be asset based or transaction based and depend on the clients' wishes and any obvious advantage that one pricing program can provide over the other. Clients will be informed at the time the account is opened as to which pricing structure they will fall under. Statherós does not receive any portion of the TD Ameritrade fee. Statherós does not make any representation that these services are at the lowest cost available and clients may be able to obtain these services at a more favorable rate from other providers.

### *Full-Service Administrative Services*

Statherós offers Full-Service Administration services to third party unaffiliated investment advisors and broker-dealers. The firms that utilize Administration services receive access to model portfolios managed by Advisor as well as administrative support as a solution to their back-office and trading needs. These services may have been offered in the past under other names but the fees did not exceed those shown below.

The benefit to the firms is that it allows them to focus their efforts on building their business and servicing clients. The firms' clients sign Advisor's administrative service agreement but are not considered clients of Advisor for purposes of calculating AUM unless clients invest in the Advisor's managed model portfolios. For accounts opened through the Full-Service Administration program, Advisor collects the administrative service fees as follows:

**SEE NEXT PAGE**

# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

<b>Annualized Full-Service Administrative Services Fees</b>		
<b>Account Value From</b>	<b>Account Value To</b>	<b>Annual Percentage Fee</b>
\$0	\$499,999	Not to Exceed 0.38%
The next \$500,000	\$999,999	Not to Exceed 0.32%
The next \$1,500,000	\$2,499,999	Not to Exceed 0.26%
The next \$2,500,000	\$4,999,999	Not to Exceed 0.20%
Amount over \$5,000,000		Not to Exceed 0.14%

These fees are tiered in that the stated fee is applied to each portion of the client's average daily balance. The above annual fees are charged quarterly in arrears. The Advisor at its sole discretion may elect to charge a fee different from the above schedule or waive the fee entirely. The Advisor does not make any representation that these services are at the lowest cost available and the third-party advisors and their clients may be able to obtain those services at a more favorable rate from other providers. Any prepaid administrative fees will be returned to the third party.

### *Retirement Plan Advisory Services*

Advisory Fees for Retirement Plan accounts are payable quarterly in arrears and are calculated based on the account balance on the last day of each quarter. The maximum percentage annual fee charged on each tier is based on the following schedule:

<b>Annualized Retirement Plan Advisory Fees</b>		
<b>Account Value From</b>	<b>Account Value To</b>	<b>Annual Percentage Fee</b>
\$0	\$999,999	Not to Exceed 0.80% (minimum annual fee \$1000)
The next \$1,500,000	\$2,499,999	Not to Exceed 0.65%
The next \$2,500,000	\$4,999,999	Not to Exceed 0.50%
The next \$5,000,000	\$9,999,999	Not to Exceed 0.35%
The next \$10,000,000	\$19,999,999	Not to Exceed 0.25%
Amounts over \$20,000,000		Not to Exceed 0.10%

These fees are tiered in that the stated fee is applied to each portion of the client's average daily balance. The above annual fees are charged quarterly in arrears.

Additional fees for ancillary services on Retirement Plans may be charged on an hourly basis at a rate between \$100 and \$300 per hour and will be quoted in advance of the work. Examples of ancillary services include, but are not limited to, IRS/Department of Labor audit support or specialized plan consulting.

When evaluating these services, the client should consider the total annual cost of asset-based Advisory fees when comparing services elsewhere. The Advisor does not make any representation that these services are at the lowest cost available and the third-party advisors and their clients may be able to obtain those services at a more favorable rate from other providers.

### *Financial Planning Services*

Clients that do not have an investment advisory agreement with the Adviser may engage the Adviser to perform financial planning services. The Adviser may charge a fixed fee for each engagement which is calculated based on the complexity and intricacy of a client's financial situation and planning needs. As such, a fee can total in the range from \$1,800 - \$10,000. Financial planning may be the only service provided to

the client and does not require that the client use or purchase the investment advisory services offered by the Advisor.

#### *Other Fees*

In addition to the management fee paid to the Advisor, clients may be charged for the services by the providers/managers of investment products. The Advisor, from time to time, may select or recommend investments with fees that are separately charged by the product providers and are separate and distinct from the management fee charged by the Advisor. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Advisor. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Advisor to fully understand the total amount of fees to be paid by the client.

Investment Advisory clients are required to use a custodian recommended by the Advisor. The fees charged by the custodian are provided to clients prior to signing an agreement and are in addition to fees charged by Advisor. The Advisor does not make any representation that these products and services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers.

#### *Fee Billing*

Investment management fees are billed quarterly, in arrears meaning that we invoice you after the three-month billing period has ended. The billing, or Fee Statement, is either included in the statement sent to you directly from the custodian or plan recordkeeper, or is made available separately by Advisor through an online portal depending on the type of service received. Payment in full is expected upon invoice presentation. Fees are deducted from the client account to facilitate billing as authorized by the investment management agreement.

### **Item 6: Performance Fees**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. The Advisor does not use a performance-based fee structure.

#### *Conflict of Interest Between Different Fee Structures*

The Advisor offers several different services detailed in this brochure that compensate the Advisor differently depending on the service selected. There is a conflict of interest for the Advisor and its associated personnel to recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses. The Advisor mitigates this conflict through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, the Advisor is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

### **Item 7: Types of Clients**

#### *Description*

The Advisor generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations and corporations, and business entities. Client relationships vary in scope and length of service.

# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

### *Account Minimums*

The Advisor generally prefers a \$40,000 minimum investment to open an account. Advisor may accept a smaller amount at its sole discretion.

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

#### *Methods of Analysis*

Security analysis methods may include fundamental analysis and cyclical analysis. The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the Securities and Exchange Commission.

The Advisor also makes use of a proprietary technology in the allocation of assets within a client's account called Portfolio Builder. Portfolio Builder includes twelve (12) basic allocations that are tailored to differing account tax-status levels of financial need and risk tolerance. Investment Advisor Representatives may select one of those twelve (12) or further modify the allocation based on the specific needs of each client. Portfolio Builder also reflects suggested mutual funds to fill the client allocations and provides modeled historical performance information based on the client's specific allocation.

#### *Investment Strategies*

Portfolios are globally diversified to control the risk associated with traditional markets. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a Risk Tolerance Questionnaire and interview with their Advisor representative that documents their objectives and their desired investment strategy. The Advisor's strategies do not involve frequent trading. The Advisor generally uses a long-term purchases strategy meaning securities held at least a year.

#### *Market, Security and Regulatory Risks*

Any investment with the Advisor involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

#### **Market Risks:**

**Competition:** The securities industry and the varied strategies and techniques to be engaged in by the Advisor are extremely competitive and each involves a degree of risk. The Advisor will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

**Statherós Financial Solutions, Inc.'s Investment Activities:** The Advisors' investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Advisor. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Advisor to realize profits. Additionally, specific investments under the Advisors' strategy may require significant time to realize the expected return and may experience a pricing correction in a faster-than-expected time, subjecting the Advisor to reinvestment risk. Likewise, the investment strategy of the Advisor is partially dependent on its ability to correctly identify and assess technology's impact on a company's business. As a result of the nature of the Advisors' investing activities, it is possible that its financial performance may fluctuate substantially over time and from period to period.

**Material Non-Public Information:** By reason of their responsibilities in connection with other activities of the advisor and/or its affiliates, certain principals or employees of the Advisor and/or its affiliates may acquire

# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

---

confidential or material non-public information or be restricted from initiating transactions in certain securities. The Advisor will not be free to act upon any such information. Due to these restrictions, the Advisor may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

**Accuracy of Public Information:** The Advisor selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Advisor by the issuers or through sources other than the issuers. Although the Advisor evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Advisor is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

**Volatility of Currency Prices:** The profitability of the Advisors' portfolios depends, in part, upon the Advisor correctly assessing the future price movements of currencies. However, price movements of currencies are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. The Advisor cannot guarantee that it will be successful in accurately predicting currency price and interest rate movements.

**Market or Interest Rate Risk:** The price of most fixed income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Advisor holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Advisor's performance; however, if the Advisor has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Advisor.

**Investments in Non-U.S. Investments:** From time to time, the Advisor may invest and trade a portion of its assets in non-U.S. securities and other assets (through mutual funds of foreign securities and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Advisor may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Advisor's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Advisor's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Advisor's foreign currency holdings. If the Advisor enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Advisor enters forward contracts for the purpose of increasing return, it may sustain losses.

# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

---

- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

**Risk of Default or Bankruptcy of Third Parties:** The Advisor may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Advisor could suffer losses if counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In addition, the Advisor could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Advisor does business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if the Advisor's prime broker and custodian were to become insolvent or file for bankruptcy, the Advisor could suffer significant losses with respect to any securities held by such firm.

### **Regulatory Risks:**

**Strategy Restrictions:** Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Advisor may engage. Such institutions, including entities subject to ERISA, should consult their own Advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Advisor is appropriate.

**Trading Limitations:** For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Advisor to loss. Also, such a suspension could render it impossible for the Advisor to liquidate positions and thereby expose the Advisor to potential losses.

**Tax Risk:** The tax aspects of an investment in the Advisor are complicated and each investor should have them reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles as applicable.

**Conflicts of Interest:** In the administration of client accounts, portfolios and financial reporting, the Advisor faces inherent conflicts of interest which are described in this brochure. Generally, the Advisor mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

**Supervision of Trading Operations:** The Advisor's, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Advisor's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

### **Security Specific Risks:**

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

**Currency:** 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



**Limited Liquidity of Interests:** An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for the interests the Advisor and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

**Item 9: Disciplinary Information**

*Legal and Disciplinary*

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

*Affiliations*

The Advisor has material relationships with certain broker dealers and investment advisors that use the Advisor's administrative investment management services to augment their own investment management services as previously described under Administrative Investment Management Services and Retirement Plan Services

The Advisor's associates are CPAs and licensed real estate agents/brokers. Client's use of the accountancy services or real estate services of investment advisor representatives is not required and the Advisor does not represent these services are available at the lowest cost. A conflict of interest exists in that the associates will devote time to these other business activities as needed which are separate and distinct from the Advisor's investment management services. However, this conflict is mitigated by the Advisor ensuring that it and its associated persons fulfill the fiduciary responsibility to the client and that at no time are the clients compromised by the outside activities.

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

*Code of Ethics*

The Advisor has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Advisor's Compliance Officer and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Advisor's Compliance Officer. Each supervised person of the Advisor receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Advisor's Code of Ethics by contacting the Compliance Officer of the Advisor.

*Participation or Interest in Client Transactions*

Under the Advisor's Code of Ethics, the Advisor and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. Given that the Advisor almost exclusively only purchases mutual funds for client portfolios, it is an uncommon occurrence for individual securities to be purchased for client portfolios. However, if an issue is purchased or sold for clients and any of the Advisor, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Advisor, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Advisor and its managers, members, officers and employee

may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

*Personal Trading*

The Chief Compliance Officer of The Advisor is Kelly Roemers. She reviews all employee trades each quarter (except for her own trading activity that is reviewed by another principal or officer of the Firm). The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

**Item 12: Brokerage Practices**

*Brokerage Selection and Soft Dollars*

The Advisor has the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. The Advisor may recommend brokerage firms as qualified custodians and for trade execution.

In selecting brokers or dealers to execute transactions, Advisor will seek to achieve the best execution possible but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Advisor is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. It is the policy and practice of the Advisor to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Advisor may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Advisor makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Advisor will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Advisor has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

*TD Ameritrade Institutional Program*

Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

By participating in TD Ameritrade's institutional customer program, the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing,



# Statherós Financial Solutions, Inc. 2023

## Form ADV Part 2A

---

research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

### *Betterment for Advisors Program*

Advisor participates in the Betterment for Advisors program (the "Program") offered by Betterment. Betterment for Advisors is a digital wealth management platform generally serving independent investment advisory firms. Betterment LLC ("Betterment"), a registered investment advisor, serves as sub-advisor to our clients on their Platform. MTG LLC, dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of FINRA and the SIPC, serves as broker-dealer and custodian.

Betterment Securities is responsible for execution of securities transactions and maintains custody of client assets on their Platform. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of Betterment. Clients should understand that the appointment of Betterment Securities as the broker for their accounts held at Betterment may result in their receiving less favorable trade executions than may be available through the use of broker-dealers that are not affiliated with Betterment. If our Clients do not wish to place assets with or execute trades through Betterment Securities, then those account cannot be opened on the Betterment for Advisors platform. Additional information regarding Betterment Securities can be found on FINRA's BrokerCheck.

As part of Statherós's relationship with Betterment and Betterment Securities, Betterment may offer services intended to help Statherós manage and further develop its business enterprise, such as access to webinars and advice about using the Betterment for Advisors platform. Betterment may offer different or expanded services in the future. These services could create an incentive for Statherós to recommend that Clients invest through the Betterment for Advisors platform. This is a potential conflict given that Statherós's interest in recommending Betterment could be influenced by the receipt of Betterment's and Betterment Securities' services. Other potential conflicts may exist regarding Statherós's use of the Betterment for Advisors platform.

### *Order Aggregation*

The nature of the clients and/or trading activity on behalf of client accounts are such that trade aggregation does not garner any client benefit (in regards to mutual fund or exchange traded funds for example).

### *Directing Brokerage for Client Referrals*

The Advisor and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

**Item 13: Review of Accounts**

*Periodic Reviews*

Account reviews are performed periodically by the Advisor representatives. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

*Review Triggers*

Accounts are reviewed at least bi-annually or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

*Regular Reports*

Clients receive statements of account positions no less than quarterly from the custodian of the account. In addition, the Advisor provides quarterly performance reports to wealth management clients that access their online portal.

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

*Incoming Client Referrals*

The Advisor makes cash payments to the introducing broker-dealer, investment Advisory firm or qualified solicitor for client referrals provided that each such solicitor will provide all prospective clients with a copy of the Advisor's Form ADV Part 2 and a separate written disclosure document which fully informs the client regarding the nature of the relationship between the solicitor and the Advisor and any fees to be paid thereunder. With this option, the Advisor does not have discretion to determine, without obtaining specific client consent, the securities to be bought or sold as well as the amount of securities to be bought or sold but the Advisor may still direct the selection of an independent custodian and the placement of all mutual fund transactions. In exchange for each referral, the Advisor may pay a referral fee to the solicitor. Such fees are negotiable at the discretion of the Advisor and paid on a quarterly basis after collection from the Advisor. Collection times can vary anywhere from 1-3 months after quarter end. The Advisor will only recognize this option when the client has submitted to the Advisor a signed copy of the solicitor's separate written disclosure. The Advisor's use of a solicitor does not increase the management fee paid by any client.

**Item 15: Custody**

*Custody Policy*

The Advisor does not accept or permit the Firm or its associated persons from acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian and transferred to the custodian by the end of the next business day.

In certain cases, and at the client's request, the Advisor allows the use of a standing letters of authorization ("SLOA") that permits, with certain limitations the third-party transfer of money between their accounts. Based on the No-Action Letter submitted by the Investment Adviser Association dated February 21, 2017, the SEC indicates that an adviser generally has custody where a client grants the adviser power in a standing letter of authorization ("SLOA") to conduct third party transfers. The No-Action Letter further states that an Adviser is exempt from the annual surprise audit requirement if it complies with the seven stated conditions of the letter that are intended to protect client assets in such situations. The Advisor meets the seven conditions the SEC has set forth and is therefore not subject to an annual surprise audit.

*Account Statements*

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

*Performance Reports*

Utilizing the Orion Report Builder platform, the Advisor provides quarterly performance reports for most wealth management clients that access their online portal. All performance reports are based on security valuations provided directly from Qualified Custodians.

**Item 16: Discretionary Authority for Trading**

*Wealth Management Clients:*

The Advisor receives discretionary authority from the client to select the securities to be bought or sold as well as the brokerage firms that will execute the trades (with transaction fees), without obtaining consent from the client before transactions take place. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Discretionary authority is conveyed to the Advisor at the outset of an advisory relationship by the client's execution of; (1) a brokerage application with the selected third-party custodian, and (2) a formal investment management agreement with the Adviser.

The Advisor does not receive any portion of the transaction fees or commissions paid by the client to the custodian on any trades.

*Retirement Plan Clients:*

The Advisor has designed and manages six model portfolios for use by its retirement plan clients. Advisor has discretion over the models and can make changes to the underlying funds and allocation percentages without obtaining consent from the client.

The client retains discretion to select the custodian to be used. The Advisor does not receive any portion of the transaction fees or commissions paid by the client to the custodian for any trades.

**Item 17: Voting Client Securities**

*Proxy Votes*

The Advisor will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Advisor does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, the Advisor cannot give any advice or take action with respect to the voting of these proxies. The Advisor promptly passes along any proxy voting information to the clients or their representatives.

**Item 18: Financial Information**

*Financial Condition*

The Advisor does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients and the Advisor meets all net capital requirements that it may be subject to. The Advisor has not been the subject of a bankruptcy petition in the last 10 years.

The Advisor is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

### *General*

The Advisor has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### *Disasters*

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

### *Alternate Offices*

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

### *Summary of Business Continuity Plan*

A summary of the business continuity plan is available on the Advisor's website or upon request to the Advisor's Chief Compliance Officer.

## **Information Security Program**

### *Information Security*

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

### *Privacy Practices*

Below is a summary of the Advisor's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client Advisory agreement and may be obtained by contacting the Compliance Officer of the Advisor.

Statherós Financial Solutions, Inc.:

1. Collects non-public personal information about its clients from the following sources:
  - a. Information received from clients on applications or other forms;
  - b. Information about clients' transactions with the Advisor, its affiliates and others;
  - c. Information received from our correspondent clearing broker with respect to client accounts;
  - d. Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
  - e. Information received from service bureaus or other third parties.
2. The Advisor will not share such information with any affiliated or nonaffiliated third party except:
  - a. When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
  - b. When required to maintain or service a customer account;
  - c. To resolve customer disputes or inquiries;
  - d. With persons acting in a fiduciary or representative capacity on behalf of the customer;

- e. With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
  - f. In connection with a sale or merger of the Advisor's business;
  - g. To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
  - h. To comply with federal, state or local laws, rules and other applicable legal requirements;
  - i. In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
  - j. In any circumstances with the customer's instruction or consent.
3. Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
4. Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.