Form ADV Part 2A
Disclosure Brochure

October 24, 2022

This brochure provides information about the qualifications and business practices of Solitude Financial Services Inc. If you have any questions about the contents of this brochure, please contact us at (434) 218-2201 or by email at: genekowalski@solitudefinancial.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 Solitude Financial Services Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Solitude Financial Services Inc's CRD number is: 150348

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Solitude Financial Services Inc. on January 19, 2021 are described below. Material changes relate to Solitude Financial Services Inc.'s policies, practices, or conflicts of interests only.

- SFS has two new Investment Adviser Representatives: Ariel Johnson and Ashley Vice.
- SFS believes tax considerations play an important part in the financial life management process. We encourage clients to have their tax returns professionally filed and have partnered with DeMarco, Sciaccotta, Wilkens, & Dunleavy to offer tax filing services to our clients. Solitude will contribute to our clients' tax preparation expenses based upon their end of year (12/31) assets under management and the tax preparer they use, as follows:

Tax Preparer	SFS Contribution
DeMarco, Sciaccotta, Wilkens & Dunleavy	5 basis points
Client-selected tax preparer	2.5 basis points
Client self-files	0 basis points

Item 3: Table of Contents

Item 4: Advisory Business

Description of the Advisory Firm

Solitude Financial Services Inc. (hereinafter "SFS," "we," "us, "our") is an S-Corp organized and located in the State of Virginia. SFS operates as a fee-only, fiduciary, investment advisory firm registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. SFS has been in business since 2006, previously operating under the name of Kowalski Consulting. SFS became an S-Corp on January 23, 2014. It is majority-owned and operated by the principal Investment Adviser Representative of the firm, Gene Michael Kowalski.

Types of Advisory Services

Our firm offers investment advisory services to retail clients through our "financial life management" approach. We define this service to include four specific areas of advice:

- We collaborate with the client to define measurable financial goals such as retirement at a specific lifestyle, child education, estate planning, etc. Goals may vary because they are driven by you and specific for you.
- We use financial planning software, combining lifetime cash flows (expenses and income) and net worth (assets less liabilities) to test the likelihood of your financial plan successfully funding your goals, and to identify and reduce failures from insurable events or market uncertainty.
- We create client portfolios and manage security selection in accordance with model portfolio strategies, any applicable client requested trading restrictions, and funding your goals in the required time frame.
- We advise how to use your next dollar of savings to improve the efficiency of funding your goals.

Standard services include discretionary investment authority to monitor client accounts, choose investments, and make all needed and timely changes for our clients on a daily basis. Investments are limited to publicly traded securities, to include equities, fixed income, and cash instruments. Planning and wealth management activities are driven by client life events, annual milestones, and upon request. At our discretion, we may provide portfolio and financial planning advice through an hourly consulting arrangement to our client's family members. We do not have investment discretion in such arrangements. Our firm does not have a minimum account size.

SFS uses simple option strategies such as covered calls and puts to control portfolio risk. SFS does not specialize in complex strategies like market timing, technical trading, sophisticated options strategies like spreads or straddles, microcap companies, private placements, or other less common investments. If a client needs this type of advice, SFS will work with the client to find another adviser who can assist in that area or manage their entire portfolio.

Client Tailored Services and Client Imposed Restrictions

SFS uses model portfolios to help guide the portfolio construction of client accounts. We tailor these portfolios to any client-imposed restrictions requested by the client. Examples include maintaining certain legacy security positions within the client account, strategies to manage concentrated security risk, or excluding a security to which a client objects.

Wrap Fee Programs

SFS does not use a wrap fee program, where a single fee would cover all fees and transaction charges.

Amounts Under Management

SFS has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	As of:
$190,480,123	$383,481	December 31, 2021

Item 5: Fees and Compensation

Fee Schedule

SFS' assesses fees based on a percentage of assets under management ("AUM"), using a cascading fee schedule that decreases the fee percentage within each tier. For example, a $3,000,000 portfolio would annually pay $10,000 for the first tier, $8,000 for the second tier, and $7,000 for the third tier. Please see the general fee schedule below for our standard "financial life management" services:

Assets Under Management	Annual Fee
Tier 1: $0 - $1,000,000	1.00%
Tier 2: $1,000,001 - $2,000,000	0.80%
Tier 3: $2,000,001 and above	0.70%

Account assets are billed in the following order to satisfy the fee tiers: deferred, taxable, Roth. When possible, Roth fees are billed to taxable accounts. Deferred IRA accounts with less than $1,000 in cash and no securities may have fees deducted to reduce the balance to $0 with an identical credit to another deferred account owned by the same taxpayer to prevent pro-rata conversion problems. The actual fee is calculated by Orion and includes the effect of cash flows.

Generally, fees are only negotiable for employees or clients well within retirement requiring only distribution and portfolio management strategies. Therefore, the actual percentage these clients pay may differ from that shown on the schedule.

For our hourly consulting arrangements, each hour (or 30-minute portion thereof) is billed at $250 an hour.

Payment of Fees

SFS's fees for our standard services are billed quarterly in arrears based on the quarter end account value with reductions for cash flows not held in your accounts for the full billing period. Payment may be made directly by the client to SFS or direct fee debited from the client's account. Clients will receive invoices for every billing period whether they pay directly or have the fees deducted from the account.

Fees for our hourly consulting services are due upon delivery of the advice in written form or 5 days after contract signing, whichever is later. An invoice for payment and a receipt for the client's records will be provided.

Clients are Responsible for Third Party Fees

SFS fees do not include custodial fees, fees related to mutual funds, exchange fees, SEC fees, wire transfer, electronic fund fees, and other transactional fees and product-level fees which are incurred by you from custodians, brokers, and other third parties. Please refer to Item 12 of this Brochure for additional information about our brokerage practices and the factors that SFS considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

Prepayment of Fees

SFS does not require the prepayment of its investment advisory services.

Outside Compensation for the Sale of Securities to Clients

SFS does not receive compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-by-Side Management

SFS does not charge performance-based fees, defined as an additional or higher fee percent charged for a higher return in a given period.

Item 7: Types of Clients

SFS provides investment advisory services to individuals, including high net worth individuals. We also manage accounts for our employees and the immediate family members living in their household. This presents a conflict of interest in that it could create an incentive for employees to favor their personal accounts and those of their immediate family members over other client accounts. SFS has developed a Code of Ethics and Trade Allocation Policy designed to manage these conflicts of interest.

SFS does not have a minimum account size for opening or maintaining an account with us.

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

Methods of Analysis and Investment Strategies

The securities chosen by our firm for our clients are building blocks to create the final portfolio and define the final allocation in common term such as percentages of stock, bonds, and cash. We use the following securities to create our portfolios:

- Exchange Traded Funds. These funds hold groups of securities that can be bought or sold continuously during an open market session much like individual stocks. They can provide broad diversification at low cost.
- Individual stock. These are single companies that can provide certain enhancements to a portfolio such as moving more independently of the broader market, have better returns on invested capital, or enhanced dividends.
- Mutual Funds. Similar to an ETF in terms of holding groups of securities for diversification, but generally with higher costs, and a purchase opportunity only at the end of a normal market session. These costs require their use to be limited to managers shown to outperform benchmarks, or in areas of the market such as in emerging markets or small company stocks where efficiency would be difficult to achieve with other market products.
- Individual bonds. Debt instrument issued by a single issuer with a fixed maturity date and payment schedule.
- Cash. Instruments such as money markets, money purchase funds, CDs, and other highly liquid forms of currency.

SFS primarily uses a fundamental approach to analyze securities. This method focuses on determining the value of a security. The most common form of analysis is to examine the price relative to earnings and earnings yield for stocks, price relative to yield and quality for bonds, and stability of value for cash and cash-like instruments. Other forms of information used for this approach include:

- Published reports from the company that created the security
- Published reports of other firm, industry, brokerage, or sector analysts
- Press reports and other relevant news
- Comparison to historical prices to make conclusions about price risk
- Commonly known public information that can be used to form opinions on the risk of the security, and the likelihood of changes in price of the security.

This approach is based the investment philosophies of Ben Graham and Warren Buffet, our role models for shrewd, patient, and independent market investing. Since SFS does not seek to time the market, we look to identify assets that are trading below intrinsic value and to hold them until the market factors in the security's long-term value, or whose demand is sufficient to drive a rise in price over time. In general, we make limited investments in single issuers (i.e. single stock picks, like Apple, Inc.) to compliment a broad exposure to most financial markets through allocations in mutual funds and exchange traded funds ("ETFs"). Opportunistically, SFS may identify and evaluate single issuer securities based on the following factors:

- The potential for contrarian positioning (to avoid purchases or sell when momentum, money, and support builds for an idea or asset, and buy when the market loathes an asset creating an attractive opportunity for a patient investor);
- The potential for long holding periods and dollar cost averaging to significantly reduce the risk of buying high quality assets at high prices; and
- The specific opportunity to buy assets that are best able to take advantage of changes in technology or market trends.

Technical analysis may also be used. This method focuses on the price behavior of the security over time. It can assist us in determining when a specific security, a sector of stocks, or the market in large may experience a significant short-term change in price.

Investing in securities involves risk, which implies that money can be lost. The existence of risk provides the opportunity to profit, so shunning all risk is not helpful if the desire is to achieve portfolio growth. Controlling and understanding risk is very helpful in minimizing losses and providing the opportunity for sustained growth over time. We believe one of the best ways to control risk is to receive professional help from financial advisers who are trained in common methods to control, quantify, and take advantage of securitized risks. Another method of controlling risk is to understand your part when experiencing asset price volatility. Client behavior, as it relates to following advice designed to control risks, is an important component to final return.

Each client is supplied the book *Simple Wealth, Inevitable Wealth* by Nick Murray. In it, Mr. Murray explains in plain language the relationship between risk and return, and the importance that your behavior can make on final outcomes. It also describes our focus on stocks as the engine of portfolio growth, helping to overcome the threat of inflation and the risk of failing to create sufficient wealth to last over a client's entire life.

Because our approach uses equities, clients should be prepared to experience portfolio losses. Returns on investing in equities are not guaranteed, nor can we guarantee that a properly designed portfolio will act as intended, in either total return or desired volatility.

Material Risks Involved

Our fundamental and technical analysis methods of analyzing securities have the following risks:

- Published reports from the company that created the security may have substantive errors, or misleading information leading to errant conclusions on pricing.
- Published reports of other firm, industry, brokerage, or sector analysts may have substantive errors, or misleading information leading to errant conclusions on pricing.

- Assumptions on market demand may be in error, causing poorer buying or selling prices than desired.
- Security prices can deviate from expected valuations, sometimes for years. This can create poorer outcomes when buying or selling the security.
- Historical price information is not always predictive of future price behavior.
- Technical analysis is highly interpretive and can lead to conflicting opinions on price signals implied.

Material Risks of SFS Investment Strategies

The quality of our MPT and time-based risk adjusted approach to fund client goals is dependent on the following:

- The ability of our firm to accurately calculate the client's risk tolerance and need for risk to achieve their goals.
- The accuracy of estimating the cost of taxes and inflation on return.
- The quality of the underlying securities chosen in terms of cost, return on invested capital, market demand for their product, over other similar alternatives.
- The fidelity of maintaining the proper allocation through rebalancing.
- The quality of the prices paid by exploiting market downturns.
- The accuracy of our measure of the levels of correlation between selected securities.
- The discipline of the investor to maintain the selected allocation at all times, especially during large market movements.
- The allocation of assets that are beyond our control that cause the client to ask for changes in the assets we are managing for them.

Frequent Trading Risks

SFS uses software to manage and rebalance portfolios to targets. We believe rebalancing is one of the best methods to control long term price risk as it continuously returns the portfolio to an established risk profile. This process helps capture gains and minimize losses over time. Historically, this positive outcome needed to be weighed against the commission costs for the transactions. SFS' chosen custodian, Charles Schwab & Co., Inc. ("Schwab"), has changed the nature of this process by eliminating equity commission fees for most securities (the notable exception is some mutual funds still charge commissions to buy or sell them). This creates an environment where more frequent trading and rebalancing can occur to capture the benefits of rebalancing without a material risk of costs eroding the value the process provides. A single share of a security can now be bought without the concern of the size of the sale commission to precisely achieve the desired position size. This allows more complex portfolio methods to be used on smaller account sizes, improving the likelihood that small portfolios can behave like larger ones, which were less affected by commissions.

Since the portfolio may also consist of mutual funds and since trades in taxable portions of the portfolio may be exposed to capital gains taxation, SFS will use the following methods to minimize these risks to client portfolios when using frequent trading to rebalance:

- Taxable accounts will generally be fixed (locked to prevent trading) during rebalancing to prevent taxable outcomes. Trades in these accounts will be handled directly outside of overall rebalancing sessions to account for the tax issues.
- Mutual funds with no fee to trade will be preferred if they are to participate in rebalancing. If a fund is to be used that does not have a no trade fee share class, an ETF with similar risk characteristics will be used for the portion of that allocation that serves as the security to be rebalanced more frequently.
- If a mutual fund we don't use in our models is being eliminated for a client, and that fund charges a fee for sale, SFS will reimburse the client for the fees as the security is sold.

- If our custodian changes the zero commissions fee structure for the majority of the risk assets we use, we will return to more conventional (less frequent) methods of buying and selling to make commission fees acceptable in size relative to the number of shares purchased.

Risks of Specific Securities Used

SFS's model portfolios are primarily constructed with mutual funds and ETFs, which own a group of securities designed to track a particular market index or meet a specific investing goal. However, there is no guarantee that the fund will track its targeted index or achieve its stated investment objectives. The funds may have returns reduced more than anticipated by changes in managers, internal and external fees, commission rates for transactions, regulatory changes, market liquidity, and demand for their product.

SFS may use certain fixed income mutual funds and ETFs to invest in a group of investment grade or, at times, speculative grade bonds. A bond fund has risks that are different than the individual bonds. A fund holds bonds with different dates of maturity and quality, and its price reflects factors that are different than those affecting the price of each bond held. While grouping bonds together to create a fund can improve the convenience and simplicity of investing specific amounts in fixed income, it can also expose the client to price dislocations. Bond fund prices can trade above or below the implied value of the assets in the fund. These errors are caused by the complexity of pricing the various dates that the bonds in the fund mature, the liquidity of each bond owned (how easy it is to buy or sell), and the effects market disruptions have on pricing an asset made of many different bonds. For these reasons, individual bonds or target dated bond funds (where all of the bonds have similar risk ratings and mature in the same year) may be used. These should improve risk-adjusted returns and provide more predictable outcomes on fixed income in our portfolios over more widely diverse bond funds.

SFS client accounts may have individual stock from a single issuer, exposing the client to price risk if we miscalculate the intrinsic value of the security. We buy stocks that are both oriented to value (lower prices relative to earnings and generally paying a dividend) and growth (higher prices relative to earnings and generally dividend free). As both of these have different reactions to changes in the economic cycle of growth and recession, combining them in a portfolio can help combat the errors in mispricing if the security is rebalanced back to a target over long periods of time.

Finally, newer clients may move assets to us that we are not as familiar with as the ones we generally use for our model portfolios. Risk of loss may occur if we retain the asset for a long period of time before we can test its effects on return and volatility relative to our benchmarks. For these reasons, we will generally move new clients out of securities we don't follow to those we do shortly after beginning to work with us. We identify the assets approximate risk and return profile and begin swapping it with similar assets in our models as market conditions allow. Additional losses can occur during this change to our models if the assets are not correlated to the ones that replace it.

All investments include inherent risks of loss. SFS does not guarantee to clients any rates of return on investment. Past performance is not indicative of future results. There is no guarantee that a client's investment objectives will be achieved or that any investment will achieve profits or avoid losses. The investment strategies discussed may not be suitable for all clients. Certain other risks are described below:

- <u>Market Risk</u>. The general systematic risk faced by all financial assets whose prices will change due to factors they don't control such as political, social, or economic events across the globe. Such market conditions can adversely affect client portfolios, including by making the valuation of some portfolio securities uncertain and/or result in sudden and significant valuation increases or declines in the portfolio holdings.
- <u>Issuer Risk</u>. The non-systematic risk faced by a specific company, generally due to factors they do control such as managerial efficiency, financial advantage, and market effectiveness.

- Market Sector Risk. An investment strategy can result in significant over or under exposure to certain countries, industries or market sectors, which can cause a portfolio's performance to be more or less sensitive to developments affecting those countries, industries or sectors.
- Price Risk. Buying or selling an asset at a poor price in the short-term causing underperformance of the portfolio in the long term.
- Reinvestment Risk. The risk faced by finding a suitably priced investment for proceeds of an asset sale or new cash.
- Interest Rate Risk. Price changes driven by an asset's exposure to changes in bank rates for a currency.
- Inflation Risk. Inflation is a general rise in all prices due to a weakening currency. During inflation, security prices tend to rise but real purchasing power is reduced over time as they are sold for the weakened currency. This reduces the real value of distributions.
- Deflation Risk. Deflation is a general drop in all prices due to a strengthening currency. Deflation can cause investors to tend to wait for prices to drop again before investing, destroying demand. Further, deflation can affect the creditworthiness of issuers of fixed income securities, making them more likely to default.
- Allocation Risk. Asset classes can perform differently than each other at any given time, so the strategy will be affected by its allocation among the various asset classes. If the strategy favors exposure to an asset class during a period when that class underperforms, performance can decline.
- Currency or Exchange Rate Risk. Asset value changes caused by the repricing of the underlying issuer's chosen currency against the portfolio's currency.
- Management Risk. A strategy used by SFS's Investment Adviser Representatives can fail to produce the intended results.
- Counterparty Risk. A counterparty to a transaction can default or fail to meet certain terms of the agreement.
- Liquidity Risk. The client account may not be able to readily convert an investment into cash, or without significant loss to principal. Generally, assets are considered more liquid if there is a high interest in the security.
- Timing Risk. Buying or selling an asset just before significant material information becomes public knowledge or selling an asset before sufficient time of ownership has passed can affect the intended results.
- Tax Risk. Executing an asset transaction in an unfavorable manner for final taxation.
- Suitability Risk. Buying an asset that you don't understand well and finding out it does not help you meet your goals.

Item 9: Disciplinary Information

Criminal or Civil Action

Neither SFS as a firm nor its management team have a criminal or civil action taken against them currently or in the past.

Administrative Proceeding Before the SEC, Any Other Federal Regulatory Agency, or Any State Regulatory Agency

Neither SFS as a firm nor its management team have an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority currently or in the past.

Proceeding Before a Self-Regulatory Organization (SRO)

Neither SFS as a firm nor its management team have a proceeding before a self-regulatory organization currently or in the past.

Item 10: Other Financial Industry Activities and Affiliations

Registration as a Broker/Dealer or Broker/Dealer Representative

SFS is not a registered broker dealer and none of its employees are broker dealer representatives.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

SFS is not a registered futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of those entities.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interest

Neither SFS nor its representatives have any material relationships that would present a material conflict of interest to the firm or its clients.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

SFS may aid the search for another adviser if it becomes clear that the client has goals or needs that cannot be met with our approaches. If a new adviser is recommended, no compensation will be accepted for that recommendation. Similarly, if portions of a client's portfolio needs specialized attention and investment management is given to a third party, then the size of the asset with the third party will be removed from SFS' calculation of its assets under management. No compensation will be accepted for the third-party manager/adviser referral.

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

Code of Ethics

SFS has adopted a Code of Ethics (the "Code") that establishes a standard of conduct that all employees must follow to uphold the firm's fiduciary duty and our compliance with applicable securities laws. The Code includes a prohibition on insider trading and policy restrictions on personal trading, gifts/entertainment, and outside business activities. Employees must read, understand, and agree to comply with the Code when they join SFS, annually, and upon any material changes to the Code. Violations of the Code or related policies are taken seriously by SFS and can result in dismissal. A copy of the Code is posted on SFS' website and will be provided to any client or prospective client upon request.

Recommendations Involving Material Financial Interests

SFS does not recommend to clients or purchase and sell to clients any securities which the firm, its employees, or any entities under common control with SFS has a material interest, also known as a principal or agency cross trade. However, in limited circumstances, SFS may cross trade between client accounts when it is in the best interest of the clients and documented with all parties.

Investing Personal Money in the Same Securities as Clients

SFS requires employees and their immediate family members living in the same household to become clients of the firm. Thus, personal securities transactions of our employees are managed and executed by the firm and treated as a client account.

Having employees as clients raises a potential conflict of interest of favoring employee accounts over other clients. SFS seeks to mitigate this conflict with a strong culture of compliance and a Code of Ethics designed to ensure that Investment Adviser Representatives put clients' interests ahead of their own. Further, clear policies exist in the Code to prevent a member of the firm from engaging in trading activity counter to our advice.

SFS and its investment advisory representatives may also test portfolio management strategies or options strategies to develop methods to control or reduce risk within their personal accounts prior to general use in client accounts. This presents the potential for their accounts to hold different assets than other clients within the same model portfolio and for them to perform better or worse. SFS seeks to mitigate this conflict by having our Investment Adviser Representatives supervise one another's accounts and allowing variance from their Investment Policy Statement ("IPS") up to 10% of family portfolio asset value.

Trading Securities At/Around the Same Time as Clients' Securities

Since SFS manages the investment accounts for its employees and their immediate family members living in the same household ("Employee Accounts"), the firm will frequently buy and sell securities for client accounts at or about the same time as our employees' accounts.

While this presents certain conflicts of interest, SFS feels it aligns our interests with clients by treating Employee Accounts as we would any other client accounts by managing their accounts pursuant to the terms of their investment management contract, IPS, base model portfolio, and tailored to their specific financial life management goals. In addition, our Code is designed to ensure that Investment Adviser Representatives put clients' interests ahead of their own. Please refer to the Code if you wish to review other SFS policies designed to protect you as we trade client accounts.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker/Dealers

SFS requires the use of Schwab to maintain custody of client assets and to effect trades for their accounts based on a combination of quantitative and qualitative factors relative to other providers. These factors include, but are not limited to:

- Transaction costs (i.e. commissions)
- Access to securities
- Speed of execution
- Speed of settlement
- Level of client support services
- Quality of research
- Financial condition
- Responsiveness to SFS

The United Airlines PRAP ("UAL PRAP") requires the use of Schwab as its custodian. As SFS primarily provides investment advice to airline pilots with UAL PRAP accounts, we prefer to consolidate the broader client relationship with Schwab for simplicity.

Schwab provides SFS with access to its institutional trading and custody services, which include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum client account size at no charge to SFS so long as we maintain at least $10 million of clients' assets with Schwab.

SFS does not engage in any soft dollar arrangements where client brokerage commissions (through mark ups or mark downs) are used to obtain research or other products or services that we would otherwise have to pay for directly. As of October 2019, Schwab began offering commission free trading for U.S. stocks, exchange traded funds, and options. SFS does receive at no cost, investment research, software, and related systems support from Schwab which may benefit SFS but not its clients posing a potential conflict of interest because SFS does not have to pay for these products or services.

SFS does not receive client referrals from Schwab nor is the ability to receive client referrals a factor that we consider in choosing a custodian.

SFS does not permit Directed Brokerage Arrangements.

Aggregating (Block) Trading for Multiple Client Accounts

SFS accomplishes trading across client accounts in the following manners:

- Independently of one another with trade prioritization starting with portfolios most out of tolerance, then proximity to goal, and then descending level of model portfolio risk. This may mean that certain client accounts trading the same securities on the same day receive a different price. SFS reviews performance dispersion between accounts within the same model portfolio to ensure this trading practice does not materially impact client accounts.
- Targeting specific securities for all client portfolios.
- Targeting specific types of accounts within client portfolios (e.g. taxable, tax deferred, Roth).
- Grouping client trades together by model portfolio.
- Choosing option contracts designed to control specific portfolio risks or to create liquidity as needed.

SFS utilizes block trading to rebalance client Roth accounts periodically. Block trades allow clients to receive the same average price regardless of the number of shares allocated or the method of allocation. Shares are allocated pro-rata based on account size with the intent to return client positions to ideal targets. At a trader's discretion, block trading may also be used for tax deferred or taxable accounts, such as, but not limited to when securities are rising or falling rapidly due to broader market swings and the trader wants to aggregate the purchases or sells of the same securities for several clients in the same day to ensure client accounts obtain more equitable prices than trading independently during significant market movements.

Item 13: Reviews of Accounts

Frequency and Nature of Period Reviews and Who Makes Those Reviews

Only SFS' Investment Adviser Representatives, Gene Kowalski, Michael Kauffman and Ashley Vice conduct portfolio reviews. Client accounts are generally monitored on a daily basis, while comprehensive reviews with clients are driven by life events, annual milestones, and upon request. Comprehensive reviews cover financial life management topics as described in Item 4.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

As part of our investment management process, SFS ensures that non-periodic reviews occur when:

- Market movement of more than 10% in a single day;
- Market movement of more than 20% in a 60-day period; and
- Material changes at the issuer may affect the suitability for a security to be in a client portfolio.

Content and Frequency of Regular Reports Provided to Clients

Clients receive account reports from SFS on a quarterly basis and custodial account statements from Schwab, at least quarterly. Clients should compare the account statements they receive from the custodian with those they receive from SFS.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Including Sales Awards or Other Prizes)

SFS does not receive an economic benefit from anyone, except our clients, for providing investment advisory services.

Compensation to Non-Advisory Personnel for Client Referrals

Neither SFS nor its employees directly or indirectly compensate anyone for client referrals.

Item 15: Custody

SFS is deemed to have constructive custody of client assets as a result of clients authorizing us to direct debit our management fees from their account. However, we do not take possession of client assets and ensure that they are kept at a qualified custodian. Clients should receive statements at least quarterly from the custodian. We urge clients to carefully review their account statements and compare the custodial records to any account statements that SFS may provide to the client.

SFS has standing letters of authorization ("SLOAs") for certain client account which give it the authority to transfer money from a client account(s) to another client account or third-party account. Accordingly, SFS ensures it follows the safeguards specified by the SEC with regards to SLOAs in order to forgo an annual surprise examination.

Item 16: Investment Discretion

Prior to SFS acting with discretionary authority on behalf of its clients, the client must sign a contract that specifically delegates discretionary authority to SFS and specifies the accounts for which this authority will be granted. For each account, a limited power of attorney ("LPOA") is executed with the custodian. This LPOA will grant us the ability to purchase and sell securities in client accounts with discretion over the specific securities to be purchased and sold, the amount of securities to be purchased and sold, and when to purchase or sell said securities. SFS does not have the ability to withdraw or transfer client assets into an account not in the client's name with the exception of direct debiting these accounts to pay our management fees. Once in place, a client can cancel this discretionary authority at any time in writing or by email to SFS as well as notifying the custodian of the account in the manner they require.

Item 17: Voting Client Securities (Proxy Voting)

SFS does not retain the authority to vote client securities. Arrangements are made with the custodian, Schwab, to ensure all proxy materials are forwarded to the clients. If clients have questions about a particular solicitation, please contact your Investment Adviser Representative.

Item 18: Financial Information

Balance Sheet

SFS does not require nor solicit prepayment of more than $1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SFS nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

SFS has not been the subject of a bankruptcy petition at any time during the last ten years or earlier.