

STONEBRIDGE WEALTH

FINANCIAL PLANNING | WEALTH COUNSEL

Brochure

Form ADV Part 2A

CRD# 155149

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This Brochure provides information about the qualifications and business practices of Stonebridge Wealth Management, Ltd., Co. If you have any questions about the contents of this Brochure, please contact us at (864) 312-5300 or james.yarbrough@stonebridgewealthmgt.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Stonebridge Wealth Management, Ltd. Co. is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Stonebridge also is available on the SEC's website at www.AdviserInfo.sec.gov.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment on January 20, 2022, we have the following changes to report:

- Stonebridge updated both their Investment Management and Financial Planning fees. See Item 5 for additional information.

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Item 4 Advisory Business

General Information

Stonebridge Wealth Management, Ltd., Co. ("Stonebridge") was formed in 2010 and provides financial planning, portfolio management and general consulting services to its clients.

James E. Yarbrough, Jr. is the sole principal owner of Stonebridge. Please see **Brochure Supplements, Exhibit A**, for more information on Mr. Yarbrough and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

SERVICES PROVIDED

At the outset of each client relationship, Stonebridge spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client. With respect to any account for which Stonebridge meets the definition of a fiduciary under Department of Labor rules, Stonebridge acknowledges that both Stonebridge and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between Stonebridge and Client.

Clients may elect to retain Stonebridge to provide any of the services detailed below:

Financial Planning Services

Financial planning involves an evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client. Clients purchasing this service will receive a written report, providing the Client with a detailed financial plan designed to help achieve his or her stated financial goals and objectives. Financial planning may include advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, budgeting and cash flow controls, retirement planning, education funding, and investment portfolio design. Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Providing estate planning;
- Assessing risk and reviewing basic health, life and disability, property & casualty insurance needs; or
- Reviewing goals and objectives and measuring progress toward these goals.

This service is offered via a One-Time or Hourly Engagement. Clients purchasing this service will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. Upon delivery of the Financial Plan, clients will then have the option to engage with Stonebridge for Ongoing Financial Planning and Portfolio

Management, to assist with support and plan implementation. The client is under no obligation to act upon any of the recommendations made by Stonebridge under a Financial Planning engagement and/or engage the services of any recommended professional.

Ongoing Financial Planning Services

This service is offered in combination with our Portfolio Management Services detailed below, and involves working one-on-one with a financial planner over an extended period of time. Through this ongoing arrangement, Clients are expected to collaborate with the planner to develop and assist in the implementation of their financial plan (the "plan"). The planner will monitor the plan, recommend any appropriate changes and ensure the plan is up-to-date as the Client's situation, goals, and objectives evolve.

Upon engaging the firm for financial planning, Stonebridge is responsible for obtaining and analyzing all necessary qualitative and quantitative information from the Client that is essential to understanding the Client's personal and financial circumstances; helping the Client identify, select, and prioritize certain financial goals while understanding the effect that pursuing one goal may have on other potential goals; assessing the Client's current course of action and alternative courses of action to identify required changes that provide the best opportunity for the client to meet their financial goals; developing & presenting financial planning recommendations based on the aforementioned actions while including all information that was required to be considered in preparing the recommendations; and ongoing monitoring of the Client's progress toward the goals and objectives that the recommendations are based around. These components all require in-depth communication with the Client in order for the planner to establish a financial plan and implementation strategy that provides the Client with the most appropriate options in pursuing their established goals and objectives.

Portfolio Management Services

Stonebridge meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by Stonebridge based on updates to the client's financial or other circumstances.

To implement the Investment Plan, Stonebridge will recommend the use of one or more Third Party Managers, each a "Manager", to invest all or a portion of the client's assets. Stonebridge will assist the client in the selection of the Third Party Manager(s) most appropriate for the client. Stonebridge does not typically manage accounts "in house." Stonebridge's direct management of client portfolios is generally limited to oversight and liquidation of a client's previously purchased securities to deploy cash to the selected Manager(s).

When we provide investment management services, Clients grant us limited authority to buy and sell securities on a discretionary basis and/or non-discretionary basis. More information on our trading authority is explained in Item 16 of this Brochure. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

- Third Party Managers: In accordance with the Investment Plan for a client, Stonebridge will recommend the use of one or more Separate Account Managers, each a "Manager". Having access to various Managers offers a wide variety of manager styles, and offers clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client. Stonebridge will recommend the Manager(s) it deems most appropriate for the client. Factors that Stonebridge considers in recommending Managers generally includes the client's stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

In some instances, the Manager(s) will be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under other circumstances, the Manager(s) will not have discretionary trading authority to provide investment supervisory services for the portfolio, although once the appropriate portfolio allocation has been selected, the Manager(s) will rebalance the account on an ongoing basis, in accordance with the allocation guidelines. The terms of the specific arrangement with each Manager are set forth in the Manager's Form ADV Brochure and in the Investment Advisory Agreement that the client executes with the Manager. The client will retain the authority to terminate the Manager's relationship or to add new Managers.

With respect to assets managed by a Manager, Stonebridge's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments of the portfolio.

General Consulting

In addition to the foregoing services, Stonebridge may provide general consulting services to clients. These services are generally provided on a project basis, and may include, without limitation, minimal cash flow planning for certain events such as education expenses or retirement, estate planning analysis, income tax planning analysis and review of a client's insurance portfolio, as well as other matters specific to the client as and when requested by the client and agreed to by Stonebridge. The scope and fees for consulting services will be negotiated with each client at the time of engagement for the applicable project.

Client Tailored Services and Client Imposed Restrictions

We tailor the delivery of our services to meet the individual needs of our Clients. We consult with Clients initially and on an ongoing basis, through the duration of their engagement with us, to determine risk tolerance, time horizon and other factors that may impact the Clients' investment and/or planning needs.

Clients are able to specify, within reason, any restrictions they would like to place as it pertains to individual securities and/or sectors that will be traded in their account/advised on or recommended. All such requests must be provided to Stonebridge in writing. Stonebridge will notify Clients if they are unable to accommodate any requests.

Assets Under Management

As of December 31, 2022, Stonebridge managed \$753,794 on a discretionary basis, and \$5,101,347 of assets on a non-discretionary basis.

Item 5 Fees and Compensation

Please note, unless a client has received Stonebridge's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Financial Planning Services

- One Time Financial Plan Creation: The fee for the creation of a financial plan is typically \$4,000 to \$6,000 for a married couple and \$3,000 to \$5,000 for an individual. The fee range is dependent upon variables including the specific needs of the Client, complexity, estimated time, research, and resources required to provide services to you, among other factors we deem relevant. Fees are negotiable and the final agreed upon fee will be outlined in your

Advisory Contract.

Prior to beginning any work on the financial plan, Stonebridge and the client will mutually agree upon the total fee for the engagement. At that point, half of the agreed upon total fee is due and payable prior to Stonebridge beginning the work. The remainder of the total agreed upon fee is due at the completion of the engagement. In the event of early termination by the client, any fees for the hours worked will be due. Fees for this service may be paid by electronic funds transfer, check, debit card or credit card.

- Hourly Financial Planning: Hourly Financial Planning engagements are offered at a rate of \$300 per hour. This rate is negotiable at Stonebridge's discretion based on the complexity of the requested work. Prior to beginning any work, Stonebridge and the client will mutually agree upon the total fee for the engagement. At that point, half of the agreed upon total fee is due and payable prior to Stonebridge beginning the work. The remainder of the total agreed upon fee is due at the completion of the engagement. In the event of early termination by the client, any fees for the hours worked will be due. Fees for this service may be paid by electronic funds transfer, check, debit card or credit card.

Portfolio Management & Ongoing Financial Planning Services

The annual fees are negotiable, prorated and paid in arrears on a monthly or quarterly basis. We charge a fixed fee, ranging from \$3,600 to \$36,000 annually. The fee is to be mutually agreed upon with the client prior to Stonebridge starting work on the client's financial plan. The fee determination is based upon the complexity of the client's financial profile and therefore the resources required to service the client during the year.

Clients whose annual fees are on the low end of the fee ranges are clients whose financial profiles have minimal complexity. Typical aspects of a client with minimal financial complexity include, but are not limited to, the following: single with no children, no ex-spouses or no other dependent persons, a W-2 wage earner as opposed to self-employed, does not own any real estate, does not own any investments besides liquid publicly traded securities and pooled investment vehicles, does not have any particular legacy goals for his or her estate, etc. Clients whose annual fees are on the high end of the fee range are clients whose financial profiles contain a lot of complexity. Such clients may include, but are not limited to, business owners, clients with large holdings of real estate or other less liquid assets, clients with highly structured legal estates, clients whose household has multiple different investment accounts, etc.

No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amending their current advisory agreement. Advisory fees can be directly debited from client accounts or the client may choose to pay by check, credit card, debit credit or electronic funds transfer. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of days in the quarter the accounts are under Stonebridge's management. An account may be terminated with written notice at least 14 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

Third Party Manager Fees: Each Third Party Manager will assess a fee for its services to the client. Fees paid to such Manager(s) are separate from and in addition to the fee assessed by Stonebridge.

General Consulting Services

When Stonebridge provides general consulting services to clients, these services are generally separate from Stonebridge's financial planning and portfolio management services. Fees for general consulting are negotiated at the time of the engagement for such services, and are normally based on an hourly or fixed fee basis.

Other Types of Fees and Expenses

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s).

Either Stonebridge Wealth or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Stonebridge from the client will be invoiced or deducted from the client's account prior to termination.

Other Compensation

Jamie Yarbrough is licensed to sell life and disability insurance. He no longer engages in the sale of life and disability insurance to clients in exchange for a commission.

Item 6 Performance-Based Fees and Side-By-Side Management

Stonebridge does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Stonebridge has no performance-based fee accounts, it has no side-by-side management.

Item 7 Types of Clients

Stonebridge serves individuals, trusts, and estates. With some exceptions, the minimum portfolio value eligible for conventional investment advisory services is \$250,000 and the minimum annual fee is \$2,500. Under certain circumstances and in its sole discretion, Stonebridge may negotiate such minimums.

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

Methods of Analysis

In researching firms to serve as Managers for Stonebridge's clients, Stonebridge evaluates each one based on a number of factors. Stonebridge reviews the investment philosophy of each firm, its performance in various market conditions, its personnel, and its fee structure. Stonebridge also considers the custodial and other brokerage arrangements of the manager firms. Stonebridge seeks to help each client find the best match to the client's individual circumstances, but makes no claims or guarantees as to the performance of the Manager(s).

Investment Strategies

Stonebridge's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. Stonebridge is generally a long-term investor, meaning that securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk of Loss

While Stonebridge seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to

fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While Stonebridge manages client investment portfolios based on Stonebridge's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Stonebridge or a Manager allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that Stonebridge's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, Stonebridge may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"), or recommend one or more Managers that will invest in this manner. Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Equity Market Risks. Either a Manager or Stonebridge will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. Stonebridge or a Manager may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

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

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Stonebridge or the integrity of Stonebridge's management. Stonebridge has no disciplinary events to report.

Item 10 Other Financial Industry Activities and Affiliations

Stonebridge Wealth Management, Ltd., Co. is also a licensed insurance agency in South Carolina. Jamie Yarbrough is licensed to sell life and disability insurance through various insurance companies. He no longer engages in the sale of life and disability insurance to clients in exchange for a commission.

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

Code of Ethics and Personal Trading

Stonebridge has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Stonebridge's Code has several goals. First, the Code is designed to assist Stonebridge in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Stonebridge owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Stonebridge (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Stonebridge's associated persons. Under the Code's Professional Standards, Stonebridge expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Stonebridge associated persons are not to take inappropriate advantage of their positions in relation to Stonebridge clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, Stonebridge's associated persons may invest in the same securities recommended to clients. Under its Code, Stonebridge has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

Because associated persons may invest in the same securities as those held in client accounts, Stonebridge has established a policy requiring its associated persons to pre-clear transactions in some types of securities with the Chief Compliance Officer. The goal of this policy is to avoid any conflicts of interest that arise in these situations. Some types of securities, such as CDs, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, Stonebridge's goal is to place client interests first.

Consistent with the foregoing, Stonebridge maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If a Stonebridge associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Stonebridge's written policy.

Item 12 Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, Stonebridge seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Stonebridge may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Stonebridge's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Stonebridge recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as qualified the custodian to maintain custody of clients' assets. Stonebridge may also effect trades for client accounts at Schwab, or may in some instances, consistent with Stonebridge's duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although Stonebridge may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. Stonebridge is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides Stonebridge with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also make available various support services. Some of those services help Stonebridge manage or administer our clients' accounts while others help Stonebridge manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. Schwab's brokerage services 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

For Stonebridge client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to Stonebridge other products and services that benefit Stonebridge but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Stonebridge accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Stonebridge in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of Stonebridge's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help Stonebridge manage and further develop its business enterprise. These services may include: (i) technology, compliance, legal and

business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Stonebridge. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Stonebridge. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Stonebridge personnel. In evaluating whether to recommend that clients custody their assets at Schwab, Stonebridge may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Directed Brokerage

Clients may direct Stonebridge to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that Stonebridge has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing Stonebridge to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with Stonebridge that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Trade Policy

Stonebridge typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, Stonebridge may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities. If such an aggregated trade is not completely filled, Stonebridge will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by Stonebridge or its officers, directors, or employees will be excluded first.

Item 13 Review of Accounts

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Stonebridge. These factors generally include but are not

limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Jamie Yarbrough, Managing Member reviews all accounts.

For those clients to whom Stonebridge provides separate financial planning and/or consulting services, reviews are conducted on an as needed or agreed upon basis. Such reviews are conducted by one of Stonebridge's investment adviser representatives or principals.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Stonebridge will provide additional written reports as needed or requested by the client.

Item 14 Client Referrals and Other Compensation

As noted above, Stonebridge receives economic benefit from Schwab in the form of support products and services it makes available to Stonebridge and other independent investment advisors whose clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in **Item 12 - Brokerage Practices**. The availability of Schwab's products and services to Stonebridge is based solely on our participation in the program and not on the provision of any particular investment advice. Neither Schwab nor any other party is paid to refer clients to Stonebridge.

Item 15 Custody

Schwab is the custodian of nearly all client accounts at Stonebridge. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Stonebridge of any questions or concerns. Clients are also asked to promptly notify Stonebridge if the custodian fails to provide statements on each account held.

From time to time and in accordance with Stonebridge's agreement with clients, Stonebridge will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades and other similar issues.

Item 16 Investment Discretion

Stonebridge will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving Stonebridge the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. Stonebridge then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with Stonebridge and the requirements of the client's custodian.

For *non-discretionary* accounts, the client also generally executes an LPOA, which allows Stonebridge to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between Stonebridge and the client, Stonebridge does not

implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to Stonebridge's agreement with the client and the requirements of the client's custodian.

Item 17 Voting Client Securities

As a policy and in accordance with Stonebridge's client agreement, Stonebridge does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Stonebridge with questions relating to proxy procedures and proposals; however, Stonebridge generally does not research particular proxy proposals.

Item 18 Financial Information

Stonebridge does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.

Item 19 Requirements for State-Registered Advisers

As the principal executive officer and management person of Stonebridge, Jamie Yarbrough's background information is provided elsewhere in this Form ADV. Other than this, no disclosure is required under this item.