



## **Stark Financial Advisers, Inc.**

### **Wealth Allocation Program**

### ***Wrap Fee Program Brochure***

Part 2A Appendix 1 of Form ADV Part 2A  
(as of September 30, 2020)

16950 U.S. Highway 441 North  
Okeechobee, Florida 34972  
[www.starkadvisers.com](http://www.starkadvisers.com)

This wrap fee program brochure provides information about the qualifications and business practices of Stark Financial Advisers, Inc. ("SFA" or "We"). If you have any questions about the contents of this brochure, please contact us at 863-697-8024. 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 Stark Financial Advisers, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

ITEM 1

**TABLE OF CONTENTS**

ITEM 2 - MATERIAL CHANGES

ITEM 3 - FIRM DESCRIPTION

ITEM 4 – SERVICES

ITEM 5 - FEES AND COMPENSATION

ITEM 6 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

ITEM 7 – PORTFOLIO MANAGER SELECTION AND EVALUATION

ITEM 8 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

ITEM 9 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

ITEM 10 – ADDITIONAL INFORMATION

ITEM 11 – REQUIREMENTS FOR STATE REGISTERED ADVISERS

## ITEM 2 -MATERIAL CHANGES

On or about September 22, 2020, RMST Holding Company, Inc., the parent company holding 100% of the issued and outstanding shares of R.M. Stark & Co., Inc. ("RMST"), a company affiliated with Stark Financial Advisers, Inc. ("SFA"), was sold to OPC Advisors, LLC. Accordingly, SFA is no longer an affiliate of RMST, although the two companies continue to do business together as they did prior to the sale.

Additionally, the principal place of business of SFA has been moved from 730 South Federal Highway, Lake Worth Beach, FL 33460 to 16950 U.S. Highway 441 North, Okeechobee, FL 34972.

## ITEM 3 – FIRM DESCRIPTION

Stark Financial Advisers, Inc., ("SFA") is a registered investment adviser ("RIA") incorporated on December 14, 2001 and approved in Florida on September 19, 2002. The firm is registered in Florida and North Carolina. SFA is in the business of giving advice about securities in exchange for compensation. SFA generally provides portfolio management services on a discretionary basis. Gary L. Stark owns 100% of the stock SFA. For additional information about Stark Financial Advisers, please review the firm's Form ADV. The Form ADV is available at the firm's website, [www.starkadvisers.com](http://www.starkadvisers.com), or can be requested from your Registered Representative. R.M. Stark & Co., Inc. ("RMST"), formerly an affiliated company, is registered as a securities broker/dealer with the Securities and Exchange Commission. RMST is a Florida Corporation founded in New York on September 29, 1988. The firm is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). RMST is engaged in the business of buying and selling securities – stocks, bonds, mutual funds, and certain other investment products – on behalf of its customers (as broker), or its own account (as dealer), or both. RMST is 100% owned by RMST Holding Co., Inc. which is owned by OPC Advisors, LLC.

## ITEM 4 – SERVICES

Through a network of representatives dually registered with SFA and RMST, SFA offers the Wealth Allocation Program. This is a discretionary wrap fee investment advisory program whereby clients pay a single asset-based fee for brokerage, custodial, and investment advisory services. The program is offered exclusively through Stark Financial Advisers.

Prior to a client enrolling in the Wealth Allocation Program, a Stark Financial Advisers' Investment Adviser Representative ("SIAR") will hold discussions with a prospective client to determine his/her financial needs, objectives, and risk tolerance. The SIAR's review may include, but is not limited to, the client's source of funds, prior investment experience, financial circumstances, liquidity needs, investment horizon, risk tolerance, tax considerations, and any constraints. The SIAR reviews the information and, if the prospective client appears suitable, submits the information to SFA. SFA will review the submission, prepare a complete risk analysis and, if suitable, recommend the appropriate Model portfolio to the SIAR for presentation to the

prospective client. Upon acceptance of the recommendations and having established the appropriate accounts and funding, SFA will facilitate the creation of the portfolio.

SFA has entered an arrangement with RMST to provide execution, clearing, custody and other brokerage related services. RMST offers these services under an agreement between RMST and Pershing LLC (“Pershing”), a BNY Mellon Company. Pershing is a broker/dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investors Protection Corporation (“SIPC”). Pershing has over 75 years of history, has net capital of approximately \$2.0 billion, and approximately \$1.5 trillion in global client assets.

Individuals wishing to participate in the Wealth Allocation Program will establish an account with RMST and make a suitable deposit. All Wealth Allocation Program accounts are subject to the terms of the R.M. Stark Customer Agreement. In addition, individuals will complete the SFA Wealth Allocation Program Agreement.

The Wealth Allocation Program investment advisory program is subject to general oversight of SFA who serves as the discretionary money manager and is reasonably available for consultation. SFA provides initial portfolio asset allocations, recommends securities, facilitates trade execution, periodically oversees the rebalancing of portfolios, and provides performance reports.

### **Features of the Wealth Allocation Program**

The Wealth Allocation Program offers clients an investment management strategy designed to produce the maximum return possible consistent with a variety of risk tolerances. Generally, investors considering the Wealth Allocation Program should have a minimum investment time horizon of at least five years.

SFA is an asset allocation manager. Asset allocation is an investment strategy that aims to balance risk and return by apportioning a portfolio’s assets into four main asset classes - equities (stocks), fixed-income (bonds), tangibles (gold, oil, agricultural products, etc.), and cash and equivalents. Each asset class has different levels of risk and return, so each will behave differently over time. Our objective is to manage clients’ exposure to risk in a way that is tolerable to them.

In addition to offering an investment strategy that has as one of its pillar’s asset allocation, diversification within an asset class is important. To achieve this diversification, SFA invests in mutual funds. A mutual fund is a security that is made up of a pool of funds collected from many investors for the purpose of investing in various securities such as bonds, stocks, and money market instruments. Mutual funds generally own a broad group of securities, thereby providing important diversification and reducing company risk. Each mutual fund is structured and maintained to match the investment objectives stated in its prospectus and are invested by money managers to produce capital gains and income. Each Wealth Allocation Program account will include a group of mutual funds selected to achieve the client’s particular investment objective and risk tolerance.

Careful consideration is given to determine which assets each client should hold and the amount the client should allocate to each asset. Factors that greatly influence the asset allocation decision are our client's ability to handle market volatility – financially and/or emotionally – our client's financial needs and goals, and the expected market behavior of the various asset classes. For each client, SFA determines the client's financial resources, investment horizon and risk tolerance. Using this information, we recommend one of four Model Portfolios.

Wealth Allocation Program managed accounts are not intended solely as cash management or income vehicles. The portfolios seek total return rather than maximizing portfolio yields. Total return is defined by SFA as an effort to produce the most efficient return for a given level of risk.

#### *Model One - Conservative*

This model is appropriate for investors who seek both modest capital appreciation and income from their portfolio. The investor will have a moderate time horizon. While this range is designed to preserve the investor's capital and provide a modest level of income. Fluctuations in the values of portfolios may occur from year to year.

#### *Model Two - Moderate*

This model will best suit the investor who seeks relatively stable growth from their investment assets, offset by a low level of income. An investor in the moderate risk range will have a higher tolerance for risk and/or a longer time horizon than a conservative investor. The main objective of an individual within this range is to achieve steady portfolio growth while limiting fluctuations to less than those of the overall stock markets.

#### *Model Three – Moderately Aggressive*

Model three is designed for investors with a relatively high tolerance for risk and a longer time horizon. These investors have little need for current income and seek above-average growth from their investment assets. The main objective of this risk range is capital appreciation; its investors should be able to tolerate moderate fluctuations in their portfolio values.

#### *Model Four - Aggressive*

Model four is appropriate for investors who have both a high tolerance for risk and a long investment time horizon. The main objective of the aggressive risk range is to provide high growth for the investor's assets without providing current income. Portfolios in this range may have substantial fluctuations in value from year to year, making this category unsuitable for those who do not have an extended investment horizon.

Advisory assets in Wealth Allocation Program are limited to: (1) shares of “no-load” mutual funds and/or (2) “load-waived” A-Shares. Funds considered for investment are those included within Pershing’s FundVest 200 program. FundVest 200 is a research-driven list of mutual funds. The list is selected by Lockwood Advisors, Inc. (“Lockwood”). Lockwood is an affiliate of Pershing LLC. Lockwood and Pershing LLC are BNY Mellon companies. Neither of these companies are affiliated with either RMST or SFA. Wealth Allocation Program accounts are not leveraged, and they do not engage in short selling. Margin accounts are not permitted.

Certain trading restrictions apply. Funds purchased within Wealth Allocation Program are held for a minimum of six months. Funds can be redeemed prior to a six-month holding period but short-term redemptions may incur a short-term redemption fee or \$50. This fee may be in addition to any other fees, charges and restrictions imposed by the mutual fund company for short-term trading and redemptions (please refer to the fund prospectus for more information). The individual mutual fund’s prospectus governs the minimum investment amount for investing in the fund and is therefore the controlling minimum investment amount for each fund.

Clients may establish systematic withdrawals. A \$5 fee per withdrawal will be charged if the systematic withdrawal is made from a fund held less than six calendar months. There is no charge for systematic withdrawals from funds held more than six months.

Clients may impose reasonable restrictions on the management of the account subject to approval by SFA. Once agreed upon, it is the client’s responsibility to inform SFA in writing of circumstantial changes and the restriction(s) is (are) no longer valid.

Inasmuch as SFA has discretionary authority over client assets, SFA has the authority to determine the securities (or amount of securities) to be bought or sold, without obtaining specific client consent. SFA prohibits clients from purchasing or selling securities in active Wealth Allocation Program accounts. RMST provides account statements at least quarterly as well as a prospectus or summary prospectus for each mutual fund purchased in a client’s Wealth Allocation Program account.

In response to changing economic and/or market conditions, or the investment performance of various sectors of the markets, periodic changes in the allocation among market sectors will be affected. The objective of this rebalancing is to maintain the optimum risk/reward strategy. Portfolios may also be rebalanced should a client’s financial circumstances or investment objectives change. Changes within the portfolio will not be made in response to market timing considerations.

The performance of Wealth Allocation Program accounts is reviewed at least quarterly by the Investment Committee. Model portfolio holdings are reviewed, and a determination is made if changes should be made.

On a semi-annual basis, SFA reviews customer accounts to monitor deviations from the asset allocation parameters and daily for cash deposits or withdrawals. If the allocation percentages are out of tolerance with the portfolio’s model asset allocation parameters, the account is rebalanced.

Should a portfolio not be rebalanced during a 12-month rolling period, the Wealth Allocation Program account will be rebalanced to the Model's default portfolio allocations. Out-of-tolerance parameters and/or rebalancing methodologies are subject to change.

Investments in securities involve risk and will not always be profitable. Neither RMST nor SFA guarantees the results of any advice or recommendation, or that the objectives of the client's Wealth Allocation Program account will be met. The advice provided to the client only pertains to the Wealth Allocation Program account. The advice does not take into consideration assets outside of the Wealth Allocation Program account unless expressly stated.

Whether a Wealth Allocation Program Wrap Fee Program is suitable for the client depends upon a number of factors, including the size of the Wealth Allocation Program account, the amount of trading expected in the Wealth Allocation Program account (compared to accounts where fees are transaction based), the client's risk tolerance, the particular financial needs and circumstances, and the fees charged.

Past performance is no guarantee of future results. The market, interest rate and other investment related risks exist that may adversely affect securities held in the Wealth Allocation Program account and cause a loss in value.

### **Separate Responsibilities**

In the Wealth Allocation Program, RMST and SFA have different responsibilities and roles with respect to managing Wealth Allocation Program accounts.

With respect to Wealth Allocation Program accounts, RMST's key responsibilities are primarily to facilitate various custodial services through Pershing. These include, but are not limited to:

1. Establishing and maintaining securities brokerage accounts.
2. Facilitating the receipt of deposits and withdrawals.
3. Assisting customers in establishing online account access.
4. Executing securities transactions as instructed by SFA.
5. Providing account statements and prospectuses.

SFA's key responsibilities are primarily:

1. Completing the initial evaluation of client investment objectives, risk tolerance, financial resources, investment horizon, and constraints (if any).
2. Performing ongoing consultations regarding changes in the client's investment profile.
3. Initial and ongoing determination of appropriate portfolio Models to be employed.
4. Monitoring accounts to determine whether rebalancing is required to maintain asset allocations within the range of target allocations.
5. The screening, evaluation, and selection of mutual funds from the universe of funds available for investment within Wealth Allocation Program accounts.

6. Providing periodic performance reports.
7. Facilitating the execution of securities transactions.

#### ITEM 5 – FEES AND COMPENSATION

Wealth Allocation Program is a wrap fee advisory program, whereby clients pay a single fee for investment advice, brokerage, clearing and custodial services. Wrap fee pricing may cost more or less than purchasing services separately, depending on commission rates, portfolio trading activity, and the cost of advisory services. Clients should consider these factors when assessing the Wealth Allocation Program’s cost. Mutual funds charge periodic management fees that are separate and apart from the Wealth Allocation Program fee charged by RMST.

Clients are charged an annual asset-based fee. Fees are subject to change upon reasonable notice; however, increases in the fee require written client consent.

Wealth Allocation Program account fees are charged monthly, in arrears, based upon the settlement-date closing balance on the last business day of the month. Billing will be done on a blended basis (not back to dollar one). Asset based fees will be pro-rated for clients starting or terminating during the month. Fees will not be assessed on deposits or withdrawals given the arrears billing methodology.

The amount of the Wealth Allocation Program account fee depends upon the market value of all assets, including cash balances. Wealth Allocation Program fees do not cover ongoing fund management fees and expenses of any mutual fund.

#### Fee Schedule

<u>Account Size</u>	<u>Annual Advisory Fee</u>
First \$1,000,000	1.75%
Next \$1,000,000	1.65%
Next \$3,000,000	1.60%
Next \$5,000,000 and above	1.45%

Wealth Allocation Program advisory fees are negotiable and may depend on such considerations as the size of the client’s Wealth Allocation Program account(s) and other RMST and SFA accounts, the amount of time a client has had the aforementioned accounts, and the total amount of business the client conducts with RMST and SFA.

The Wealth Allocation Program advisory fee is deducted from Wealth Allocation Program Accounts in Pershing’s custody, generally from a cash position maintained in the client’s Wealth Allocation Program portfolio. In some instances, the fee is deducted from an alternative billing account, designated by the client, and agreed to by RMST. A debit balance that may occur due to insufficient funds will be paid by liquidating sufficient securities in the Wealth Allocation

Program account to cover the negative balance. Such liquidation may have a negative effect on the Wealth Allocation Program account's performance.

Pershing charges 0.12% (12 basis points ("bps")) annually for services provided, the balance of fees earned after Pershing charges are paid to SFA. SFA is compensated for advisory services in an amount equal to 0.30% (30 bps) annually. The balance of the advisory fees earned, after deduction for SFA advisory services, is paid to the SFA Registered Representative ('SIAR'). The amount of compensation paid to the SIAR depends upon the SIAR's agreement with SFA.

RMST may earn fees such as Rule 12b-1 fees. These fees are disclosed in each mutual fund's prospectus. The amount of compensation received by RMST (if any) is credited back to the Wealth Allocation Program account by applying a credit against the Annual Advisory Fee.

### **Performance-Based Fees and Side-By-Side Management**

SFA does not charge performance-based fees or engage in side-by-side account management activities. Performance-based fees are fees charged that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management is the practice of managing accounts that are charged a performance-based fee while at the same time managing accounts that are not.

## **ITEM 6 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

### **Minimum Account Size**

The minimum account balance to enroll in the Wealth Allocation Program wrap fee program is \$50,000. SFA may waive the account minimums at its sole discretion. Should a client withdraw funds from the Wealth Allocation Program account in an amount that causes the account balance to fall below \$50,000, SFA may choose to terminate the Wealth Allocation Program account and convert it to a standard RMST brokerage account.

### **Types of Clients**

The Wealth Allocation Program wrap fee program is generally available to individuals, trusts, charitable organizations, corporations, individual retirement accounts, and self-employed retirement accounts. SFA does not provide financial planning, tax preparation, or market timing services.

### **Termination of Wealth Allocation Program Accounts**

RMST and SFA each reserves the right to terminate a client's Wealth Allocation Program account and related agreement(s) at any time by first providing written notice to the client. RMST, on its own, has the right to terminate a client's underlying brokerage account, thereby terminating the

Wealth Allocation Program account. If SFA terminates the Wealth Allocation Program wrap fee agreement, the account becomes an RMST commission-based brokerage account; the client will no longer receive ongoing monitoring and investment advice with respect to the account and will not be charged the Wealth Allocation Program advisory fee as of the date of termination.

A client may terminate a Wealth Allocation Program account by oral or written notice to SFA. The client is responsible for any fees accrued up to the date of termination. Upon termination, the account becomes an RMST commission-based brokerage account; the client will no longer receive ongoing monitoring and investment advice with respect to the account.

RMST and SFA each reserves the right to decline any new account in the Wealth Allocation Program advisory program at any time, for any reason, in its sole discretion. The client may terminate the Wealth Allocation Program wrap fee agreement without penalty by giving notice within five (5) business days after the account is enrolled.

#### ITEM 7 – PORTFOLIO MANAGER SELECTION AND EVALUATION

SFA, with the support of Pershing’s mutual fund platform, Lockwood Advisors and Morningstar research, conducts due-diligence and ongoing monitoring of the mutual funds that may be selected for inclusion in Wealth Allocation Program accounts. During the process of review, SFA analyzes the funds’ historical returns, investment strategy, fees and expenses, and fund advisors.

##### **Methods of Analysis, Investment strategies and Risk of Loss**

SFA’s analysis may include fundamental, quantitative, and technical methods. Fundamental analysis involves analyzing past performance, management, fees and costs, and investment strategy. Quantitative analysis is a mathematical analysis of the measurable figures of a mutual fund. This analysis does not include a subjective assessment of the quality of management. Technical analysis is a methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. This data is then compared against other similar funds as a tool for selecting the funds included in Wealth Allocation Program accounts. No analytical discipline can predict the absolute outcomes of a planned investment strategy and any such discipline must consider various uncertainties including, but not limited to, the risks subsequently described.

SFA may consult financial newspapers and magazines, research materials provided by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases to assist it in formulating investment advice. Other service providers that may be utilized include, but are not limited to, Credit Suisse, a global financial services company headquartered in Zurich, MarketSmith, a market research company combining fundamental and technical data into one view, and Morningstar, an independent investment research firm specializing in fund investing.

In analyzing a mutual fund that may be included in a Model Portfolio, SFA considers the fund category (*i.e.*, domestic equity, foreign equity, bonds, etc.); the fund's historical performance; the fund's Morningstar rating; and, the fund's fees, expenses and portfolio manager. SFA relies upon the historical performance information published by each fund and performance information provided by Lockwood. Those funds selected for inclusion in Wealth Allocation Program accounts are then allocated to each Model to achieve a portfolio whose objective is the maximum capital gain consistent with a defined risk level.

Neither RMST nor SFA acts as the portfolio manager for any funds included in the Wealth Allocation Program accounts.

Funds included in each Model are selected by SFA's Investment Committee.

Information about a Model portfolio's investment strategy and risk exposure is available in the client's investment proposal. However, the portfolio may or may not use the portfolio strategies or investments mentioned in the Investment Proposal. Prospective and existing clients who have any question about the investment and investment strategies utilized in a portfolio should consult their Registered Representative.

Performance information is client specific and is provided to clients in their Quarterly Performance Review ("QPR") document. Additional information regarding the performance calculation methods is provided in the QPR.

Investing in securities involves the opportunity for gain, or risk of loss. There are many different forms of risk depending on the investments chosen.

These risks include:

- Industry/Company Risk – Security values can decline due to negative developments within an industry or company.
- Market Risk – General market fluctuations can affect securities trading in that market.
- Credit Risk – The risk of a bond issuer not being able to make timely payments of principal and interest.
- Interest Rate Risk – Fixed income securities tend to rise in value when interest rates fall and decline when interest rates rise.
- Inflation Risk – This is also known as purchasing power risk.
- Liquidity Risk – Some securities may be difficult to sell if prices drop dramatically.
- Currency Risk – Currency exchange rates can affect the returns of a foreign security.
- Political/economic Risk – Investments can be affected by the political and economic developments within a country.

- Market Timing Risk – There is no guaranty that SFA will either enter or exit the market at the most opportune time.

#### *Tax Risks*

SFA's strategies are not designed to address specific tax objectives, nor does it provide tax advice. Tax treatment of investment returns under federal and state laws may change over time. Clients should consult their professional tax advisors for help with their unique situations.

#### *Limitation of Disclosure*

The foregoing list of risks does not purport to be a complete enumeration of explanation of risks involved. Strategies may develop and change over time; these could subject clients to additional and different forms of risk.

#### ITEM 8 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Outside of the services provided by SFA there are no individual portfolio managers. No client information is provided to any mutual fund portfolio manager, or outside third party. SFA collects information about their client's financial circumstances, goals, and objectives to select an appropriate Wealth Allocation Program strategy for his or her needs. Clients should notify their SIAR if their financial condition changes or if they want to request investment restrictions, alternative investments, or portfolio allocations.

#### ITEM 9 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

SFA clients do not have an individual portfolio manager; accordingly, they should discuss questions about the Wealth Allocation Program with their SIAR. The SIAR conveys specific client questions to the Investment Committee. In certain circumstances, clients working with their SIAR may discuss portfolios directly with the Investment Committee.

#### ITEM 10 – ADDITIONAL INFORMATION

##### *Disciplinary Information*

There are no material legal or disciplinary events that would impact an evaluation by a client or prospective client of either RMST or SFA.

No client of SFA has ever filed a statement of claim in arbitration or filed a complaint in any other legal or equitable venue.

On June 13, 2014, SFA entered into a Stipulation and Consent Agreement with the State of Florida, Office of Financial Regulation. Prior to hearing and without the adjudication of any issue, law, or fact, and without admitting or denying the findings, and solely for the purpose of the Administrative Proceeding, SFA agreed to cease and desist from any violation of Chapter 517,

Florida Statutes, and to strictly comply with all provisions thereof. SFA further agreed to pay of \$15,000 administrative fine. Additional information is available upon request.

### *Code of Ethics*

SFA has adopted a Code of Ethics for everyone associated with the firm describing its standard of business conduct and fiduciary duty to its clients. The Code of Ethics covers confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, and personal securities trading procedures, among other things. All supervised persons at SFA must acknowledge the terms of the Code of Ethics annually or when amended.

A copy of SFA's Code of Ethics is available upon request.

### *Participation in Client Transactions and Personal Trading*

RMST and/or SFA firm and/or employee accounts may trade in the same securities with client accounts. In such circumstances, where both a client's account and affiliated account is domiciled at R.M. Stark, the client's account will receive the best price from transactions executed on the same day and the same side of the market.

### *Client Referrals and Other Compensation*

SFA does not receive or pay any compensation for client referrals.

### *Changes of Circumstances*

On a quarterly basis, Wealth Allocation Program account clients are asked to notify SFA in the event of a change in financial information, investment goals, or objectives. Additionally, on an annual basis, SFA contacts each client to confirm whether the client's personal financial situation has changed materially since the most recent asset allocation Model was recommended. The continuing role of the SIAR is to review and monitor the Wealth Allocation Program account and be available to conduct annual reviews with the client. The client must promptly contact his or her SIAR whenever any significant change in the client's personal or financial condition or investment goals occurs to discuss whether changes in asset allocation are necessary.

### *Quarterly Reports*

Each quarter, clients receive a Quarterly Report, either by mail or electronically. The Quarterly Report includes performance information, a record of deposits and withdrawals, and a Quarterly Commentary. A fee statement is also enclosed with the Quarterly Report. Clients should contact their SIAR to discuss the Quarterly Report.

### *Brokerage Practices*

Under the provisions of the wrap fee agreement, Wealth Allocation Program clients elect to direct all brokerage transactions through RMST, and clients cannot designate or select a different broker. SFA does offer other services that do not include this restriction. Please see the Stark Financial Advisers Brochure for additional information.

### *Soft Dollars*

Neither RMST nor SFA has any soft dollar arrangements and do not receive soft dollar credits from brokers with whom client portfolio trades are executed.

### *Proxy Voting*

Neither RMST nor SFA votes proxies for investments held in Wealth Allocation Program accounts. All Proxy notifications will be provided directly to the client.

### *Financial Information*

Neither RMST nor SFA has any financial impairment that would preclude either firm from meeting its contractual commitments to clients.

SFA does not require or solicit prepayment of advisory fees and is, therefore, not required to include a copy of its balance sheet for its most recent quarter.

### ITEM 11 – REQUIREMENTS FOR STATE REGISTERED ADVISERS

There is no information that is required to be included in this Item that has not already been previously disclosed hereinabove.