

STONEFIELD INVESTMENT ADVISORY, INC.  
Form ADV: Part 2A

Form ADV Part 2A/ Firm Brochure  
OCTOBER 2019

ITEM 1 – COVER PAGE

**Stonefield Investment Advisory, Inc.**  
425 Second Street SE, Suite 1200  
Cedar Rapids, Iowa 52401-1818  
319-377-7811  
[www.StonefieldInvestments.com](http://www.StonefieldInvestments.com)

This Brochure provides information about the qualifications and business practices of Stonefield Investment Advisory, Inc., SIA. If you have any questions about the contents of this Brochure, please contact us at 319-377-7811. 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.

Stonefield Investment Advisory, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Stonefield Investment Advisory, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Stonefield Investment Advisory, Inc. is 113802.

## ITEM 2 – MATERIAL CHANGES

**When appropriate, Item 2, will provide a summary of the material changes that SIA, Stonefield Investment Advisory, Inc., has made to this brochure since the last annual update or the last material change.**

JANUARY 2017 – Our hourly rate has been adjusted from \$150.00 to \$300.00. A typical Financial Plan has been adjusted from \$500.00 to an average cost of \$1,000.00. At no time will Stonefield Investment Advisory, Inc. require any prepayment of greater than \$800.00 for Financial Planning Services delivered more than six (6) months in advance. This has been adjusted from \$500.00.

APRIL 2016 - Since our last ADV filing in January 2016 we have made minimal changes to clarify verbiage and add Item 19 / Item 20 of ADV Part 2A.

JUNE 2017 – The following changes have been implemented.

- Item 4 – Advisory Business:**  
Identify the principal owners. List the exact AUM SIA manages on a non-discretionary and discretionary basis including the 'as of date' the AUM is calculated. Under Financial Plans, it states that SIA will not require prepayment of greater than \$800 or more than six months in advance. This has been adjusted to \$500 or more six months in advance.
- Item 5 – Fees and Compensation:**  
We clarified that AUM fees are based on the market value of the assets held in the account on the last day of the previous quarter. For Financial Planning Fees we disclosed the flat fees. For Consulting Services we disclosed a fee range or schedule and the flat and hourly rates.
- Item 7 – Types of Clients**  
We updated the types of clients that are listed.
- Item 13 – Review of Accounts**  
We identified all factors that contribute to a review of client accounts.
- Item 14 – Client Referrals and Other Compensation**  
We clarified that the solicitor fee will not be in addition to the AUM fee but rather will be taken out of the total AUM fee.
- Item 18 – Financial Information**  
We updated that SIA does have discretionary authority.

OCTOBER 2017 – Our hourly rate has been adjusted from \$150.00 to \$300.00. A typical Financial Plan has been adjusted from \$500.00 to an average cost of \$1,500.00. At no time will Stonefield Investment Advisory, Inc. require any prepayment of greater than \$1,200.00 for Financial Planning Services delivered more than six (6) months in advance. This has been adjusted from \$800.00.

FEBRUARY 2018 – Item 19 Remove Scott M. Bridgford.

JANUARY 2019 – Item 19 Stephen R. Mickelson and Jon R. Werner have over fifty years of experience. Stephen R. Mickelson is no longer associated with Cetera Advisors, LLC.

OCTOBER 2018 – Item 19 Stephen R. Mickelson has removed “and a Registered Representative with Cetera Advisors LLC, the broker/dealer”.

OCTOBER 2019 – Disclaimer updated to remove - Securities offered through Cetera Advisors LLC. Member FINRA/SIPC. Cetera is under separate ownership from any other named entity. **Stonefield Investment Advisory, Inc.**, a Registered Investment Adviser. It has been replaced with *Investment Adviser Representative, Stonefield Investment Advisory, Inc., a Registered Investment Adviser. Advisory Services offered through Stonefield Investment Advisory, Inc., a Registered Investment Adviser.*

OCTOBER 2019 – Item 4 Removed \$5 Million and replaced it with “no” in reference to non-discretionary assets.

OCTOBER 2019 – Item 19 Brian J. Murphy has removed “and a Registered Representative with Cetera Advisors LLC, the broker/dealer”.

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## ITEM 4 – ADVISORY BUSINESS

### Who We Are

Stonefield Investment Advisory, Inc. is a Registered Investment Adviser. Founded in 1998, Stonefield offers an array of financial planning and asset management services, including but not limited to individuals, pension, profit-sharing and 401k plans, trusts, charitable organizations and small businesses and corporations.

Individuals who are properly licensed and/or registered to provide these services are known as Investment Adviser Representatives (“IARs”). Jon R. Werner and Stephen R. Mickelson are the owners of Stonefield Investment Advisory, Inc. Jon R. Werner is the principal.

Stonefield Investment Advisory manages \$71 million in discretionary and no non-discretionary assets. In a discretionary account you authorize your Investment Advisor Representative to purchase or sell securities without discussing the specific transaction with you in advance. Your Investment Advisor Representative does not have the ability to withdraw cash from your account without your express authorization. A non-discretionary account requires your Investment Advisor Representative to obtain permission from you prior to executing each and every transaction on your behalf.

### Getting to Know You Better

All advisory relationships begin with an initial client meeting. Typical meetings may be done in person, over the telephone, or through email communications. The purpose of this initial meeting is to discuss with your Investment Advisor Representative your investment history, goals, objectives, and concerns as it relates to the management of your account.

Depending on your specific situation and the program that you select, your Investment Advisor Representative may have you complete a questionnaire or other fact-finding documentation. The answers that you provide will assist your Investment Advisor Representative in creating an Investor Profile. Your Investment Advisor Representative uses your completed Investor Profile, which includes information such as your goals, objectives, income, etc., to assist you and your Investment Advisor Representative in the management of your account. If your financial situation changes, including your goals and objectives, it is important that you let your Investment Advisor Representative know as soon as possible.

### Important Considerations Prior to Opening an Account

We believe that it is important to operate in good faith with our clients. We want you to have the necessary information about SIA so that you can make an informed decision when deciding with whom to do business.

We would like to provide you with general overviews of several important facts that are common with the advisory programs that we offer. While the list below is not meant to include every possible situation, we do consider and take into account the following:

#### *Reasonable Restrictions*

All advisory programs that involve the purchase and sale of securities offer you the ability to place reasonable restrictions on how we manage your account. For example, a reasonable restriction may indicate your desire that we do not invest in a certain sector or industry. If we determine that a restriction is unreasonable, we may refuse to manage your account. If this occurs, we will give you the opportunity to modify or withdraw the restriction.

#### *Deposits and/or Withdrawals*

Unless specifically stated, you may make additions to or withdrawals from your account at any time. If your account falls below the minimum required account value, we may terminate your account. You may also add securities to your account; however, note that we reserve the right to not accept particular securities into your account.

#### *Trading Authorization*

Advisory accounts typically involve the purchase and/or sale of securities. These accounts may be managed either on a discretionary or non-discretionary basis.

#### *Quarterly Custodial Statements*

At least, on a calendar quarter basis, you will receive a statement that indicates how your account has performed over time. If you have any questions regarding the performance of your account, please contact your advisor.

#### *Minimum Account Opening Balance*

Each advisory program requires a program-specific minimum account opening balance. At its sole discretion, SIA may waive the minimum account size. If you establish a new account and deposit funds less than the minimum opening balance requirement, your funds will not be managed until the minimum dollar amount is met. Your cash may be placed into a money market fund until the minimum opening balance requirements are met.

### **SIA-Sponsored Programs**

SIA has developed several advisory services and programs to give you as much flexibility as possible. We specialize in the following advisory programs:

- Stonefield Asset Management Services (SAMS)
- Financial Planning
- Consulting Services
- ERISA Plan Participant Agreement

### **Stonefield Asset Management Services (SAMS)**

We sponsor an asset management program: Stonefield Investment Management Services. In this program, your Investment Advisor Representative will create a mix of investments that are appropriate for your investment goals. The benefit of opening these types of accounts includes:

- Individualized management of your account
- Annual reviews of your account
- Quarterly Performance Reports

#### *Minimum Account Opening Balance*

In general, we require a minimum deposit of \$25,000 to open a managed account. Your opening balance may include both cash and securities. Depending on a number of factors, we may waive the minimum required balance, including whether or not you have other accounts with us.

#### *Transaction Costs*

Transaction costs are the costs associated with purchasing or selling securities. Client pays all transaction costs.

#### *Clearing Custodial Firms*

We offer a wide range of advice. This program is maintained by one of two clearing/custodial Firms, Pershing LLC (Pershing) and TD Ameritrade (TDA). Pershing or TD Ameritrade, at their sole discretion, may add or remove mutual funds from their platforms without prior notice. In their platforms, transaction costs may be waived on purchases that would normally carry a transaction charge, which may provide your Investment Advisor Representative with an incentive to recommend a mutual fund. This incentive is increased if you have an account that your Investment Advisor Representative pays for the transaction costs. To help mitigate this conflict of interest, we monitor the sales activities of our advisors to ensure that products and services they offer to you are appropriate.

#### *Trading Authorization*

An account can be managed either on discretionary or non-discretionary basis.

#### *Types of Securities*

Your Investment Advisor Representative will purchase securities on your behalf based on your goals and objectives. In order to meet your needs, we provide a wide range of investment choices for you to consider. Some of the securities we may offer to you include, but are not limited to:

- General Securities
- Covered Call Options and Purchasing Put Options
- Fixed Income Securities
- Mutual Funds
- Exchange Traded Funds
- Unit Investment Trusts

### **Financial Plans**

Financial planning typically involves providing a variety of services to individuals or families regarding the management of their financial resources based upon an analysis of their individual needs. Generally, financial planning services involve preparing a financial program for a client based on the client's financial circumstances and objectives. The information provided as part of this service would normally cover present and anticipated assets and liabilities, including insurance, savings, investments, and anticipated retirement or other employee benefits.

The advice that is provided to you by your Investment Advisor Representative may include general recommendations for a course of activity or specific actions, to be taken by you.

**Financial Plans cont.**

Our financial planning services involve meeting with you to determine your financial goals and objectives. We then develop and deliver to you a written financial plan. At that point, our advisory relationship is typically concluded.

*Initial Client Meeting*

The purpose of this meeting is to discuss with you specific areas of concern and potential planning areas. During this meeting, your Investment Advisor Representative will work with you to determine whether or not a financial plan is appropriate for your specific circumstance.

As part of your initial meeting, or as a separate meeting, your Investment Advisor Representative will review all necessary documents for him/her to develop a financial plan for you. These documents may include, among other things, brokerage statements, income tax statements, a current will, other financial plans, business agreements, retirement information, etc.

*Developing a Financial Plan*

Based on the information that your Investment Advisor Representative gathers about your specific circumstance, a financial plan will be developed for you. Your Investment Advisor Representative may use various computer software tools to assist them in creating the financial plan. While our advisors will not provide tax or legal advice, with written permission from you, they may speak with your attorney and/or tax professional.

Financial plans may consist of:

*Financial Position* — Financial position review encompasses a review of your current financial position, including a review of your current cash flow. This type of review typically involves reviewing your net worth, cash flow, budget, debt, and investment accounts.

*Retirement Planning* — Retirement planning typically consists of analyzing your current or expected future retirement needs. Based on your current level of retirement savings, additional retirement accounts (such as an IRA or Roth IRA) may be recommended, or additional contributions to your existing company retirement plan may be recommended.

*ERISA Planning* — If you have a company retirement plan that falls under ERISA (such as a 401(k), defined benefit plan, etc.), your Investment Advisor Representative may provide education on your company retirement account but not specific investment advice. The education that they provide to you will be limited to:

- General principles for investing, overall asset allocation strategies, and general information about the options currently available in your plan.
- Your Investment Advisor Representative may consider the amount of assets you hold in your company retirement plan in order to determine and recommend an overall investment strategy for you.
- Your Investment Advisor Representative may not provide you with specific investment advice regarding investments held within your company retirement plan. This includes recommending that you invest a certain percentage into an investment option held within your company plan.

*Insurance Analysis* — Insurance analysis typically consists of analyzing your current or expected insurance needs. Based on your specific circumstances, such as, number of dependents and the age of the members in your household, your Investment Advisor Representative may suggest the need to increase or decrease the amount of insurance you currently have. Certain states do not allow us to charge you a separate management fee to review your insurance needs.

*Education Planning* — Your Investment Advisor Representative may review your current or future needs as it relates to paying for education expenses for you or your dependents. This type of review typically analyzes the amount of money you are saving for education expenses.

*Tax Efficient Investing Strategies* — As part of the consulting services, your Investment Advisor Representative may not provide you with tax advice. However, your Investment Advisor Representative may assist you in designing an investment strategy to maximize the tax efficiency of your portfolio.

*Advice Provided*

The financial plan will provide you with recommendations and advice tailored to your specific financial goals, objectives, and situation. You are under no obligation to act on the advice that is given to you. If you choose to act on any of the advice given to you, you are under no obligation to open any accounts with us, and you may, in fact, open accounts with firms that are not affiliated with us.

*Delivering the Plan*

Your Investment Advisor Representative will deliver and explain the financial plan or a letter recapping the advice that is being provided to you.

**Financial Plans cont.**

*Fee Invoice*

On a quarterly, semi-annual or annual basis, you will receive an invoice from your advisor. The invoice will describe the services that were provided to you and the cost of the service or advice.

A typical Financial Plan would cost an average of \$1,200.00 (\$300.00 per hour) with five hours of work anticipated. Fees range from \$150.00 - \$300.00 per hour. As the complexity of the plan increases the total billable hours will increase. A detailed analysis for a business involving multiple partners, outside consultations, or complex planning strategies will be billed at the hourly rate of \$300.00. These fees are not contingent and are not affected by assets placed in fee-based accounts. At no time will Stonefield Investment Advisory, Inc. require any prepayment of greater than \$1,200.00 for Financial Planning Services delivered more than six (6) months in advance. The Client will be provided an estimated hourly cost, Stonefield Investment Advisory, Inc. will notify the Client prior to the additional work needed for approval and Client will be invoiced for any additional time spent over the estimated cost.

**Consulting Services**

Consulting services, while similar to traditional financial planning, provide you with several distinct services: estate planning, investment planning, financial analysis, and retirement planning. These include the ability for your Investment Advisor Representative to provide a broader range of financial advice and services, including the ability to provide specific security recommendations. The services are offered to you over a longer period of time (up to three years).

In addition to general consulting services, you may also receive education and advice on your retirement accounts that fall under the Employee Retirement Income Security Act (ERISA) and that are held with other firms. An example of this type of account is an employer sponsored 401(k) plan. In this scenario, your Investment Advisor Representative will act as a 3(21) Fiduciary. This means that your Investment Advisor Representative is required to be prudent and act in your best interest when making recommendations and providing advice.

*Consulting Services Term*

Consulting services allow our advisors to provide continuous advice to you for the duration of the consulting service contract. The contract is in effect for three years from the time you initially sign the contract. The contract may be terminated earlier at the request of you or us. If you wish to continue the consulting arrangement after the contract expires, you will need to execute a new contract with another three year term.

*Initial Client Meeting*

The purpose of this meeting is to discuss your current and future goals and objectives. During this meeting, your Investment Advisor Representative will explain the consulting process, set reasonable expectations with you, and discuss any initial concerns that you may have.

As part of your initial meeting, or as a separate meeting, your Investment Advisor Representative will review all necessary documents for him/her to develop a course of action for you. These documents may include, among others, brokerage statements, income tax statements, current will, other financial plans, businesses agreements, retirement information, etc.

*Subsequent Review Meetings*

Based on the services provided to you, your Investment Advisor Representative will schedule subsequent meetings to discuss the status of recommended actions. These meetings may occur in a number of ways, including over the telephone, in person, or via email.

*Advice Provided*

The consulting services your Investment Advisor Representative provides will include recommendations and advice tailored to your specific financial goals, objectives and situation. You are under no obligation to act on the advice that is given to you. If you choose to act on any of the advice given to you, you are under no obligation to open any accounts with us, and you may, in fact, open accounts with firms that are not affiliated with us.

*Fee Invoice*

On a quarterly basis, you will receive an invoice from your advisor. The invoice will describe the services that were provided to you and the cost of the service or advice. Fees will be invoiced in arrears.

**ERISA Plan Participant Agreement**

Retirement plans subject to the Employee Retirement Income Security Act of 1974 may retain an Investment Advisor Representative of SIA to provide advisory and consulting services to your retirement plan. For more information, please refer to the ERISA Plan Participant Agreement for Assets Held by an Employer Sponsored Plan. In providing these services, SIA may act as a fiduciary as defined under Section 3(21) (A) (ii) of ERISA, but will serve in such capacity only with respect to the provision ERISA-defined investment advice.

**ERISA Plan Participant Agreement cont.**

Advisory services may consist of:

- Reviewing or Assisting Establishing investment Policies and Objectives
- Preparation of Investment Policy Statement
- Investment Recommendations
- Investment Manager Recommendations
- Investment Monitoring
- Selection of Qualified Default Investment Alternative

Your Investment Advisor Representative can assist in coordinating the implementation of any advisory recommendations, including referral to other professionals. However, the decision to implement any recommendation rests exclusively with the Plan and its fiduciaries, and there is no obligation to implement any such recommendations through SIA or Investment Advisor Representative.

Consulting services may consist of: Charter for Fiduciary Committee, Education Services to Fiduciary Committee, Performance Reports, Fee Monitoring, Participant Education Services and Service Provider Recommendations.

In performing consulting services, Investment Advisor Representative and SIA are acting solely as an agent and at Plan's direction and not as a fiduciary of the Plan.

Excluded services not offered as part of the ERISA Plan Participant Agreement:

- *Custody; Trade Execution* — Taking custody or possession of any Plan assets, ensuring that contributions by the Plan or from participants are timely deposited with the trustee or custodian for the Plan, or executing orders for trades or securities transactions with respect to the Plan's assets.
- *Employer Stock Fund; Brokerage Window* — Providing advice regarding the prudence of Plan investments in any employer stock, or providing guidance to participants concerning investments through any brokerage account window under the Plan.
- *Proxies* — Rendering advice on, or taking action with respect to, the voting of proxies solicited on behalf of securities held in trust by the Plan, or the exercise of similar shareholder rights regarding such securities.
- *Discretionary Plan Administration* — Interpreting the Plan, determining eligibility under the Plan, distributing Plan assets to pay benefits or expenses, determining benefit claim, or making any other discretionary decisions with respect to the administration of the Plan.
- *Legal or Tax Advice* — Reviewing or amending Plan documents for compliance with changes in tax qualification requirements, or providing legal or tax advice on matters relating to the Plan, including advising on whether Plan investments will result in unrelated business taxable income.

Excluded services not offered as part of the ERISA Plan Participant Agreement:

- *Participant Advice* — Furnishing any fiduciary "investment advice" within the meaning of ERISA to participants relating to any participant-directed investments under the Plan. Any personal investment-related services provided by SIA to individuals, including but not limited to individuals who are Plan participants, will be unrelated to the Services.
- *Regulatory Notices; Reports* — Distributing summary plan descriptions, elections, and any other notices required by law to participants, or filing any governmental reports for the Plan or Client.

## ITEM 5 – FEES AND COMPENSATION

SIA and/or your Investment Advisor Representative are compensated in several ways. We want to ensure that you understand how we as SIA and our advisors are compensated as well as other costs associated with your account. Here are a few important facts about the fees and costs associated with your account:

### *Assets Under Management (AUM)*

Your Investment Advisor Representative will earn compensation for managing these accounts by charging you an advisory fee. This fee is called an assets under management (AUM) fee. Essentially, this means that on a quarterly basis, we will charge you in advance a fee that is calculated as a percentage of the market value of the assets held within your advisory account. In other words, AUM fees are based on the market value of the assets held in the account on the last day of the previous quarter.

### *Consolidated Billing*

If you have multiple accounts, you may be offered the option to have a consolidated management fee deducted from one primary account, instead of having management fees deducted from each account, provided this primary account is not a retirement account and that the accounts have the same fee schedules and advisors. The primary account will have lower performance returns than it would otherwise have, and your other accounts will have higher returns than they otherwise would have.



# STONEFIELD INVESTMENT ADVISORY, INC.

## Form ADV: Part 2

### *Negotiable Fees*

While we have a maximum fee that can be charged to manage your account, you and your Investment Advisor Representative may negotiate a lower fee. Because our fees are negotiated between you and your advisor, individual clients will pay different fees for receiving the same or similar advisory services.

### *You Pay Your Advisory Fees in Advance*

Unless specifically stated below, our AUM fees are assessed on a quarterly basis in advance. This means that you are charged for the following calendar quarter's advice and not for past advice. Fees are generally automatically deducted from your advisory account. Please, see Item 15 regarding further information on direct deduction of advisory fees. You may also pay your advisory fees by check. If you terminate your account prior to the end of a quarter, we will refund any advisory fees owed to you on a prorated basis. The prorated fee is based on the number of days remaining in the quarter.

### *Advisory Programs May Be More Expensive*

The advisory fees you pay to us are for the investment advisory services that we provide to assist you with selecting the right mix of investments. Because most advisory programs purchase investments that have their own internal or management fees (such as mutual funds), the total cost of the program may be more than if you were to buy the securities individually.

### *Additional Compensation*

Accounts may invest in load and no-load mutual funds that may pay SIA annual distribution charges, sometimes referred to as 12(b)1 fees. SIA will credit retirement accounts (i.e., ERISA and IRA accounts) for any 12(b)-1 fees received because of mutual fund investments by these accounts. When 12(b)-1 fees are paid to us, for investments made in Preferred and Prime non-retirement accounts, a portion is passed to your advisor. SIA will retain 12(b)-1 fees received for non-retirement accounts. Because of the additional compensation that these payments represent, there is a financial incentive for your Investment Advisor Representative to recommend funds that pay 12(b)1 fees over funds that have no fees or lower fees. To help mitigate this conflict of interest, we monitor the sales activity of our advisors to ensure that products and services they offer to you are appropriate for your specific situation. We mitigate this potential conflict of interest by reviewing the suitability of each new account as well as all transactions placed within managed accounts. SIA's Investment Advisor Representatives will always act in the best interest of their Clients in accordance with their fiduciary duty.

### *Tiered Fee Schedules*

In general, and unless specifically stated on our contract with you, we charge fees on a tiered fee structure. This means that your advisory account can be charged multiple percentages depending on the amount of assets held within the account. For example, if you have a managed account with \$750,000, and assuming you were being charged the maximum fee schedule, your annual fee would be calculated as follows:

### **Stonefield Investment Advisory, Inc. Fee Services:**

<b>Assets Under Management</b>	<b>Quarterly Fee</b>	<b>Annual Fee</b>
\$0.00 - \$99,999.99	0.40%	1.60 %
\$100,000.00 - \$499,999.99	0.30%	1.20 %
\$500,000.00 - \$999,999.99	0.25%	1.00 %
\$1,000,000.00 & Above	0.22%	.88 %

### *Additional Fees and/or Expenses*

Products such as certain mutual funds and variable annuities are required to be held by you for a period of time. If you sell a security prior to the required holding period, the custodian may assess a fee. This will be described in detail within the product's prospectus. Please read the prospectus or statement of additional information carefully so that you fully understand any fees you may incur when selling a security.

In addition to your advisory fee, your accounts may include additional costs. These costs may include, but are not limited to, account maintenance fees, transaction costs, wire transfer fees, costs associated with exchanging currencies, and return check fees.

### *Additions and Withdrawals*

Client may make additions to or withdrawals from an Account in any of the SIA's Sponsored Programs at any time, subject to SIA's right to terminate the Account if it falls below the minimum account value as determined by SIA from time to time or as otherwise provided in the Client's advisory agreement. Additions may be in cash or securities, provided that SIA reserves the right to decline to accept particular securities into the Account or to impose a waiting period before certain securities may be deposited. If cash or securities are accepted for management in the Account during the quarter, a prorated Asset-Based Fee based on the value of the assets may be charged upon deposit. Client may request periodic withdrawals; and alternatively, may withdraw Account assets subject to the usual and customary securities settlement procedures. Client acknowledges that Account is responsible for any charges, including contingent deferred sales charges, surrender charges, or redemption fees, that apply to redemptions or liquidations of securities held in the Account. No Asset-Based Fee adjustment will be made during any quarter for appreciation or depreciation in Account asset value during that period, nor shall any adjustment or refund be made with respect to partial additions or withdrawals which when aggregated, total less than \$10,000 per day.

*Financial Planning Fees*

Because financial planning can range in complexity, we do not have a fee schedule for financial planning services. During your initial or subsequent meetings with your advisor, you will discuss an appropriate fee for the services provided to you. Some of the factors used to determine the appropriate fee are the time needed to create a customized plan; as well as, the complexity of the plan. Your Investment Advisor Representative will charge you either a flat fee or an hourly fee for financial planning work done on your behalf. A flat fee is a specific dollar amount that you will pay for financial planning services and can range from \$1,200.00 - \$3,000.00 depending on the time and complexity of the anticipated work. An hourly fee is a fee that is based on an hourly rate (as negotiated between you and your advisor) multiplied by the number of hours that your Investment Advisor Representative needs to create your plan.

The fee may be collected by your Investment Advisor Representative either at the time that the financial planning contract is signed or when the final plan is delivered to you. In either case, all checks should be made payable to SIA and not your Investment Advisor Representative. You pay your financial planning fee when you sign the financial planning agreement either 100 percent of the total fee up-front, or half of the fee at the time the financial plan is signed, and then the remaining half of the total fee when your financial plan is provided to you by your advisor.

A typical Financial Plan would cost an average of \$1,500.00 (\$150.00 - \$300.00 per hour) with five hours of work anticipated. As the complexity of the plan increases the total billable hours will increase. A detailed analysis for a business involving multiple partners, outside consultations, or complex planning strategies will be billed at the hourly rate of \$300.00. These fees are not contingent and are not affected by assets placed in fee-based accounts. At no time will Stonefield Investment Advisory, Inc. require any prepayment of greater than \$1,200.00 for Financial Planning Services delivered more than six (6) months in advance. The Client will be provided an estimated hourly cost, Stonefield Investment Advisory, Inc. will notify the Client prior to the additional work needed for approval and Client will be invoiced for any additional time spent over the estimated cost.

*Consulting Service Fees*

As with financial planning, we do not have a standard fee schedule for consulting services. During your initial or subsequent meetings with your advisor, you will discuss an appropriate fee for the service. Some of the factors used to determine the appropriate fee are the time needed to review your situation; as well as, the complexity of your situation. Your fee may be either a flat amount or based on an hourly rate. A flat fee is a specific dollar amount that you will pay for consulting services. A flat fee is a specific dollar amount that you will pay for financial planning services and can range from \$1,200.00 - \$3,000.00 depending on the time and complexity of the anticipated work. An hourly fee is a fee that is based on an hourly rate (as negotiated between you and your advisor) multiplied by the number of hours that your Investment Advisor Representative need to spend on your situation.

Similar to the Financial Planning Fee the Consulting Service Fee would cost an average of \$1,500.00 (\$300.00 per hour) with five hours of work anticipated. As the total billable hours increase the fee will increase. The consulting fee will be billed at the hourly rate of \$300.00. At no time will Stonefield Investment Advisory, Inc. require any prepayment of greater than \$1,200.00 for Consulting Services delivered more than six (6) months in advance. The Client will be provided a Consulting Services Agreement.

Additionally, for ERISA consulting, you may elect an asset-based fee.

<b>ERISA Consulting Service Fees</b>	<b>Quarterly Fee</b>	<b>Annual Fee</b>
\$0 - \$149,999.99	0.150%	.600 %
\$150,000 - \$299,999.99	0.125%	.500 %
\$300,000 - and above	0.100%	.400 %

On a quarterly basis, you will receive an invoice from your advisor. The invoice will describe the services that were provided to you and the cost of the service or advice. Fees will be invoiced in arrears. The consulting fee may be paid for you by check or by deducting the fee from your bank account by completing an ACH Request Form. In either case, the fee should be made payable to SIA and not your Investment Advisor Representative.

*ERISA Plan Participant Agreement*

We do not have a standard fee schedule for the ERISA Plan Participant Agreement. However, the maximum annual fee that may be charged is 1.5%. In meetings with your advisor, an appropriate fee for the advisory and consulting services to be provided to the Plan will be discussed. Some of the factors used to determine the appropriate fee are the nature of the services being provided, the time related to providing such services, and the complexity of the Plan.

Your fee may be either an annual flat fee payable in equal quarterly payments; or an annual asset-based fee equal to a percentage of assets, payable on a quarterly basis; or an annual, blended asset-based fee based on a tiered fee schedule, payable on a quarterly basis. A flat fee is a specific dollar amount that you will pay for consulting services. Tiered fees refer to fee schedules; whereas, the value of Plan assets reaches a new threshold, the assets above that threshold are charged successively lower percentages.

*ERISA Plan Participant Agreement cont.*

Fees are paid in arrears. This means that a Plan's fees pay for services that the Plan received in the ERISA Plan Participant Agreement in the prior quarter. The fee may be paid for you by check by deducting the fee from your bank account by completing an ACH Request Form. In either case, the fee should be made payable to SIA and not your Investment Advisor Representative.

## ITEM 6 – PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

Stonefield Investment Advisory, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

## ITEM 7 – TYPES OF CLIENTS

Stonefield Investment Advisory, Inc. provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trust programs, and other US and international institutions.

Our advisory accounts all require a minimum opening deposit. Depending on the specific program, the opening deposit may vary between the amounts of \$25,000 - \$250,000. For the minimum account opening balance required for each program, see Item 4 of this Brochure.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Most of the advisory services we provide involve the purchase (or liquidation) of securities. All investing involves some level of risk. In many cases, the risk may include the potential to lose your entire principal value. All securities sold have disclosure documents that discuss these risks. This disclosure document is commonly referred to as a prospectus, but may be called something else depending on the type of security you have purchased. In any case, it is extremely important that you read these documents in their entirety. If you have any additional questions regarding your investments, please speak with your Investment Advisor Representative immediately.

Client assumes all market risk involved in the investment of account assets in the Investment Advisory Agreement and understands that investment decisions made for this Account are subject to various markets, currency, economic, political, and business risks. Except as may otherwise be provided by law, Stonefield Investment Advisory, Inc. will not be liable to Client for (a) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Stonefield Investment Advisory, Inc. with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from Stonefield Investment Advisory, Inc.'s adherence to Client's instructions or lack thereof; or (c) any act or failure to act by a custodian of Client's Account.

Nothing in this Agreement shall relieve Stonefield Investment Advisory, Inc. from any responsibility or liability Stonefield Investment Advisory, Inc. may have under state or federal statutes.

Our advisors may use various methods to determine an appropriate investment strategy for your portfolio. During your initial and subsequent meetings with your advisor, they will discuss the methods they used. The analysis performed may include the following:

*Technical Analysis*

This type of analysis utilizes statistics to determine trends in security prices. Technical analysis tends to focus on factors such as trading volume, demand, and security price fluctuations. This type of analysis is also commonly referred to as chart analysis due to the fact that this analysis tends to review various historical charts and graphs.

*Fundamental Analysis*

This type of analysis concentrates on earnings, a company's financial statements, and the quality of a company's management. These quantitative factors are then used to attempt to determine the financial strength of a company.

*Asset Allocation*

Asset allocation investment strategies attempt to optimize the risk and reward of your portfolio by investing among several asset classes.

*Timing Service*

While not a standard analysis method used by our advisors, some advisors may offer advisory services that attempt to time mutual funds and variable annuities. This essentially means they try to purchase or sell immediately preceding an increase or decrease in the securities price. This type of investing can substantially increase the amount of your brokerage transaction costs due to the frequency that transactions are occurring. Also, many mutual funds or variable annuities specifically prohibit excessive buying and selling within their fund in a short period of time. We monitor our accounts for excessive trading activity to ensure that you are aware of and comfortable with the level of trading as well as to ensure that the investments are appropriate for you.

*Concentrated Investment Strategies*

Certain investment strategies may be concentrated in a specific sector or industry. If you invest in a portfolio or strategy that is made up of a concentrated position, sector or industry, your portfolio will be more likely to sharply increase or decrease in value with changes in the markets. Concentrated strategies are more volatile because the risk associated with each company represents a large percentage of your overall portfolio value.

*Alternative Investments*

Non-traded REITS, business development companies (BDCs), limited partnerships, and direct alternatives are subject to various risks such as illiquidity and property devaluation based on adverse economic and real estate market conditions and may not be suitable for all investors. A prospectus that discloses all risks, fees and expenses may be obtained from your advisor. Read the prospectus carefully before investing. This is not a solicitation or offering which can only be made in conjunction with a copy of the prospectus.

Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments.

## 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 your evaluation of Stonefield Investment Advisory, Inc. or the integrity of Stonefield Investment Advisory, Inc.'s management. Stonefield Investment Advisory, Inc. has no disciplinary information against SIA applicable to Item 9.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

*Broker-Dealer Affiliation*

In addition to giving advice, our Investment Advisor Representatives of Stonefield Investment Advisory, Inc. are, also, registered with our broker-dealer, Cetera Advisors, LLC as registered representatives, which allows them to perform brokerage services for you by executing specific security transactions. Our advisors may also be licensed insurance agents appointed with various insurance companies. In their capacity as registered representatives and/or licensed insurance agents, they may offer securities and insurance products and receive normal and customary commissions as a result of such transactions, which presents a conflict of interest because they have an interest in making commissions on sales that may be adverse to your interests. SIA and their Investment Advisor Representatives will always act in the best interest of their Clients in accordance with their fiduciary duty.

Due to the fact that your Investment Advisor Representative has the ability to offer advisory and brokerage services, your Investment Advisor Representative may be conflicted as to the investment options they recommend. In a brokerage account, your Investment Advisor Representative is paid based on a transactional basis. In an advisory account, your Investment Advisor Representative is compensated based on an advisory fee that may be flat, fixed, or a percentage of the assets under management. Your investment needs should influence your decision whether to open an advisory or a brokerage account. An advisory account is likely more suitable if you are looking for a long term investment strategy, quarterly performance reporting, and an ongoing relationship with your advisor.

From time to time, Stonefield Investment Advisory, Inc. or one or more of its Investment Advisor Representatives or employees may purchase or own the same securities or variable insurance products that Stonefield Investment Advisory, Inc. or the Client's Investment Advisor Representative recommended to the Client. When the recommendation to the Client involves individual stocks, stock options, or bonds there could be a conflict of interest with the Client. Stonefield Investment Advisory, Inc. has adopted policies and procedures to ensure that such conflicts are fully disclosed and that neither Stonefield Investment Advisory, Inc. nor its Investment Advisor Representatives nor employees may trade ahead or otherwise against the interest of Clients.

To mitigate this conflict of interest, we routinely review our client accounts to ensure that the services and products being recommended are consistent with your stated goals and objectives.

We may also enter into certain arrangements to offer brokerage and advisory services to the clients of independent unaffiliated financial institutions (credit unions, credit union service organizations, banks and savings banks). A portion of the client advisory fee will be paid by us to the financial institution pursuant to a fee sharing arrangement as long as the client agreement is in effect. The financial institution does not provide any advisory services to the client.

## ITEM 11 – CODE OF ETHICS

We are committed to providing brokerage services and/or investment advice with the utmost professionalism and integrity. To help us avoid potential conflicts we have developed a Code of Ethics designed to protect our professional reputation and comply with federal or other applicable securities laws. Our Code of Ethics may be summarized as follows:

*Personal Investing by Your Investment Advisor Representative*

Your Investment Advisor Representative may purchase or sell the same security as you. This type of trading activity creates a conflict between your Investment Advisor Representative and you because your advisor's transaction may receive a better price than your transaction. To help mitigate this potential conflict, we routinely review our advisors' personal trading activity. Our Code of Ethics also places restrictions on your advisor's personal trading activities. This prohibition includes a prohibition on trading based on non-public information. We also prohibit your Investment Advisor Representative from purchasing or selling securities in his/her own account prior to placing your order to purchase or sell a security for your account. Also, your Investment Advisor Representative may not purchase securities in an initial public offering or participate in a private placement without our written approval.

*Personal Holdings and Transaction Reporting*

SIA receives quarterly reports of the security transactions purchased and/or sold in Investment Advisors Representative's personal accounts during the prior quarter. On an annual basis, your Investment Advisor Representative submits a report to us with all securities that they currently own. Certain investments are not required to be reported to us by your advisor, such as mutual funds holdings and securities issued by the Government of the United States. A list of securities and investments that are not required to be reported is located within Stonefield Investment Advisory, Inc.'s complete Code of Ethics.

Stonefield Investment Advisory, Inc. has established a Privacy Policy in accordance with Regulation S-P to protect Clients' non-public information. A copy of Stonefield Investment Advisory, Inc.'s Privacy Policy is provided initially to Clients along with this ADV Part II disclosure document upon engagement of advisory services, and will be delivered to all Advisory Clients annually thereafter.

You may request our Code of Ethics, ADV or Privacy Policy by contacting your Investment Advisor Representative or via the website, [www.StonefieldInvestments.com](http://www.StonefieldInvestments.com).

## ITEM 12 – BROKERAGE PRACTICES

Except to the extent that the Client directs otherwise, Stonefield Investment Advisory, Inc. may use its discretion in selecting or recommending the broker-dealer/custodian. The Client is not obligated to effect transactions through and broker-dealer/custodian. In recommending broker-dealers/custodians, Stonefield Investment Advisory, Inc. will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The broker-dealer's / custodian's facilities, reliability and financial responsibility;
- The ability of the broker-dealer / custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such broker or dealer or custodian to Stonefield Investment Advisory, Inc., notwithstanding that the Account may not be the direct or exclusive beneficiary of such services; and
- Any other factors Stonefield Investment Advisory, Inc. considers to be relevant.

*Selection of Brokers*

Our advisors are also registered with our broker-dealer, Cetera Advisors, LLC as registered representatives, which allows them to perform brokerage services for you by executing specific security transactions. Our advisors may also be licensed insurance agents appointed with various insurance companies. In their capacity as licensed insurance agents, they may offer securities and insurance products and receive normal and customary commissions as a result of such transactions, which presents a conflict of interest because they have an interest in making commissions on sales that may be adverse to your interests. To mitigate this conflict of interest, we routinely review our advisory accounts to ensure that the advisory services and products being recommended are consistent with your stated goals and objectives.

Clients should consider, in light of the broker-dealer's limited approved trading platforms for Investment Advisory Accounts and the fact that only some of the approved trading platforms may accommodate the investment strategy recommended by the Client's Investment Advisor Representative, that Investment Advisor Representatives are limited in their ability to obtain the best execution price and lowest execution costs for each transaction or the product with the lowest internal expenses. Therefore, Clients may pay higher commissions or trade execution charges through the trading platforms approved by Stonefield Investment Advisory, Inc.'s broker-dealer that through broker-dealers that have not been approved by Cetera Advisors LLC as trading platforms for its Investment Advisory Accounts. Certain Investment Advisor Representatives of Stonefield Investment Advisory, Inc. may receive 12b-1 fees. The Investment Advisor Representative is compensated by a 12b-1 fee for the marketing of a mutual fund or investment and the salesperson (Investment Advisor Representative) receives a "commission" or fee for the sale of the mutual fund or investment. SIA's Investment Advisor Representatives will always act in the best interest of the Clients in accordance with their fiduciary duty.

*Agency Cross or Principal Trades*

SIA generally prohibits Agency Cross and/or Principal Transactions. If an exception is provided to execute an Agency Cross or Principal Transaction, the SIA will receive consent from the client prior to executing the transaction and the Agency Cross and/or Principal Transactions will be consistent with SEC guidelines. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlling, controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Principal transactions arise when the SIA acts as a registered investment adviser and broker in a transaction between an advisory client and the SIA on the other

*Agency Cross or Principal Trades cont.*

side of the transaction. This includes buying securities from or selling any security to an advisory client from the SIA's own account. The SIA reviews every agency cross and principal transaction for suitability. Some of the items that the SIA reviews include, but are not limited to, security pricing and trade volume in order to determine if an agency cross or principal trade is in the client's best interest.

*Block Trading*

Block Trading refers to the aggregation of multiple orders from different clients, for the same securities for submission as a single order for execution. When the purchase or sale of a particular security is appropriate for more than one client account, trades for advisory clients may be bunched or blocked to attempt to achieve the best execution for large orders for an individual account or to obtain a uniform execution price for identical securities across several accounts. Trades with advisory clients may be aggregated with those of other clients, the personal trades of supervised persons and trades in proprietary accounts.

All block trades placed will be processed through an average price account to ensure fair and equitable execution prices, and advisors cannot modify order allocations after the trade executes. This means that all execution prices for the security bought or sold on that day will be averaged. Block trading does not reduce your transaction costs. Block trading is only available if your account is being managed on a discretionary basis and the account is held with Pershing LLC or TD Ameritrade. For accounts where Folio is the overlay manager, Folio will generally block trades when a transaction is appropriate for several client accounts. For accounts managed by your financial adviser (IAR-managed accounts), your Investment Advisor Representative may choose to block trade all, none or some of their client trades based upon a number of factors, including, but not limited to, discussions with their clients and discretionary trades versus non-discretionary trades. Clients that are not included in block trading may receive a higher or lower price than clients that have been included in a block trading order. In order to ensure that no client or group of clients is favored over another, SIA monitors the trading activity that occurs within client accounts.

*Trading Errors*

Occasionally, a trading error may occur where either we, or our advisors, are at fault. If this occurs in your account, the error will be corrected and your account will be restored to where it would have been had the error never occurred. However, in the process of restoring your account, we may realize a profit or suffer a loss in connection with correcting this error. Neither losses nor gains will be passed on to you.

*Best Execution*

We have an obligation to ensure orders are being sent to the markets in an efficient manner. We review reports that help us analyze the quality of the executions of the orders that we send to the market.

## ITEM 13 – REVIEW OF ACCOUNTS

We review your account in several ways. Our account reviews include:

- *Annual Client Contacts* - On at least an annual basis, your Investment Advisor Representative will contact you to arrange a review of your advisory accounts with you. In general, this review includes any SIA-sponsored programs and certain third-party money manager programs. The purpose of this review is to determine what, if any, adjustments need to be made to your portfolio.
- *Supervision* - Your advisor's designated supervisor reviews the advisory services provided to client accounts of any Investment Advisor Representative who he or she supervises. If this review raises any issues associated with your account, they will investigate the issue to determine if any further action is needed or warranted.
- *Home Office Oversight* – Cetera Advisors, LLC conducts periodic reviews of your account, if appropriate, they will contact the designated supervisor to determine if further action is needed or warranted.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

We may have individuals who are not affiliated with us introduce prospective clients to us. The individuals (called Solicitors) are paid a fee that is based on the advisory fee that you pay. If you are introduced to us through a Solicitor, we will provide you with a separate written disclosure statement indicating that a referral fee is being paid to an individual who is unaffiliated with SIA. Please refer to Item 5 of this brochure for additional information on our sources of revenue. Any solicitor fee will not be in addition to the AUM fee but rather will be taken out of the total AUM fee.

## ITEM 15 – CUSTODY

TD Ameritrade or Pershing LLC, our clearing firms, maintains those assets as the qualified custodian. SIA also has constructive custody when we are authorized by you in writing to instruct the custodian to deduct management fees from the Client's account. SIA will send the Client an invoice detailing our management fee. Pershing LLC or TD Ameritrade will send you account statements, which you should carefully review. You should compare your invoice to the account statements you receive from Pershing or TD Ameritrade. In the event of any discrepancy between your report and any statement you receive from Pershing regarding the same investment, you should rely on the statement from Pershing or TD Ameritrade. SIA relies on the custodian to price and value assets

# STONEFIELD INVESTMENT ADVISORY, INC.

## Form ADV: Part 2

and provide cost basis information for tax reporting of client assets. You should contact the custodian for the cost basis accounting method applicable to your account. Initial cost basis is the value at deposit.

Pershing's mailing address is:  
Pershing LLC  
One Pershing Plaza  
Jersey City, NJ 07399

TD Ameritrade's mailing address is:  
TD Ameritrade  
PO Box 919094  
San Diego, CA 92191

For IRA and other retirement accounts, Pershing, LLC and TD Ameritrade serve as directed trustee and IRA custodian for the accounts. The IRA accounts remain physically custodied at Pershing, LLC and TD Ameritrade and are included in Pershing's and TD Ameritrade's required net worth calculation under the Internal Revenue Code. Pershing, LLC or TD Ameritrade may charge IRA or other retirement accounts maintenance or termination fees. Other costs that may be assessed to you that are not part of the Program Fee include, but are not limited to, electronic fund and wire transfers and IRA custodial fees.

### ITEM 16 – INVESTMENT DISCRETION

As discussed in more detail in Item 4 of this brochure, in certain programs you may authorize your Investment Advisor Representative to have investment discretion over your account. An Investment Advisor Representative must receive written approval from us prior to offering investment discretion services to you. If we approve an Investment Advisor Representative to offer investment discretion to clients, they must also obtain written authorization from you prior to exercising such discretionary authority over your account. As discussed in more detail in Item 4, you may place reasonable restrictions on the management of your account, whether it is discretionary or non-discretionary, including restrictions on the type of securities that can be purchased in your account.

Our advisors are prohibited from having the ability to withdraw funds and/or securities from your account without your express permission.

### ITEM 17 – VOTING CLIENT SECURITIES (I.E., PROXY VOTING)

For all the advisory services and programs offered through SIA, neither we, nor our advisors, have any authority to vote proxies on your behalf. You are solely responsible for receiving and voting proxies for the securities that you maintain within your account.

#### *TPMM Accounts*

Depending on the TPMM's proxy voting policies and procedures, the TPMM may require that you appoint them as your agent and attorney-in-fact with discretion to vote proxies on your behalf. Please, carefully review the TPMM's disclosure brochure to understand their proxy voting policies and procedures.

### ITEM 18 – FINANCIAL INFORMATION

Registered Investment Advisors are required in this Item to provide you with certain financial information or disclosures about Stonefield Investment Advisory, Inc.'s financial condition. Stonefield Investment Advisory, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding. Stonefield Investment Advisory, Inc., at times, has discretionary authority or custody of Client funds, securities, or require/solicit prepayment of more than \$1,200.00 in fees per Client six months in advance or have a financial condition that could impair our ability to meet our contractual obligations. Therefore, we are not required to provide our audited balance sheets.

### ITEM 19 – REQUIREMENTS FOR STATE REGISTERED ADVISORS

Business Background of Stonefield Investment Advisory, Inc. is as follows: Stonefield Investment Advisory, Inc. (formerly Cornerstone Capital Management, Inc.) is a State Registered Investment Adviser and has been registered with the state of Iowa as a Registered Investment Adviser since 1998 and is registered with the state of Illinois and Colorado.

The Executive Officers of Stonefield Investment Advisory, Inc. consists of Stephen R. Mickelson, Chief Executive Officer and Chief Operating Officer, and Jon R. Werner, President and Chief Compliance Officer. With over fifty years of experience in the securities industry, the leadership of Stonefield Investment Advisory, Inc. is uniquely qualified in managing a prestigious RIA.

**Jon R. Werner**, born 1969, received his BA degree from the University of Iowa. He began his career as a registered representative in 1992 and established the RIA in 1998 and serves as the registered principal. He became an investment advisor in 1998 and holds the necessary licenses and education to offer securities, insurance products, and fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc. and a Registered Representative with Cetera Advisors LLC, the broker/dealer.

**Stephen R. Mickelson**, born 1967, received his BA degree from the University of Northern Iowa. He became a registered representative in 1991 and joined the RIA in 2005. He became an Investment Advisor in 2002 and holds the necessary licenses and education to offer securities, insurance products, and fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc. and an Investment Advisor of Red Cedar Advisory, Inc.

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**Patrick J. Mickelson**, born 1975, received his BA degree in Marketing and Spanish from University of Northern Iowa and his MBA from Touro University International. He became a Registered Representative in 2004 and joined the RIA in 2005. He became an Investment Advisor in 2005 and holds the necessary licenses and education to offer securities, fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc.

**Brian J. Murphy**, born 1961, received his BA degree from Michigan Technological University. He became a registered representative in 1999 and joined the RIA in 2014. He became an Investment Advisor Rep in 1999 and holds the necessary licenses and education to offer securities, insurance products, and fee-based asset management and financial planning. He currently is an Investment Advisor with Stonefield Investment Advisory, Inc.

### *Management Background*

Please refer to Form ADV Part 2B – Investment Adviser Brochure Supplement for background information concerning management personnel and those giving advice on behalf of Stonefield Investment Advisory, Inc.

### *Other Business*

Please refer to Form ADV Part 2B – Investment Adviser Brochure Supplement for other business information concerning management personnel and those giving advice on behalf of Stonefield Investment Advisory, Inc.

### *Performance-Based Fees*

Neither Stonefield Investment Advisory, Inc. nor any supervised persons are compensated by performance-based fees. Please refer to Form ADV Part 2A Item 6 Performance-Based Fees and Side-by-Side Management.

### *Disciplinary Disclosures*

Please refer to Form ADV Part 2B – Investment Adviser Brochure Supplement for individual advisor information in a disciplinary disclosures.

### *Issuer of Securities*

Neither Stonefield Investment Advisory, Inc. nor any of Stonefield Investment Advisory, Inc.'s advisors have any relationships or arrangements with any issuer of securities.

### *Business Continuity Plan*

We maintain a business continuity plan designed to minimize the impact of disasters, emergencies and other unforeseen circumstances involving our services and communications. Please visit the Stonefield Investment Advisory, Inc. website [www.stonefieldinvestments.com](http://www.stonefieldinvestments.com) for the current Business Continuity Plan.

## ITEM 20 – ADDITIONAL INFORMATION

### *Your Privacy*

We view protecting the client's private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who may need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with our regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

The Client will receive a copy of our privacy policy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, a copy will be available on an annual basis and on Stonefield Investment Advisory, Inc.'s website [www.StonefieldInvestments.com](http://www.StonefieldInvestments.com).

### *Trade Errors*

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation and/or reimbursing the account. Profits or losses from the correction of the trade error do not get allocation to the client. Stonefield Investment Advisory, Inc. covers any losses while any gains are left in a segregated Trade Error account and will be donated to charity.

### *Class Action Lawsuits*

We do not determine if securities had by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.