

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

# **Sanford Advisory Services, LLC**

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This brochure provides information about the qualifications and business practices of SANFORD ADVISORY SERVICES, LLC. If you have any questions about the contents of this brochure, please contact us at: (269)488-6900, or by email at: [Info@SanfordFinancialServ.com](mailto:Info@SanfordFinancialServ.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about SANFORD ADVISORY SERVICES, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 29, 2011

Sanford Advisory Services

## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (269)488-6900 or by email at: [Lori.Bumgart@RaymondJames.com](mailto:Lori.Bumgart@RaymondJames.com).

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## Advisory Business

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### Firm Description

SANFORD ADVISORY SERVICES, LLC, was founded in 2009.

SANFORD ADVISORY SERVICES, LLC provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, corporations or business entities, and others. Other types of clients include educational, governmental and medical institutions that have hired SANFORD ADVISORY SERVICES, LLC to perform retirement plan enrollment services and to provide objective investment advice to their employees regarding financial planning. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

SANFORD ADVISORY SERVICES, LLC is strictly a fee-only financial planning and investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, SANFORD ADVISORY SERVICES, LLC advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. SANFORD ADVISORY SERVICES, LLC does not act as a custodian of client assets. The client always maintains control of their assets. SANFORD ADVISORY SERVICES, LLC will help clients with the facilitation of trades.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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**Principal Owners**

Todd A. Sanford is an 80% stockholder

Scott M. Williams is a 10% stockholder

Brent W. Kerstetter is a 10% stockholder

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**Types of Advisory Services**

SANFORD ADVISORY SERVICES, LLC provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations.

On more than an occasional basis, SANFORD ADVISORY SERVICES, LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of March 29, 2011, SANFORD ADVISORY SERVICES, LLC manages approximately \$2 million in assets for approximately 10 clients. Approximately \$ 0 are managed on a discretionary basis, and \$2 million is managed on a non-discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. A Risk Profile and Investment Policy Statement are created that reflect the stated goals and objectives of each client. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships:

- Investment Advisory Consulting Services Agreement
- Investment Advisory Consulting Services Agreement (Account at Fidelity)
- Investment Advisory Consulting Services Agreement (Account at TIAA-CREF)
- Administrative & Consultative Service Agreement for Retirement Plans
- Risk Profile & Investment Policy Statement

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## **Financial Planning Agreement**

### INVESTMENT ADVISORY CONSULTING SERVICES AGREEMENT:

SANFORD ADVISORY SERVICES, LLC provides a professional financial planning service to non-retirement plan clients. The term, financial planning, as used herein refers to formulating the client's financial goals into an understandable report so that the client may then determine which direction he will take to best utilize his available financial resources. The report may include, but is not limited to a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

The financial plan is normally prepared for the client one time, thereafter, there may or may not be a periodic review based on the desires of the client. However, it will be recommended to clients that periodic reviews be made to continually update the information and the plan as data changes.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is from \$100 to \$500 per hour and is negotiable. Fees are calculated and due at the completion of the plan for services rendered. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

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## **Advisory Service Agreement**

### TIAA-CREF and Fidelity Actively Managed Retirement Accounts (AMRA)

Under the TIAA-CREF and Fidelity Fee-Billing platform, Sanford Advisory Services (SANFORD ADVISORY SERVICES, LLC) is allowed to provide fee-based investment management and financial planning services to TIAA-CREF and Fidelity retirement plan participants. Under this arrangement, Sanford Advisory Services will review the participants accounts (403(b), 457, 401(a), IRA, etc.) each quarter. An agreed upon investment strategy will be implemented and monitored. During this review, we will recommend trades to rebalance the account, utilize newly available investment options, and keep the account on track for the agreed upon investment



strategy. These recommended changes will be conveyed to the client through periodic meetings, emails, and/or telephone calls.

In addition, we will offer professional financial planning services to the retirement plan participant. This service will be provided on an ongoing basis and will include such items as retirement projections, investment modeling, budgeting, insurance/benefits review, education funding/planning, etc.

For these services, Sanford Advisory Services will charge a .50% fee annually based on the asset value of the accounts being managed. The advisory fee will be charged quarterly in arrears. The fee will be based upon the total asset value of the participant's retirement plan account(s) at the end of each quarter. Only advisory fees that are directly related to the retirement plan participant's defined contribution plan retirement account(s) may be paid from accumulations in those account(s), and such fees may not be paid from any other source. All fees will be paid on behalf of the retirement plan participant from the defined contribution plan retirement account (s). Fees will be made payable to Sanford Advisory Services and will be paid directly from TIAA-CREF or Fidelity via check. The client will receive a confirmation after each fee payment directly from TIAA-CREF or Fidelity. Under this fee-billing platform, TIAA-CREF and Fidelity allow for such billing through their online system which calculates total fees based on the fee rate. Participants who enter or exit this program in between calendar quarters will have their fee prorated based on the total number of days enrolled during the quarter.

The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the time of termination will be used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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## **Investment Management Agreement**

### INVESTMENT ADVISORY CONSULTING SERVICES AGREEMENT:

An Investment Management Agreement may be executed when financial planning is not provided as part of the relationship. Percentage of assets can range from .10% to 1.50% annually and are negotiable. Billing as a percentage of assets is used for assets held outside of Raymond James Financial Services, such as 401(k) accounts held directly with the plan sponsor or accounts held at other financial institutions.

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## **Administrative & Consultative Service Agreement for Retirement Plans**

SANFORD ADVISORY SERVICES, LLC will provide consulting services to employee benefit plans, the plan sponsors and fiduciaries (collectively, the "Sponsor") based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, enrollment services, assisting the Sponsor in fund selection and investment options, investment performance monitoring, risk management education, and/or ongoing consulting. Additionally, SANFORD ADVISORY SERVICES, LLC will offer the Sponsor assistance in setting up a relationship with a third party administrator and

processing enrollment forms. SANFORD ADVISORY SERVICES, LLC will also provide communications and education services/seminars to provide meaningful information regarding the retirement plan to its Participants. Information provided to participants in the educational seminars will be limited to general, impersonal advice.

Consulting services will be provided pursuant to the agreement entered into and within the parameters set forth in the plan documents. Where the Sponsor engages SANFORD ADVISORY SERVICES, LLC to provide advice to participants on an individual basis, such advice will be limited to general retirement planning issues, fund selection, and asset allocation of plan assets.

Plan participants who wish to engage SANFORD ADVISORY SERVICES, LLC for individualized financial planning or consulting services outside the scope of the qualified plan may do so by executing a separate agreement, including separate fees and fee payment arrangements.

The scope of these services, the fees, and terms of the agreement for these services will be negotiated on a case-by-case basis with each Sponsor. SANFORD ADVISORY SERVICES, LLC may be compensated based on an hourly fee, a flat fee, a fee based on percentage of assets, or a combination of fee arrangement based on the complexity of the plan and the agreement with the Sponsor. In any case, SANFORD ADVISORY SERVICES, LLC will not have access to plan funds for payment of fees. The terms regarding payment of fees, termination, and refunds will be clearly set forth in the agreement executed between SANFORD ADVISORY SERVICES, LLC and the Sponsor. SANFORD ADVISORY SERVICES, LLC will not receive additional compensation beyond the consulting fees.

All accounts are regulated under ERISA. SANFORD ADVISORY SERVICES, LLC will provide consulting services to the Sponsor and the Participants as described above. The named Sponsor must make the ultimate decision as to retaining SANFORD ADVISORY SERVICES, LLC. The Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

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### **Hourly Planning Services**

SANFORD ADVISORY SERVICES, LLC provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements ranges from \$100 to \$500 per hour.

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### **Asset Management**

Assets are invested primarily in no-load mutual funds through the required fund company (TIAA-CREF, Fidelity and/or Vanguard). Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus.

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## **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying SANFORD ADVISORY SERVICES, LLC in writing and paying the rate for the time spent on the advisory engagement prior to notification of termination. If the client made an advance payment, SANFORD ADVISORY SERVICES, LLC will refund any unearned portion of the advance payment.

SANFORD ADVISORY SERVICES, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, SANFORD ADVISORY SERVICES, LLC will refund any unearned portion of the advance payment.

## **Fees and Compensation**

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### **Description**

SANFORD ADVISORY SERVICES, LLC bases its fees on a percentage of assets under management, hourly charges, and fixed fees.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are negotiable.

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### **Fee Billing**

Investment management fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are due upon delivery of the financial plan.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

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## **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to SANFORD ADVISORY SERVICES, LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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## **Past Due Accounts and Termination of Agreement**

SANFORD ADVISORY SERVICES, LLC reserves the right to stop work on any account that is more than 60 days overdue. In addition, SANFORD ADVISORY SERVICES, LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in SANFORD ADVISORY SERVICES, LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## **Performance-Based Fees**

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

SANFORD ADVISORY SERVICES, LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Types of Clients**

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### **Description**

SANFORD ADVISORY SERVICES, LLC generally provides investment advice to individuals, pension and profit sharing plans, corporations or business entities, or others such as educational, governmental and medical institutions.

Client relationships vary in scope and length of service.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that SANFORD ADVISORY SERVICES, LLC may use include *Morningstar Principia* mutual fund information, *Morningstar Principia* stock information, and the World Wide Web.

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### Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing active allocation mutual funds. Portfolios are globally diversified to protect against various risks. Our intention is to protect against downside risk first and create appreciation as a secondary objective. Of particular importance is protection against “tail events” that can permanently reduce investor wealth. Using non-correlated asset classes and hard assets are the primary tools used to meet this objective. Although not always attainable, our goal is to create absolute returns on an annual basis. We benchmark ourselves against various indices, but ultimately try to create positive returns regardless of magnitude.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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### Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by

external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

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

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

SANFORD ADVISORY SERVICES, LLC is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

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## Affiliations

SANFORD ADVISORY SERVICES, LLC has arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Owners and associated persons of SANFORD ADVISORY SERVICES, LLC are licensed to sell securities through Raymond James Financial Services, Inc., (“RJFS”), a securities broker/dealer registered with the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”). RJFS is a wholly owned subsidiary of Raymond James Financial, Inc. RJFS clears its securities transactions on a fully disclosed basis through Raymond James & Associates, Inc. (member NYSE), which is also a wholly owned subsidiary of Raymond James Financial, Inc. In this capacity, such individuals are involved in the sale of securities of various types, including, but not limited to, stocks, bonds, non-registered alternative investments, and mutual funds. These individuals will receive normal and customary commissions as a result of securities transactions. In addition, they will also receive commissions as a result of selling and servicing insurance products offered by various insurance carriers.

Associated persons may also offer advisory services through RJFSA, an investment adviser registered with the Securities and Exchange Commission (“SEC”). These individuals are registered with RJFSA as Investment Advisory Representatives (“IARs”) and may offer various fee based services through RJFSA, including asset management services. In this capacity, such individuals may receive a portion of advisory fees collected by RJFS. Notwithstanding the fact that principals and associates of SANFORD ADVISORY SERVICES, LLC may be registered representatives of RJFS, SANFORD ADVISORY SERVICES, LLC is solely responsible for investment advice rendered under SANFORD ADVISORY SERVICES, LLC.

Clients are under no obligation, contractually or otherwise, to purchase or sell securities and/or insurance products through these related persons in their separate capacities as securities representatives of RJFS and/or insurance agencies. However, if the Client freely chooses to implement the plan through such individuals the broker/dealer used will be RJFS, and commissions will be earned in addition to any fees paid for advisory services. The commissions may be higher or lower at RJFS than at other broker/dealers.

Associated persons of SANFORD ADVISORY SERVICES, LLC, in their separate capacity as IARs of RJFSA, will provide portfolio management services through the Investment Management Program for Advisory Clients (IMPAC), PASSPORT Account Program, AMBASSADOR Account Program, among others. These programs are offered under separate contract and pursuant to disclosures set forth in RJFSA’s Form ADV Part II or equivalent disclosure documents.

The Owner and Associates are actively engaged in the business of insurance and investments sales and services; which are activities conducted through the related firm of Sanford Financial Services, Inc., a Michigan corporation.

The Owners and Associates of SANFORD ADVISORY SERVICES, LLC are registered representatives of Raymond James Financial Services, Inc. (RJFS), a registered broker/dealer and member FINRA/SIPC. As such, Owners and Associates of SANFORD ADVISORY SERVICES, LLC may receive commissions on securities transactions placed through RJFS. The client is under no obligation to use Associates of SANFORD ADVISORY SERVICES, LLC or RJFS for securities transactions.

The Owners and Associates of SANFORD ADVISORY SERVICES, LLC, in their capacity as registered representatives of RJFS, may use other registered investment advisers as outside money managers. As registered representatives of RJFS, the Owners and Associates of SANFORD ADVISORY SERVICES, LLC may receive commissions on transactions placed through RJFS. At this time, other registered investment advisers have no material effect on SANFORD ADVISORY SERVICES, LLC.

Each client is advised of this relationship and of the potential conflict of interest before the transaction is undertaken. Further, SANFORD ADVISORY SERVICES, LLC's Owners and Associates may transact securities purchases and sales on behalf of the investment advisory client only after it is determined by SANFORD ADVISORY SERVICES, LLC that the investment is suitable for the client taking into consideration such things as net worth, income, investment objectives and investor sophistication.

Todd A. Sanford, Scott M. Williams, and Brent W. Kerstetter are licensed to sell insurance products through many insurance companies, for which they receive sales commissions. The insurance products include life, health, long-term care, disability insurance for groups and individuals, variable and fixed annuities. From time to time, they may refer insurance sales to agents of an outside firm and share in the commissions.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

The employees of SANFORD ADVISORY SERVICES, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request. Questions regarding this policy should be directed to Lori Bumgart at (269)488-6900.

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### **Participation or Interest in Client Transactions**

SANFORD ADVISORY SERVICES, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of SANFORD ADVISORY SERVICES, LLC Compliance Manual.

Owners and associated persons of SANFORD ADVISORY SERVICES, LLC are licensed to sell securities through Raymond James Financial Services, Inc., ("RJFS"), a securities broker/dealer registered with the Securities and Exchange Commission



("SEC") and the Financial Industry Regulatory Authority ("FINRA"). RJFS is a wholly owned subsidiary of Raymond James Financial, Inc. RJFS clears its securities transactions on a fully disclosed basis through Raymond James & Associates, Inc. (member NYSE), which is also a wholly owned subsidiary of Raymond James Financial, Inc. In this capacity, such individuals are involved in the sale of securities of various types, including, but not limited to, stocks, bonds, non-registered alternative investments, and mutual funds. These individuals will receive normal and customary commissions as a result of securities transactions. In addition, they will also receive commissions as a result of selling and servicing insurance products offered by various insurance carriers.

Associated persons may also offer advisory services through RJFSA, an investment adviser registered with the Securities and Exchange Commission ("SEC"). These individuals are registered with RJFSA as Investment Advisory Representatives ("IARs") and may offer various fee based services through RJFSA, including asset management services. In this capacity, such individuals may receive a portion of advisory fees collected by RJFS. Notwithstanding the fact that principals and associates of SANFORD ADVISORY SERVICES, LLC may be registered representatives of RJFS, SANFORD ADVISORY SERVICES, LLC is solely responsible for investment advice rendered under SANFORD ADVISORY SERVICES, LLC.

Clients are under no obligation, contractually or otherwise, to purchase or sell securities and/or insurance products through these related persons in their separate capacities as securities representatives of RJFS and/or insurance agencies. However, if the Client freely chooses to implement the plan through such individuals the broker/dealer used will be RJFS, and commissions will be earned in addition to any fees paid for advisory services. The commissions may be higher or lower at RJFS than at other broker/dealers.

Associated persons of SANFORD ADVISORY SERVICES, LLC, in their separate capacity as IARs of RJFSA, will provide portfolio management services through the Investment Management Program for Advisory Clients (IMPAC), PASSPORT Account Program, AMBASSADOR Account Program, among others. These programs are offered under separate contract and pursuant to disclosures set forth in RJFSA's Form ADV Part II or equivalent disclosure documents.

The Owners and Associates are actively engaged in the business of insurance and investments sales and services; which are activities conducted through the related firm of Sanford Financial Services, Inc., a Michigan corporation.

The Owners and Associates of SANFORD ADVISORY SERVICES, LLC are registered representatives of Raymond James Financial Services, Inc. (RJFS), a registered broker/dealer and member FINRA/SIPC. As such, Owners and Associates of SANFORD ADVISORY SERVICES, LLC may receive commissions on securities transactions placed through RJFS. The client is under no obligation to use Associates of SANFORD ADVISORY SERVICES, LLC or RJFS for securities transactions.

The Owners and Associates of SANFORD ADVISORY SERVICES, LLC, in their capacity as registered representatives of RJFS, may use other registered investment advisers as outside money managers. As registered representatives of RJFS, the Owners and Associates of SANFORD ADVISORY SERVICES, LLC may receive commissions on transactions placed through RJFS. At this time, other registered investment advisers have no material effect on SANFORD ADVISORY SERVICES, LLC.

Each client is advised of this relationship and of the potential conflict of interest before the transaction is undertaken. Further, SANFORD ADVISORY SERVICES, LLC's Owners and Associates may transact securities purchases and sales on behalf of the investment advisory client only after it is determined by SANFORD ADVISORY SERVICES, LLC that the investment is suitable for the client taking into consideration such things as net worth, income, investment objectives and investor sophistication.

Todd A. Sanford, Scott M. Williams, and Brent W. Kerstetter are licensed to sell insurance products through many insurance companies, for which they receive sales commissions. The insurance products include life, health, long-term care, disability insurance for groups and individuals, variable and fixed annuities. From time to time, they may refer insurance sales to agents of an outside firm and share in the commissions.

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### **Personal Trading**

The Chief Compliance Officer of SANFORD ADVISORY SERVICES, LLC is Todd A. Sanford. He reviews all employee trades each quarter. His trades are reviewed by Sales Supervision at Raymond James Financial Services, Inc. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets. In instances where the Investment Advisor Representative of SANFORD ADVISORY SERVICES, LLC buys or sells the same securities as those of their clients, the client's accounts are given priority. SANFORD ADVISORY SERVICES, LLC has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1998. These procedures outline a firm wide policy statement on compliance with insider trading policies by SANFORD ADVISORY SERVICES, LLC and its associated persons and other employees. These procedures have been distributed to all associated persons and all employees of SANFORD ADVISORY SERVICES, LLC. The procedures include provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access to affiliates sensitive material and restrictions on trading.

## Brokerage Practices

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### Selecting Brokerage Firms

IARs of SANFORD ADVISORY SERVICES, LLC are registered representatives of Raymond James Financial Services, Inc. (RJFS), a registered broker/dealer with FINRA, and may recommend RJFS to advisory clients for brokerage services. Registered representatives of RJFS are subject to FINRA Conduct Rule 3040 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that such IARs are limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher or lower fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right not to accept the account.

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### Best Execution

SANFORD ADVISORY SERVICES, LLC reviews the execution of trades at each custodian. SANFORD ADVISORY SERVICES, LLC does not receive any portion of the trading fees.

As a registered FINRA broker/dealer, RJFS routes order flow through its affiliated broker/dealer, Raymond James & Associates, Inc. (RJA). RJA is obligated to seek best execution pursuant to FINRA Rule 2320 for all trades executed. However, better executions may be available via another broker/dealer based on a number of factors including volume, order flow and market making activity.

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### Soft Dollars

SANFORD ADVISORY SERVICES, LLC does not receive any form of compensation from soft dollars.

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### Order Aggregation

All trades are mutual funds where trade aggregation does not garner any client benefit.

## Review of Accounts

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### Periodic Reviews

Account reviews are performed quarterly by advisors Todd A. Sanford, Chief Compliance Officer; Scott M. Williams, Advisor; Brent W. Kerstetter, Advisor; and Jane E. Brady-Ertz, Advisor. Account reviews are performed more frequently when market conditions dictate.

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## **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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## **Regular Reports**

Account reviewers are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Advisory Service Agreement clients and Investment Management clients receive written quarterly updates. The written updates may include a portfolio statement, an internal newsletter, or a summary of the progress towards meeting the client's objectives.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

SANFORD ADVISORY SERVICES, LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### **Referrals Out**

SANFORD ADVISORY SERVICES, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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### **Other Compensation**

From time to time, we may receive compensation in the form of sponsorship fees from seminars, meetings, or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of Raymond James Financial Services.

## **Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

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## **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to any performance report statements that may be provided by SANFORD ADVISORY SERVICES, LLC.

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## **Net Worth Statements**

From time to time, clients are provided net worth statements and net worth graphs that are generated internally. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

SANFORD ADVISORY SERVICES, LLC does not have discretionary authority to manage securities accounts on behalf of clients.

## **Voting Client Securities**

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### **Proxy Votes**

SANFORD ADVISORY SERVICES, LLC does not vote proxies on securities. Clients are expected to vote their own proxies. SANFORD ADVISORY SERVICES, LLC will not be required to take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which client's assets may be invested.

When assistance on voting proxies is requested, SANFORD ADVISORY SERVICES, LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Financial Information**

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### **Financial Condition**

SANFORD ADVISORY SERVICES, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because SANFORD ADVISORY SERVICES, LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

## **Business Continuity Plan**

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### **General**

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

### **Disasters**

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

### **Alternate Offices**

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

### **Loss of Key Personnel**

Since there is more than one owner of SANFORD ADVISORY SERVICES, LLC it is not necessary to have a signed agreement with another financial advisory firm to support SANFORD ADVISORY SERVICES, LLC in the event of an owner's serious disability or death.

## Information Security Program

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### Information Security

SANFORD ADVISORY SERVICES, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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### Privacy Notice

SANFORD ADVISORY SERVICES, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

SANFORD ADVISORY SERVICES, LLC requires that advisors in its employ have coursework demonstrating knowledge of financial and retirement planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, TGPC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning, retirement planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Tax-Exempt & Governmental Plan Consultant (TGPC): Tax-Exempt & Governmental Plan Consultants are licensed by ASPPA. TGPC certification requirements:

- Successful completion of both exam levels of the TGPC Program.
- In addition, one of the following requirements must be met:
  - Series 6, 7 or 65 license issued by FINRA and two letters of reference demonstrating at least two years of retirement plan related experience; or
  - State life or annuity insurance license and two letters of reference demonstrating at least two years of retirement plan related experience; or
  - Investment Advisor Representative or Registered Investment Advisor credential and two letters of reference demonstrating at least two years of retirement plan related experience; or
  - Two letters of reference demonstrating at least three years of retirement plan related experience.



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**Todd A. Sanford, CFP®**

Educational Background:

- Date of birth: 1961
- Western Michigan University (Kalamazoo, MI)
- College for Financial Planning, 1991

Business Experience:

- Raymond James Financial Services, Inc., 1989 – Present
- Sanford Financial Services, Inc., 2000 – Present
- Sanford Advisory Services, 2009 – Present
- Scott/Doerschler/Messner/Gauntlett, 1985 – 2000
- SDMG Investment Advisory Services, 1985 – 2000

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

As Chief Compliance Officer of SANFORD ADVISORY SERVICES, LLC  
Todd Sanford is not supervised by any other employee.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Scott M. Williams, CFP®**

Educational Background:

- Date of birth: 1980
- Valparaiso University (Valparaiso, IN)
- College for Financial Planning, 2007

Business Experience:

- Raymond James Financial Services, Inc., 2000 – Present
- Sanford Financial Services, Inc., 2000 – Present
- Sanford Advisory Services, 2009 – Present

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Scott Williams is supervised by Todd Sanford, Chief Compliance Officer. He reviews Scott's work through frequent office interactions as well as remote interactions. He also reviews Scott's activities through our client relationship management system.

Todd Sanford's contact information:

(269)488-6900 ext. 21

[Todd.Sanford@RaymondJames.com](mailto:Todd.Sanford@RaymondJames.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Brent W. Kerstetter, CFP®**

Educational Background:

- Date of birth: 1972
- Eastern Michigan University (Ypsilanti, MI)
- Western Michigan University, MBA (Kalamazoo, MI)
- College for Financial Planning, 2009

Business Experience:

- Raymond James Financial Services, Inc., 2004 – Present
- Sanford Financial Services, Inc., 2004 – Present
- Sanford Advisory Services, 2009 – Present
- Keystone Community Bank 2001- 2004

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Brent Kerstetter is supervised by Todd Sanford, Chief Compliance Officer. He reviews Brent's work through frequent office interactions as well as remote interactions. He also reviews Brent's activities through our client relationship management system.

Todd Sanford's contact information:

(269)488-6900 ext. 21

[Todd.Sanford@RaymondJames.com](mailto:Todd.Sanford@RaymondJames.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Jane Brady-Ertz, TGPC**

## Educational Background:

- Date of birth: 1961
- Davenport University (Kalamazoo, MI)
- Western Michigan University (Kalamazoo, MI)

## Business Experience:

- Raymond James Financial Services, Inc., 1989 – Present
- Sanford Financial Services, Inc., 2009 – Present
- Sanford Advisory Services, 2009 – Present
- Sledrunner Financial Services, 2004 – 2009
- Sledrunner Advisory Services, 2004 – 2009
- Scott/Doerschler/Messner/Gauntlett, 1988 – 2003
- SDMG Investment Advisory Services, 1988 – 2003

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

## Supervision:

Jane Brady-Ertz is supervised by Todd Sanford, Chief Compliance Officer. He reviews Jane's work through frequent office interactions as well as remote interactions. He also reviews Jane's activities through our client relationship management system.

Todd Sanford's contact information:

(269)488-6900 ext. 21

[Todd.Sanford@RaymondJames.com](mailto:Todd.Sanford@RaymondJames.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None