

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: <b>Sterling Financial Planning, Inc.</b>					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
<b>60 Blue Heron Road, Suite 201</b>		<b>Sparta</b>	<b>NJ</b>	<b>07871</b>	<b>(973) 729-1234</b>

This part of Form ADV gives information about the investment adviser and its business for the use of clients. The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instructions below.)

Applicant:

<input checked="" type="checkbox"/>	(1)	Provides investment supervisory services . . . . .	<u>90 %</u>
<input type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services . . . . .	<u>%</u>
<input checked="" type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above . . . . .	<u>5 %</u>
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription . . . . .	<u>%</u>
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above . . . . .	<u>%</u>
<input type="checkbox"/>	(6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . .	<u>%</u>
<input checked="" type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .	<u>5 %</u>
<input type="checkbox"/>	(8)	Provides a timing service . . . . .	<u>%</u>
<input type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above . . . . .	<u>%</u>

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . Yes  No

C. Applicant offers investment advisory services for: (check all that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed Fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities                                       | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                             | I. Options contracts on:   |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                     | <input checked="" type="checkbox"/> (1) securities                         |
| <input type="checkbox"/> (3) foreign issuers   | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> B. Warrants  | J. Futures contracts on:   |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
| <input type="checkbox"/> D. Commercial paper   | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                 | K. Interests in partnerships investing in:                                 |
| <input checked="" type="checkbox"/> F. Municipal securities                                    | <input checked="" type="checkbox"/> (1) real estate                        |
| G. Investment company securities:  | <input type="checkbox"/> (2) oil and gas interests                         |
| <input checked="" type="checkbox"/> (1) variable life insurance                                | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)      |
| <input checked="" type="checkbox"/> (2) variable annuities                                     | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)       |
| <input checked="" type="checkbox"/> (3) mutual fund shares                                     |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                                 |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical              |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)              | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales  |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....

Yes  No

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
  - (1) broker-dealer
  - (2) investment company
  - (3) other investment adviser
  - (4) financial planning firm
  - (5) commodity pool operator, commodity trading advisor or futures commission merchant
  - (6) banking or thrift institution
  - (7) accounting firm
  - (8) law firm
  - (9) insurance company or agency
  - (10) pension consultant
  - (11) real estate broker or dealer
  - (12) entity that creates or packages limited partnerships

(For each checked in box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes  No

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? .....

Yes  No

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or Associated Persons (see Item 6 of Schedule F, attached). All investment supervisory and financial planning clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues, investment objectives and account performance with the Registrant on an annual basis, as applicable.**

B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients to whom Registrant provides investment supervisory services will also receive a quarterly report from the Registrant summarizing account activity and performance.**

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**12. Investment or Brokerage Discretion.**

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
|  | Yes                      | No                                  |
| (1) securities to be bought or sold? .....               | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|  | Yes                      | No                                  |
| (2) amount of the securities to be bought or sold? ..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|  | Yes                      | No                                  |
| (3) broker or dealer to be used? .....                   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|  | Yes                      | No                                  |
| (4) commission rates paid? .....                         | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? ..... Yes  No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |   |                             |
|---|---|-----------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... Yes  No

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II

Applicant:  <b>STERLING FINANCIAL PLANNING, INC.</b>	SEC File Number:  801-56025	Date:  <b>04/2010</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1 Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:  <b>STERLING FINANCIAL PLANNING, INC.</b>	IRS Empl. Ident. No.:  <b>22-3201890</b>
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Item of Form (identify)	Answer
Item 1D	<p>As discussed below in this disclosure statement, the Registrant provides its clients (i.e. individuals, pension and profit sharing plans, trusts, and business entities) with financial planning and non-discretionary investment management services. Non-discretionary investment management services can negatively impact client accounts if Registrant is unable to contact clients during sudden negative market conditions.</p> <p><b>Financial Planning</b> Registrant may provide its clients with a broad range of comprehensive financial planning and consulting services (including non-investment related matters). Registrant will charge a fee (fixed and/or hourly) for these services. Registrant's financial planning fees are negotiable, but generally range from \$1,500 to \$6,000 on a fixed fee basis and from \$75 to \$175 on an hourly rate basis, depending upon the level and scope of the services required and the professional rendering the service(s). Prior to engaging the Registrant to provide financial planning and/or consulting services, the client will generally be required to enter into a <i>Financial Planning Agreement</i> with Registrant setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. In the event the client terminates Registrant's financial planning and/or consulting services, the balance of Registrant's fee, if any, shall be refunded to the client. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including the services of the Registrant's Principal and/or Associated Persons, in their individual capacities, as licensed insurance agents. (<i>See</i> disclosure at Item 8C(9) below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.</p> <p><b>Investment Management</b> The client may engage the Registrant to design an investment portfolio and provide ongoing corresponding investment management services on a <i>fee</i> basis. In the event the client determines to implement investment recommendations through the Registrant on a <i>fee</i> basis, Registrant shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by Registrant. The investment management fee charged shall vary (generally between 0.30% and 1.00%) depending upon the market value of assets under management and the specific type of non-discretionary investment management services to be rendered.</p> <p>Registrant's annual investment management fee shall be pro-rated and paid quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter. The Registrant generally imposes a \$500,000 account minimum for those clients whose assets are held with Charles Schwab &amp; Co., Inc. ("<i>Schwab</i>"), and a \$250,000 account minimum for those clients whose assets are held at National Advisers Trust Company ("<i>NATC</i>"). Registrant, in its sole discretion, may charge a lesser management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition).</p> <p>In addition to the discretionary investment management services provided by <i>Independent Manager(s)</i> (<i>see</i> discussion below), Registrant <i>may</i> recommend that its clients allocate a portion of their investment management assets among various mutual fund classes and/or mutual fund asset allocation programs, on a non-discretionary basis, in accordance with the investment objectives of the client. Prior to rendering investment management services, the Registrant ascertains, in conjunction with the client, the client's financial situation, risk tolerance, and investment objective(s).</p> <p>Unless the client directs otherwise, Registrant shall generally recommend that investment management accounts be maintained at either <i>Schwab</i> or <i>NATC</i>. Factors which the Registrant considers in recommending either <i>Schwab</i> or <i>NATC</i> (or any other broker-dealer/custodian) to clients include <i>Schwab's</i>, and <i>NATC's</i> respective financial strength, reputation, execution, pricing, reporting, research, and service. Prior to Registrant providing investment management services, the client will be required to enter into a formal <i>Investment Advisory Agreement</i> with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with <i>Schwab</i> and/or <i>NATC</i>. Both Registrant's investment advisory agreement and <i>Schwab's</i> and/or <i>NATC's</i> custodial/clearing agreement, may authorize <i>Schwab</i> and/or <i>NATC</i> to debit the account for the amount of the Registrant's investment management fee and to</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

Item 1D  
(continued)

directly remit that management fee to the Registrant in accordance with required SEC procedures. In addition to Registrant's investment management fee, the client shall also incur, relative to mutual fund purchases, charges imposed directly at the mutual fund level (i.e. fund advisory fees and expenses). The investment advisory agreement between the Registrant and the client will continue in effect unless terminated by either party by written notice in accordance with the terms and conditions of the *Investment Advisory Agreement*. Registrant's investment management fee shall be prorated through the date of termination.

Currently, Registrant recommends that certain clients allocate investment assets among various mutual funds, exchange traded funds ("ETFs") and or individual debt and equity securities and/or independent manager programs offered by and/or obtained through *Schwab* and/or *NATC*. *Schwab* and *NATC* enables Registrant to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. The commission and/or transaction fees charged by *Schwab* and/or *NATC* may be higher or lower than those charged by other broker-dealers.

In addition to the various investment alternatives offered by/through *Schwab*, or *NATC*, for those clients that require an enhanced and/or specialized level of asset management services, Registrant shall also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager[s] and/or investment programs (the "*Independent Manager[s]*"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the *Independent Manager[s]* shall be set forth in separate written agreements between the client and the Registrant and the client and the designated *Independent Manager[s]*. The Registrant shall continue to render non-investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager[s]*. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Manager[s]*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee.

In return for effecting securities transactions through *Schwab*, and/or *NATC*, or any other designated broker-dealer/custodian, Registrant *may* receive certain investment research products and/or services which assist the Registrant in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934. The brokerage commissions and/or transaction fees charged by *Schwab*, and/or *NATC* are exclusive of, and in addition to, Registrant's investment management fee. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that *may* be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

With respect to its non-discretionary asset management services, Registrant generally maintains ongoing responsibility to make recommendations, based upon the needs of the client, as to the specific securities the account may purchase or sell and, if such recommendations are accepted by the client, Registrant is responsible for arranging or effecting the purchase or sale.

#### MISCELLANEOUS

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

**Non-Investment Consulting/Implementation Services.** If requested by the client, the Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney or accountant, and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of the Registrant in their separate registered/licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

**Please Note: Options Transactions.** Although the intent of the options-related transactions that may be implemented by the Registrant is to produce current income and and/or to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be

Complete amended pages in full, circle amended items and file with execution page (page 1).

	<p>willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.</p> <p><b><u>Please Note: Use of Margin.</u></b> To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client’s investment portfolio, the market value of the client’s account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential <i>conflict of interest</i> whereby the client’s decision to employ margin shall correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.</p> <p><b><u>Client Obligations.</u></b> In performing its services, Registrant shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by the Registrant. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant’s previous recommendations and/or services, or if they wish to impose any reasonable restrictions upon Registrant’s management services.</p> <p><b><u>Assignment.</u></b> Neither the Registrant nor the client may assign the <i>Financial Planning Agreement</i> or <i>Investment Advisory Agreement</i> without the prior consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment.</p> <p><b><u>Disclosure Statement.</u></b> A copy of the written disclosure statement for the Registrant, as set forth on Part II of Form ADV, shall be provided to each client prior to, or contemporaneously with, the execution of the <i>Financial Planning Agreement</i> or <i>Investment Advisory Agreement</i>. Any client who has not received a copy of Registrant’s written disclosure statement at least forty eight (48) hours prior to executing the <i>Financial Planning Agreement</i> or <i>Investment Advisory Agreement</i> shall have five (5) business days subsequent to executing the agreement to terminate Registrant’s services without penalty.</p>
Item 3K(3)	Equipment leasing, tax credits, and other type limited partnership investments that Registrant believes are appropriate for the client.
Items 3L, 4A(5), 4B(8) And 4C(7)	As discussed in the response to Item 1D above, for those clients that require an enhanced and/or specialized level of investment management services, Registrant may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain <i>Independent Manager[s]</i> , based upon the stated investment objectives of the client. Registrant shall continue to render services to the client relative to the monitoring and review of account performance, asset allocation, and client investment objectives.
Item 5	All individuals that give investment advice on behalf of the Registrant must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.
Item 6	<p><b><u>PRINCIPALS:</u></b></p> <p><b>Nicholas Anthony Nicolette</b>  Born: 1959  Educational Background:  Davidson College – 1977-1981  College for Financial Planning – 1982-1984  Business Background:  Sterling Financial Planning, Inc. – 11/92 – Present  Sterling Financial Group, Inc. – 04/92 – Present  Sterling Wealth Holdings, L.P. – 05/01 - Present  National Planning Corporation – 12/99 – 12/08  Diversified Financial Advisory Services, LLP – 03/00 – 12/01  Warner Investment Advisors, Inc. – 06/92 – 12/92  Sterling Financial Group – 04/92 – 10/96  SunAmerica Securities, Inc. – 08/89 – 12/99</p> <p><b>Bruce Robert Tucker</b>  Born: 1952  Educational Background:  Lycoming College – 1971-1972  1974-1977  College for Financial Planning – 1988-1991  Business Background:  Sterling Financial Planning, Inc. – 11/92 – Present</p>

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Item 6  
(continued)

Sterling Financial Group, Inc. – 04/92 – Present  
Sterling Wealth Holdings, L.P. – 05/01 - Present  
National Planning Corporation – 12/99 – 12/09  
Diversified Financial Advisory Services, LLP – 03/00 – 12/01  
Warner Investment Advisors, Inc. – 06/92 – 12/92  
Sterling Financial Group – 04/92 – 10/96  
SunAmerica Securities, Inc. – 01/90 – 12/99

**Stephen Walter Wescott**

Born: 1953

Educational Background:

College for Financial Planning – 1984-1986

Business Background:

Sterling Financial Planning, Inc. – 03/97 – Present  
Sterling Financial Group, Inc. – 10/96 – Present  
Sterling Wealth Holdings, L.P. – 05/01 - Present  
National Planning Corporation – 12/99 – 12/07  
Diversified Financial Advisory Services, LLP – 03/00 – 12/01  
SunAmerica Securities, Inc. – 02/96 – 12/99  
DFS Financial Advisors, Inc. – 07/94 – 12/97  
Mutual Life Insurance Company of New York – 07/87 – 03/96  
The New Jersey Lanahan – 07/87 – 03/96  
MONY Securities – 07/87 – 02/96

**ASSOCIATES:**

**Matthew Joseph Hannum**

Born: 1980

Educational Background:

Penn State University – 1998 - 2002

College for Financial Planning – 2004 -2006

Business Background:

Sterling Financial Planning, Inc. – 03/03 – Present  
Sterling Financial Group, Inc. – 01/03 – Present  
National Planning Corporation – 02/03 – 12/09

**Kenneth Francis Hourigan**

Born: 1937

Educational Background:

Lehigh University – 1954-1958

College for Financial Planning – 1986-1987

Business Background:

Sterling Financial Planning, Inc. – 11/98 – Present  
National Planning Corporation – 12/99 – 12/09  
SunAmerica Securities, Inc. – 11/98 – 12/99  
Financial Network Investment Corp. – 09/91 – 10/98

**Deanna Iannuzzi**

Born: 1963

Educational Background:

Montclair State College – 1986-1989

Business Background:

Sterling Financial Planning, Inc. – 03/02 – Present  
Sterling Financial Group, Inc. – 02/02 – Present  
National Planning Corporation – 03/02 – 12/09  
Charles Schwab & Co., Inc. – 12/95 – 12/00  
Asset Advisory Group – 07/93 – 12/95  
Charles Schwab & Co., Inc. – 04/91 – 07/93

**Barbara Jane King**

Born: 1935

Educational Background:

University of California – 1953-1955

Orange County Community College – 1967-1971

University of Arizona – 1971-1972

Herbert H. Lehman College – 1973-1974

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<p>Item 6 (continued)</p>	<p>College for Financial Planning – 1982-1983</p> <p>Business Background:  Sterling Financial Planning, Inc. – 11/92 – Present  Sterling Financial Group, Inc. – 04/92 – Present  Sterling Wealth Holdings, L.P. – 05/01 - Present  National Planning Corporation – 12/99 – 10/09  Diversified Financial Advisory Services, LLP – 03/00 – 12/01  Warner Investment Advisors, Inc. – 06/92 – 12/92  SunAmerica Securities, Inc. – 01/88 – 12/99</p> <p><b>Sharon Madoi Nikaido</b>  Born: 1951  Educational Background:  Los Angeles Valley College – 1969-1971  California State University at Northridge – 1971-1973  College for Financial Planning – 1994 – Present</p> <p>Business Background:  Sterling Financial Group, Inc. – 01/02 – Present  Sterling Financial Planning, Inc. – 11/97 – Present  National Planning Corporation – 12/99 – 12/07  SunAmerica Securities, Inc. – 11/97 – 12/99  Capital Analysts, Inc. – 05/97 – 11/97  Nikaido Associates – 04/97 – 09/04  TFS Securities, Inc. – 10/95 – 05/97  P. Joline Associates in Brokerage – 09/95 – 09/04</p> <p><b>Glen Andrew Thomas</b>  Born: 1964  Educational Background:  Upsala College – 1985 – 1987  Rutgers Graduate School of Management – 1992 – 1995  Association for Investment Management and Research – 1997 – 1999</p> <p>Business Background:  Sterling Financial Planning, Inc. – 03/01 – Present  Sterling Financial Group, Inc. – 02/01 – Present  National Planning Corporation – 02/01 – 12/06  Charles Schwab &amp; Co., Inc. – 04/95 – 02/01</p> <p><b>Ross David Weiner</b>  Born: 1970  Educational Background:  University of Massachusetts, Bachelor of Arts 1988-1992  University of Massachusetts, Masters of Arts 1993-1996  University of Massachusetts, PhD – 1993-1999  Fairleigh Dickinson University, 2005 – 2007</p> <p>Business Background:  Sterling Financial Planning, Inc. – 02/08 – Present  Sterling Financial Group, Inc. – 07/07 – Present  The City College of New York, Department of Economics – 09/1999 – 06/2007</p>
<p>Items 7A and 7B</p>	<p>As discussed above in the response to Item 1D, Registrant renders comprehensive financial planning and consulting services to clients on either a fixed fee or hourly rate basis, which services may address non-investment related issues. Registrant’s Principals and Associated Persons are also licensed insurance agents of Sterling Financial Group, Inc., t/a Sterling Advisors (“Advisors”), a New Jersey licensed insurance agency, and in such capacity, may recommend, on a fully-disclosed basis, the purchase of insurance products. <i>Advisors</i> is an affiliated entity of the Registrant and shares the same principal office as that of the Registrant. Registrant’s Principals and/or Associated Persons devote approximately fifteen percent (15%) of their time to insurance commission business and approximately fifteen percent (15%) of their time to non-investment related consulting matters.</p>
<p>Items 8C(9)</p>	<p><b>Insurance.</b> In addition, the Registrant’s Principal and certain Associated Persons are, in their individual capacities, licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 1D above, clients can engage Registrant’s Principal and/or Associated Persons to effect insurance transactions on a commission basis.</p> <p><b>Please Note:</b> The recommendation that a client purchase an insurance commission product from the Registrant’s Principal</p>

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	and/or Associated Persons presents a <b>conflict of interest</b> . No client is under any obligation to purchase any commission products from the Registrant's Principal and/or Associated Persons. <b><u>The Registrant's Chief Compliance Officer, Bruce Tucker, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.</u></b>
Item 9E	<p>The Registrant has implemented an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics which serves to establish a standard of business conduct for all of Registrant's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.</p> <p>In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.</p>
Item 10	Certain <i>Independent Manager(s)</i> may impose varying account minimums in order to commence an advisory engagement.
Item 12B	<p>Please see the previous response set forth on this Schedule "F" to Item 1D. In addition, Registrant's general policies relative to the execution of client securities brokerage transactions are as follows:</p> <p><b><u>Execution of Brokerage Transactions (when applicable).</u></b> If requested, Registrant will arrange for the execution of securities brokerage transactions for the account through broker-dealers that Registrant reasonably believes will provide "best execution." In seeking "best execution," the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.</p> <p>Over-the-Counter (OTC) securities transactions for Registrant's clients are generally effected on an agency basis, which involve the services of two (2) separate broker-dealers: (1) a "dealer" or "principal" acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity for the client's account. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client will also incur the transaction fee imposed by the executing broker-dealer. Registrant does not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.</p> <p>Registrant may (but is not obligated to) combine or "batch" client orders to obtain "best execution," to negotiate more favorable commission rates or to allocate equitably among Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Registrant's clients in proportion to the purchase and sale orders placed for each client account on any given day.</p> <p>The client may direct Registrant to use a particular broker-dealer (subject to Registrant's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.</p> <p>In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.</p> <p><b><u>Initial Public Offering (IPO) Policy.</u></b> On occasion, Registrant, through its clearing/custodial firm relationships, may have limited access to IPO shares. Except with respect to the limited exception noted below, Registrant does not purchase and/or recommend for purchase IPOs for its individual client accounts. The exception to the above policy is for those individual clients of Registrant who, on a completely unsolicited basis, contact the Registrant to request that Registrant purchase a specific IPO for his/her/their/its account, to the extent same has been made available to Registrant. In the event of any such unsolicited request(s), Registrant, after first determining that the client(s) is <i>qualified</i> for such specific IPO (i.e., suitable for the client(s) relative to the client's(s') investment objective(s), financial situation(s) and current asset allocation(s)), <i>may</i> (to the extent possible under the circumstances) purchase such IPO on a pro-rata basis with other unsolicited client requests. To the extent possible and applicable under the circumstances, Registrant will allocate unsolicited individual client IPO share purchases among <i>qualified</i> individual clients on a rotational basis. To the extent possible and applicable under the circumstances, the Registrant will use reasonable efforts to allocate available IPO shares on a fair and equitable basis in accordance with the terms and conditions of the aforementioned policy.</p> <p><b><u>Proxy Voting Policy.</u></b> The Registrant does not vote client proxies. Therefore, although the Registrant may provide</p>

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	<p>investment advisory services relative to client investment assets, the Registrant’s clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client’s investment assets. The Registrant and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client’s investment assets.</p>
<p>Item 13A</p>	<p>Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from <i>Schwab</i> and/or <i>NATC</i>, without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.</p> <p>As indicated above, certain of the support services and/or products that <i>may</i> be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.</p> <p>Registrant’s clients do not pay more for investment transactions effected and/or assets maintained at <i>Schwab</i> and/or <i>NATC</i> as result of this arrangement. There is no corresponding commitment made by the Registrant to <i>Schwab</i> and/or <i>NATC</i> or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.</p> <p><b><u>The Registrant’s Chief Compliance Officer, Bruce Tucker, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.</u></b></p>
<p>Item 13B</p>	<p>If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant’s investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant’s written disclosure statement as same is set forth on Part II of Form ADV, including this Schedule “F”, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant. Any affiliated solicitor of the Registrant shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Registrant’s written disclosure statement as same is set forth on Part II of Form ADV.</p> <p>Registrant had historically been, but is no longer involved with, the Schwab Advisor Network™ (the “Service”), and the following disclosure pertains specifically to that historical relationship. The Service was designed to help investors find an independent investment advisor. <i>Schwab</i> is a broker-dealer independent of and unaffiliated with Registrant. <i>Schwab</i> does not supervise Registrant and has no responsibility for Registrant’s management of clients’ portfolios or Registrant’s other advice or services. Registrant paid Schwab fees to receive client referrals through the Service. Registrant’s participation in the Service may raise potential conflicts of interest described below.</p> <p>Registrant pays <i>Schwab</i> a Participation Fee on all referred clients’ accounts that are maintained in custody at <i>Schwab</i> and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Registrant is a percentage of the fees owed the client to Registrant or a percentage of the value of the assets in the client’s account. Registrant pays <i>Schwab</i> the Participation Fee for so long as the referred client’s account remains in custody at <i>Schwab</i>. The Participation Fee is billed to Registrant quarterly and may be increased, decreased or waived by <i>Schwab</i> from time to time. The Participation Fee is paid by Registrant and not by the client. Registrant has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Registrant charges clients with similar portfolios who were not referred through the Service.</p> <p>Registrant generally pays <i>Schwab</i> a Non-Schwab Custody Fee if custody of a referred client’s account is not maintained by, or assets in the account are transferred from <i>Schwab</i>, unless the client was solely responsible for the decision not to maintain custody at <i>Schwab</i>. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed in custody other than at <i>Schwab</i>. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Registrant will have an incentive to recommend that client accounts be held in custody at <i>Schwab</i>.</p> <p>The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Registrant’s clients who were referred by <i>Schwab</i> and those referred clients’ family members living in the same household. Thus, Registrant will have incentives to encourage household members of clients referred through the service to maintain custody of their accounts and execute</p>

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transactions at *Schwab* and to instruct *Schwab* to debit Registrant's fees directly from the accounts.

For accounts of Registrant clients maintained in custody at *Schwab*, *Schwab* will not charge the client separately for custody but will receive compensation from Registrant's clients in the form of commissions or other transaction-related compensation on securities trades executed through *Schwab*. *Schwab* also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through a broker-dealer other than *Schwab*. *Schwab*'s fees for trades executed at other broker-dealers is in addition to the other broker-dealer's fees. Thus, Registrant may have an incentive to cause trades to be executed through *Schwab* rather than another broker-dealer. Registrant nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at *Schwab* may be executed through a different broker-dealer than trades for Registrant's other clients. Thus, trades for accounts custodied at *Schwab* may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.