

**Item 1 – Cover Page**



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**Form ADV Part 2A**

Firm Brochure

March 30, 2017

This brochure provides information about the qualifications and business practices of Sterling Financial Planning. If you have any questions about the content of this brochure, please contact Cynthia Sterling at (212) 405-1616.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Sterling Financial Planning is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 126064.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## **Item 2 – Material Changes**

The firm has amended its Form ADV Part 2 brochure from the previous version dated March 30, 2016 to disclose updates to its advisory services and fees; please see Items 4 and 5 for details. For future filings this section of the brochure may address only those material changes that have occurred since the firm's last annual update.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or may contact our firm at (212) 405-1616 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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### **Important Information**

Throughout this document Sterling Financial Planning may also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “the client,” “client,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*, and may refer to natural persons and legal entities. The terms “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., Internet address, etc.).

## **Item 4 – Advisory Business**

### **Description of the Firm**

Cynthia Gail Sterling operates the New York domiciled sole proprietorship doing business as Sterling Financial Planning. The firm is neither a subsidiary nor a controller of another entity. In addition to its 2003 registration as an investment advisor with the State of New York, the firm may register or meet certain exemptions to registration in other jurisdictions in which business is conducted. Miss Sterling is the firm's owner and designated principal (supervisor); more information about her background is found in the Form ADV Part 2B Brochure Supplement found at the end of this brochure.

### **Description of Advisory Services Offered**

Our firm provides advice to those interested in areas such as cash flow and budgeting, funding a college education, retirement planning, among others, as well as investment advice. We do not offer ongoing and continuous supervision of client portfolios.

An introductory "get to know you" interview is conducted by telephone to discuss the client's current situation, long-term goals, and priorities, so that we can establish the scope of services that may be provided. During or prior to this first interview the client will be provided with a current Form ADV Part 2 firm brochure that includes a statement involving the firm's privacy policy (see Item 11). In addition, we will ensure that we have disclosed any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice.

### **Sterling Financial Planning "1-2-3" Service**

Sterling Financial Planning provides a three-step service. The steps are detailed below. In the first step, our goal is to identify and fully assess the client's most urgent financial concerns. In the second step, our goal is to develop a financial roadmap to address those specifically noted most urgent concerns. Our third step is to assist the client in implementing the financial plan. The expected time frame to complete this work is within eight to twelve weeks.

#### ***Step 1 – Identify and Assess the Financial Concerns***

Cindy Sterling, CHFC, RLP will review the client's overall situation, focus on the client's most pressing goals and determine where the client is now and where do they want to be. The initial meeting for a single person is 90 minutes and two hours for couples.

In preparation for the meeting, clients complete financial questionnaires, sign the Financial Planning agreement and email or fax these materials to Sterling Financial Planning ten days before the meeting.

The following documents are necessary to email or fax as well:

- All investment statements including Section 529 plans
- All retirement statements; IRA, Roth IRA, employer sponsored plans
- Front declaration pages of insurance policies
- Mortgage, Home Equity, Student Loan and Car debt balances
- Last two years of tax returns
- Most recent paycheck stub
- Employer Benefit Summary descriptions

## ***Step 2 – Plan Review***

After the initial meeting, the advisor will prepare a written financial plan summary (3 to 5 pages) and provide a copy to the client. Cindy will contact the client to arrange a 60-minute phone meeting to review the plan in detail.

The plan will outline the client's current situation and highlight the client's most urgent financial concerns and related goals. The plan will provide "next action steps" to achieve highest priority goals.

## ***Step 3 – Begin Implementation Process***

The advisor will assist in implementing the initial identified next action steps. This guidance will be achieved in a 60-minute phone meeting and/or possibly on a conference call with other outside vendors and advisors. The client agrees to act independently in executing the remaining recommendations noted in the plan not covered in this meeting. Implementation assistance provided by the firm does may include placing trades for the client on a non-discretionary basis only; more information about discretionary authority is found in Item 16 of this brochure.

## **Ongoing Service**

This service provides financial planning for those 1-2-3 clients who need additional assistance to complete the remaining next steps not resolved and/or any additional financial issues outside the scope of the 1-2-3 Service plan.

This service includes all ongoing office work, phone and/or email contact, interaction with the client's other advisors and the annual financial plan check-up. This service is provided over a one-year period, after which, the engagement is concluded.

## **Hourly Engagements**

In very select circumstances the firm engages in hourly financial planning engagements. Prior to entering into an agreement with our firm the client will receive an estimate of the overall cost based on their requirements and the time involved.

## **Client-Tailored Services and Client-Imposed Restrictions**

A broad-based plan is an endeavor that requires detail; therefore, certain variables can affect the cost involved in the development of the plan: the quality of records, complexity and number of current investments, diversity of insurance products and employee benefits maintained, size of the potential estate, and special needs of the client or their dependents, among others.

In all instances involving our financial planning engagements, our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

It is essential the client informs our firm of significant issues that may call for an update to their plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on the client's circumstances and needs. Our firm needs to be aware of such events so that adjustments may be made as necessary.

### Wrap Fee Programs

Our advisory firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

### Client Assets Under Management

Due to the type of advisory services we provide there are no reportable client assets directly under firm management.<sup>1</sup>

### General Information

Sterling Financial Planning does not provide legal or accounting related services, but with your prior written consent we will work with your attorney or accountant to assist with the coordination and implementation of accepted strategies. These other professionals will charge you separately for their services, and these fees will be in addition to our own advisory fees.

Our firm will use its best judgment and good faith effort in rendering its services. Sterling Financial Planning cannot warrant or guarantee the achievement of a particular planning goal or level of account performance, or that any investment or strategy will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to the client's direction or that of the client's attorney-in-fact; any act or failure to act by a service provider maintaining an account.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith. Therefore, nothing contained in this document or our client engagement agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

### **Item 5 – Fees and Compensation**

#### Method of Compensation and Fee Schedule

##### **Fixed-Fee Financial Planning Services**

***Fees for the "1-2-3" Service*** are based upon the scope and complexity of the engagement, and typically range from \$2,000 to \$4,000 for singles and \$3,000 to \$5,000 for couples. Full payment is due at the first meeting of this eight- to twelve-week engagement.

***Fees for Ongoing Services*** are based upon the scope and complexity of the engagement, and typically range from \$3,000 to \$7,000 per year, payable monthly or quarterly in advance, with the first payment due upon execution of the client agreement.

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<sup>1</sup> The term "assets under management" as defined by the SEC's 2010 *General Instructions for Part 2 of Form ADV*.

## Hourly Engagements

We offer hourly engagements on a limited basis. Our firm is compensated for hourly financial planning engagements at the rate of \$300 per hour. We bill in 15-minute increments, and a partial increment is treated as a whole. Prior to entering into an agreement with our firm the client will receive an estimate of the overall cost based on their requirements and the time involved.

### Client Payment of Fees

Payment may be made by checks or bank drafts from US financial institutions. We do not accept debit and credit cards, cash, money orders, or similar forms of payment for our engagements.

### Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder per their custodian of record's separate fee schedule. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges. In addition, our advisory fee is separate from any transactional charges a client may pay, as well as those for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type.

Interest at the current maximum statutory rate may be assessed on fee balances due more than 30 days; we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

Additional information about our fees in relationship to our "brokerage" practices is noted in Item 12 of this document.

### External Compensation for the Sale of Securities to Clients

We do not charge or receive a commission or mark-up on a client securities transaction, nor do we receive "trailer" or SEC Rule 12b-1 fees from an investment company we may recommend when we are engaged to provide portfolio management services. Fees charged by issuers are detailed in prospectuses or product descriptions and the client is encouraged to read these documents before investing.

The client retains the option to purchase recommended or similar investments through their own service provider.

### Termination of Services

Either party may terminate the agreement at any time, and communication of termination will typically be in writing. If a client verbally notifies our firm of termination we have not received the client's notice in writing within two business days, we will make a written notice of the termination in our records and send the client our own termination notice as a substitute. Sterling Financial Planning will not be responsible for further investment allocation or financial advice upon receipt of a termination notice.

If our Form ADV Part 2 firm brochure was not delivered to the client at least 48 hours prior to entering into the investment advisory contract, then the client has the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Should a client terminate a financial planning and investment consultation engagement after this five-day time period, the client will be assessed fees at the firm's hourly rate for any time incurred in the preparation of their analysis or review. The firm will return any prepaid, unearned fees (if any) within 30 days of the firm's receipt of termination notice.

Earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon receipt of our invoice.

If the client paid an advance fee, all requested information had been provided to the firm, and the plan or service was not delivered to the client in less than six months from the date of the engagement, the client may be entitled to a refund. Any such refund will only be completed via check from Sterling Financial Planning's US-based financial institution; no credits or "transaction reversals" will be issued. Return of prepaid fees will never involve a personal check, cash or money order from an associate of our firm.

#### Negotiability of Fees

Our published fees are not negotiable but we may discount accounts for our associates, their family members, as well as pre-existing client relationships.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

#### **Item 7 – Types of Clients**

Sterling Financial Planning offers advisory services to individuals and families from all walks of life and all levels of investment experience, as well as charitable organizations. We do not require minimum income, asset levels or other similar preconditions for our services.

We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements or preexisting relationships. We also reserve the right to decline services to any prospective client for any non-discriminatory reason.

#### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

##### Methods of Analysis and Investment Strategies

##### **Method of Analysis**

If we are engaged to provide investment advice, we will first gather and consider several factors, including your:

- current financial situation,
- current and long-term needs,
- investment goals and objectives,
- level of investment knowledge,
- tolerance or appetite for risk, and
- restrictions, if any, on the management of your portfolio.

Our firm generally relies upon research based on fundamental analysis, which evaluates economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. The firm's recommendations may also be based on information from sources including materials from

economists and other industry professionals, financial periodicals, annual reports, prospectuses and regulatory filings.

Sterling Financial Planning makes asset allocation and investment policy decisions based on these and other factors. We will discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure.

### Investment Strategies

We recognize that each client's needs and goals are different; therefore, recommended investment strategies and underlying investment vehicles may vary. The following three strategies reference those that we ascribe to in serving our clients' portfolios:

#### **Active Asset Management**

A portfolio manager engaging in an active asset management strategy believes it is possible to create a profit from identifying or leveraging mispriced securities and producing returns greater than a stated benchmark, such as a well-known index. For example, a "large cap stock" fund manager might attempt to outperform the Standard & Poor's 500 Index by purchasing underpriced stocks or derivative instruments representing these positions.

#### **Core + Satellite Strategy**

A Core + Satellite investment strategy blends passive based (or index) and active investing, where passive investments are used as the basis or "core" of a portfolio and actively-managed investments are added as "satellite" positions. With this strategy, the portfolio core holdings are indexed to potentially more efficient asset classes, while outlying selections are often limited to active holdings that are attempting to outperform a particular sector, or a selection of particular positions to increase core diversification, or to improve portfolio performance, or reduce risk during downward trends in the market and during times of uncertainty.

For example, the core of a portfolio may be built with passive based institutional mutual funds; satellite holdings would include actively managed mutual funds or separately managed accounts that have unique strategies that are believed capable of adding value beyond a stated benchmark over a full market cycle. The core may represent the majority of the total portfolio, using primarily index funds or index-based ETFs/ETNs. The remainder of the portfolio may then employ mutual funds or ETFs/ETNs that take a shorter duration to assist in the over-or-under allocation to specific sectors, regions, assets classes, etc.

#### **Passive Investment Management**

Investment managers employing this strategy generally ascribe to and construct portfolios based on the principles of the Modern Portfolio Theory which is based on the belief that proper diversification and risk management will provide an investor client with a more stable and consistent return over time. It has been statistically determined that a properly diversified portfolio, consisting of an appropriate weighting in different asset classes, will generally outperform most asset classes over time.

The practice of Modern Portfolio Theory does not employ market timing nor stock selection methods of investing but rather a long term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

## Investment Strategy and Method of Analysis Material Risks

### **Investment Strategy Risks**

We believe our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or your entire principal. In general, risks regarding markets include interest rates, company, and management risk, among others.

Examples include:

### **Fundamental Analysis**

The risk involved in employing fundamental analysis is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

### **Active Management Strategy Risks**

A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or "turnover." This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

### **Company Risk**

When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* through appropriate diversification.

### **Core + Satellite Strategy Risks**

Strategies involving Core + Satellite investing may have the potential to be affected by "active risk" or "tracking error risk," which might be defined as a deviation from the stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a "sample" or "optimized" index fund or ETF/ETN that may not as closely align the stated benchmark. In these instances, a portfolio manager may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a "replicate index" position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

### **Financial Risk**

Excessive borrowing to finance a business operation increases profitability risk 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.

### **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.

## **Management Risk**

An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

## **Market Risk**

When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

## **Passive Market Strategies**

Should a portfolio employ a passive, efficient markets approach (often associated with Modern Portfolio Theory), an investor will need to consider the potential risk that the broader allocation may at times generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the market return for the asset class.

We believe this variance from the “expected return” is generally low under normal market conditions if the portfolio is made up of diverse, low or non-correlated assets. Correlation refers to the extent in which prices move in the same direction, therefore, non-correlated investment strategies may be used within a portfolio to neutralize or counterbalance the risk should one or more types of holdings fall in value.

## **Research Data**

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. Therefore, while our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

## **Socially Conscious Investing**

If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

## Security-Specific Material Risks

### **ETF/ETN and Mutual Fund Risk**

ETFs/ETNs and mutual funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning these types of holdings also reflects the risks of their underlying securities.

### **Fixed Income Risks**

Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including:

***Credit Risk***

The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues.

Bondholders are creditors of an issuer and typically have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

***Duration Risk***

Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

***Interest Rate Risk***

The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

***Liquidity Risk***

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

***Reinvestment Risk***

With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

**Index Investing**

ETFs/ETNs and indexed funds have the potential to be affected by “active risk” or “tracking error risk;” defined in the earlier paragraph with respect to Core + Satellite risks.

**QDI Ratios**

While many ETFs, ETNs, and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF/ETN or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. We consider a holding’s QDI when tax-efficiency is an important aspect of the client’s portfolio.

**Item 9 – Disciplinary Information**

Neither the firm nor its management has been involved in any criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. Sterling Financial Planning will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accounting firm or accountant
- another investment advisor, including financial planning firms, municipal advisors or third-party investment managers
- bank, credit union or thrift institution
- lawyer or law firm
- insurance company or insurance agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

Upon client request we provide referral to various professionals, such as an accountant or attorney. While these referrals are based on the best information made available, our firm does not guarantee the quality or adequacy of the work provided by these referred professionals. We do not have an agreement with these entities, and do not receive referral fees from these professionals for referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

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

Sterling Financial Planning and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of our clients. We believe that our business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain.

It is important to point out that no set of rules can anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

### Code of Ethics Description

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that they remain current, and we require firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

### Sterling Financial Planning Statement Regarding our Privacy Policy

We respect the privacy of all clients and prospective clients (collectively termed "customers"), both past and present. It is recognized that our clients have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

#### **The firm collects personal information about customers from the following sources:**

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

#### **The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:**

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes, for example, providing information about a spouse's IRA account or to adult children about parents' accounts, etc.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

Our firm will provide its customers with our privacy policy on an annual basis per federal law and at any time, in advance, if firm privacy policies are expected to change.

### Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither the firm nor any associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member,

etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

Our firm is focused on ensuring that its offerings are based upon the needs of its clients, not resultant fees or other charges received for such services. We want to note that our clients are under no obligation to act on a recommendation from our firm and, if they elect to do so, they have the right to not complete them through our firm or a service provider whom we may recommend.

#### Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Sterling Financial Planning does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (e.g., trading ahead of client recommendation, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved by the firm, and we will maintain personal securities transaction records as required.

#### **Item 12 – Brokerage Practices**

##### Factors Used to Select Broker/Dealers for Client Transactions

We will not take physical or constructive custody of client assets. The client's account must be maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian nor is there an affiliate that is a custodian.

When we are engaged to provide investment consultation, we may recommend the service provider where client assets are currently maintained. Should a client prefer a new service provider, a recommendation of another service provider would be based on that client's needs, overall cost, and ease of use.

Our firm prohibits non-cash compensation (sometimes termed "soft dollars"), and we will not "pay up" to receive additional services from a service provider. All compensation paid to the firm is paid directly by the client; therefore, the firm does not receive any additional compensation when its clients engage a recommended custodian or any other service provider.

##### Best Execution

In light of the nature of our firm's advisory services, it is believed "best execution" review obligations with regard to client transactions are not required under current industry guidelines.

##### Directed Brokerage

We do not require or engage in directed brokerage involving client accounts. Clients are free to use any particular service provider to execute their transactions and they are responsible for negotiating any terms or arrangements for their account. Our firm will not be obligated to conduct due diligence of the client's

selected service provider, seek better execution services or prices from any provider, or aggregate client transactions for trade execution. Since client transactions are completed at a service provider of each client's choice, the client may potentially pay more for their transaction or experience wider price spreads.

#### Aggregating Securities Transactions for Client Accounts

Our firm is not engaged for continuous investment supervisory services, nor do we have discretionary authority over an account and, therefore, aggregating ("batching") trades on behalf of client accounts will not be conducted. Since transactions are completed independently at a service provider of the client's choice, the client may potentially pay more for their transaction or experience wider price spreads than those accounts where trades have been aggregated.

### **Item 13 – Review of Accounts**

#### Schedule for Periodic Review of Client Accounts

Periodic financial check-ups or reviews are encouraged for all financial planning and investment consultation services clients, and it is recommended that this occur annually whenever practical. Reviews will be conducted by Miss Sterling and normally involves an analysis and possible revision of a previous financial plan or investment allocation. A copy of revised plans or asset allocation reports will be provided to the client upon request. Unless provided for in the client's engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at the then published rate.

#### Review of Client Accounts on Non-Periodic Basis

Clients should contact our firm for additional reviews when they anticipate or have experienced changes in their financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.). Non-periodic reviews are completed by Miss Sterling, and they may occur under a new or amended agreement. A copy of revised plans or asset allocation reports will be provided upon request.

#### Content of Client Provided Reports and Frequency

Whether a client has opened and maintained an investment account on their own or with our assistance, the client will receive account statements sent directly from their account custodian where their investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm may provide portfolio "snapshots" when engaged to provide periodic asset allocation or investment advice. We do not provide account performance reports through our advisory engagement.

### **Item 14 – Client Referrals and Other Compensation**

We do not pay referral fees to, or receive referral fees from, another financial or professional services organization that we may recommend to a client. There is also no established *quid pro quo* for such arrangements. Our firm does not engage in solicitation activities involving unregistered persons.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via

electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings).

Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

### **Item 15 – Custody**

Client assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies or transfer agent. Account assets are not physically maintained by our advisory firm nor any associate of the firm. In keeping with this policy involving client funds or securities, our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibits an associate from having authority to directly withdraw securities or cash assets from a client account;
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to the firm;
- Does not collect fees of \$500 or more and six months or more in advance;
- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access might result in physical control over client assets.

The client will be provided with transaction confirmations and summary account statements sent directly to them from their custodian of record. Typically statements are provided on at least a quarterly basis or as transactions occur within their account. Clients are urged to carefully review their account statements that they have received directly from their custodian. Our firm will not create an account statement for a client nor serve as the sole recipient of a client account statement.

Clients are urged to carefully review and compare their account statements that they have received directly from their custodian of record with any report that contains investment performance information that they have received from any other firm.

### **Item 16 – Investment Discretion**

Our firm does not serve client accounts under a discretionary authority agreement. Should a client ask us to assist in any trade execution (including account rebalancing), we will do so only with the client's selected service provider and with the client's prior approval for every transaction. This is termed in the securities industry as *non-discretionary authority (basis)*. Non-discretionary trading authority is typically accomplished through the client's execution of their custodian of record's limited power of attorney form that specifically restricts our ability to execute trades on the client's behalf. This account authority may be revoked by the client at any time.

### **Item 17 – Voting Client Securities**

The client may periodically receive proxies or other similar solicitations sent directly from the custodian of record or transfer agent. Should we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of the client securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on a client's behalf nor do we offer specific guidance on how to vote proxies. We will not offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. However, we will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or its legal representative.

The client will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by the client shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to the client's holdings. The client should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

### **Item 18 – Financial Information**

Our advisory firm will not take physical or constructive custody of client assets, we do not serve accounts on a discretionary basis, and we do not charge fees of \$500 or more and six months or more in advance for any services.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

### **Item 19 – Requirements for State-Registered Advisers**

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page. Per Item 10 of this brochure, neither the firm nor a member of its management has a material relationship with the issuer of a security.



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**Form ADV Part 2B**  
**Brochure Supplement**  
March 30, 2017

**This brochure provides information about Cynthia Gail Sterling that supplements the Sterling Financial Planning Form ADV Part 2 Brochure. If you have any questions about the content of this brochure, please contact Cynthia Sterling at (212) 405-1616.**

**You should have received a copy of that brochure. Please contact Miss Sterling at (212) 405-1616 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Miss Sterling and the firm, as well as other registered investment adviser firms, is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 – Educational Background and Business Experience

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

Sole Proprietor: Cynthia Gail Sterling

Year of Birth: 1962

Individual CRD Number: 4648560

### **Educational Background and Business Experience**

#### ***Educational Background***

Master of Science in Education: Psychological Services

University of Pennsylvania, Philadelphia, PA

Bachelor of Arts in Economics

University of Pennsylvania, Philadelphia, PA

Chartered Financial Consultant (ChFC) Designation

The American College, Bryn Mawr, PA

Registered Life Planner (RLP) Designation

Kinder Institute, Littleton, MA

#### ***Business Experience***

Proprietor, Firm Principal, Financial Planner

Sterling Financial Planning (2003 – Present)

New York, NY

Consultant – Planned Giving and Development Issues

Washburn & McGoldrick, LLC (2000 - Present)

New York, NY

Director of Planned Giving

Vassar College (1991 – 2002)

Poughkeepsie, NY

## Item 3 – Disciplinary Information

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Miss Sterling has not been the subject of any such event.

#### Item 4 – Other Business Activities

Principal executives, managers, and investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Miss Sterling provides consulting services on planned giving and development issues to the New York form of Washburn & McGoldrick, LLC. This is not believed to present a material conflict of interest to her advisory business. There is no relationship between Sterling Financial Planning and Washburn & McGoldrick, LLC, and no referral arrangement exists between the two firms. Miss Sterling spends approximately 10 – 20% of her time on this activity, which does not impair her ability to service clients of Sterling Financial Planning.

Miss Sterling is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. Therefore, she does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service (“trail”) fees from the sale of mutual funds.

Neither Miss Sterling nor the firm has a material relationship with the issuer of a security.

#### Item 5 – Additional Compensation

Neither our advisory firm nor Miss Sterling is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### Item 6 – Supervision

Miss Sterling serves as the firm’s Chief Compliance Officer. Because supervising one’s self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict, and may use the services of unaffiliated professionals to ensure the firm’s oversight obligations are met.

Questions relative to the firm, its services or this Form ADV Part 2B may be made to the attention of Miss Sterling at (212) 405-1616. Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for Sterling Financial Planning is 126064. The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the New York Department of Law Investment Protection Bureau at (212) 416-8285.

#### Item 7 - Requirements for State-Registered Advisers

There have been no awards, sanctions, or other matters where Miss Sterling or Sterling Financial Planning has been found liable in a self-regulatory or administrative proceeding. Neither has been the subject of a bankruptcy petition.