

Item 1 – Cover Page



121 West Commercial Street

Broken Arrow, OK 74012

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www.stepbystepfinancial.org

January 13th, 2021

This brochure provides information about the qualifications and business practices of Step By Step Financial, LLC. If you have any questions about this brochure's contents, please contact us at 918-806-1030 or via email at kjacobs@stepbystepfinancial.org. This brochure's information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Step By Step Financial, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information you determine to hire or retain an adviser.

Additional information about Step By Step Financial, LLC, CRD No. 146345, also is available on the SEC's website at www.adviserinfo.sec.gov.

Step by Step Financial, LLC

Form ADV Part 2A

Item 2 – Material Changes

The last update to our brochure was on June 23rd, 2020. The following is a summary of material changes made to our brochure since the previous annual update:

- Revision to Items 4 and 5
 - Updating the delivery and fee structure of the Ongoing Financial Planning Service

We will ensure that clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may provide other ongoing disclosure information about material changes as necessary. We will further provide clients with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting Kevin Jacobs, CFP®, EA at 918-806-1030 or kjacobs@stepbystepfinancial.org. Our brochure is also available on our website www.stepbystepfinancial.org, free of charge.

Additional information about Step By Step Financial, LLC is available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Step By Step Financial, LLC who are registered or are required to be registered as investment adviser representatives of Step By Step Financial, LLC. You may find additional information regarding Step By Step Financial, LLC's registration with the state of Oklahoma by visiting <http://www.securities.ok.gov/Firms-profs/DatabaseSearch.asp>.

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Item 4 – Advisory Business

Step By Step Financial, LLC (“SBS,” “we,” or “Adviser”) provides fee-only personalized financial planning to charitably-inclined and financially-responsible married couples as they navigate pre and post-retirement and tax planning needs. SBS is owned and operated by Kevin F Jacobs, CFP®, EA, who established Step By Step Financial, LLC in December 2007. SBS distinguishes itself from traditional investment advisory firms by providing services to meet the clients’ retirement, investment needs, tax planning, tax preparation, and charitable planning needs. SBS follows the CFP® Board of Standards 7 Step Financial Planning Process.

SBS offers investment management services. SBS provides investment Management; however, the funds are custodied either at Betterment, Pershing, or Schwab, as explained in Item 10 below. These services are offered on a non-discretionary basis. Non-discretionary authority requires the Adviser to obtain the Client’s prior approval for each specific transaction before executing investment recommendations and the selection and retention of sub-advisers to the account. The adviser will act following a Client’s objectives, needs, and risk assessment, regardless of whether the authority is discretionary or non-discretionary. The Adviser will only execute transactions for Clients when specifically requested and authorized by the Client (via a fully executed limited power of attorney “LPOA”). As of January 13, 2021, the Adviser manages \$33,700,000 of non-discretionary assets.

Adviser and Client will enter into an agreement that details the scope of both Adviser and Client’s relationship and responsibilities. Advice and services provided under the agreement are tailored to the Client’s stated objectives(s).

Adviser does not sell insurance or investment products and does not accept commissions due to any product recommendations. Adviser does not pay referral or finder's fees, nor does it get such fees from other firms.

Step By Step Financial, LLC provides the following types of services:

1. Financial Review

The Financial Review consists of one to two meetings, during which time the Adviser will provide advice and answer specific questions requested by the client. The Financial Review is narrow in scope, and it does not constitute an overall financial plan.

2. Ongoing Financial Planning

Ongoing Financial Planning is the foundational service offered by SBS. We will follow the 7 Step Financial Planning Process as articulated by the CFP® Board of Standards. The 7 Step Financial Planning Process includes:

- Understanding the client's personal and financial circumstances
- Identifying and Selecting Goals
- Analyzing the client's current course of action and potential alternative course of action
- Developing financial planning recommendations
- Presenting the financial planning recommendations
- Implementing the financial planning recommendations
- Monitoring progress and updating as needed.

3. Investment Management

Investment Management services are offered through Betterment Securities for those clients not meeting the firm's usual minimum investment requirements for the Ongoing Financial Planning service.

4. Retirement Account Management

Qualified retirement plan (401k) implementation is offered to small businesses.

Item 5 – Fees and Compensation

Step By Step Financial, LLC is a fee-only financial advisory firm and does not sell investment or insurance products. Unless specifically requested by Client (with such request accepted by Adviser), Adviser does not execute recommendations on behalf of Clients. Clients are responsible, but under no obligation, to implement any recommendations made by the Adviser. Note that existing clients may have grandfathered fee schedules, which may differ from those disclosed herein. Please refer to your agreement for further details. Fees may be negotiated, as determined by the Adviser.

In addition to the Adviser's fee, Clients may incur specific other fees to implement the Adviser's recommendations. Additional charges will be imposed by custodians, brokers, third party investment, and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes. Mutual funds and exchange-traded funds also charge internal management fees disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to the Adviser's fee.

The specific manner in which SBS charges fees is established in a Client's written agreement. A summary of how the fees are calculated is below:

1. Financial Review

The fee for a Financial Review is \$750.

\$375 due upfront and the additional \$375 due upon completion of the Agreement.

The preferred form of payment for the Financial Review is via check.

Termination of Financial Review Agreement

- Financial Review Agreements shall automatically terminate on the term ending date specified in the Agreement.
- The Client may terminate without penalty the Financial Review Agreement by providing written notice within five days of signing the Agreement.
- Additionally, either party may terminate the Agreement at any time by providing written notice. If the Client terminates after the five day cancellation period, the initial payment is non-refundable. If the Adviser terminates the Agreement after the five day cancellation period, the initial charge will be refunded.

2. Ongoing Financial Planning

The fee for the 7 Step Financial Planning Process ranges from \$250-\$2,000 per month based on the client's overall investment asset total as described below:

<u>Investment Assets Between:</u>	<u>Monthly Fee</u>
\$0-\$250,000	\$250
\$250,001-\$500,000	\$375
\$500,001-\$750,000	\$500
\$750,001-\$1,000,000	\$625
\$1,000,001-\$1,250,000	\$750
\$1,250,001-\$1,500,000	\$875
\$1,500,001-\$1,750,000	\$1,000
\$1,750,001-\$2,000,000	\$1,125
\$2,000,001-\$2,250,000	\$1,250
\$2,250,001-\$2,500,000	\$1,375
\$2,500,001-\$2,750,000	\$1,500
\$2,750,001-\$3,000,000	\$1,625
\$3,000,001-\$3,250,000	\$1,750
\$3,250,001-\$3,500,000	\$1,875
\$3,500,001 +	\$2,000

The account value is determined by the client's total investment assets and cash. The Client can check this figure by looking at their investment portfolio and cash total on the EMoney Client portal.

An initial commitment of six months is required; however, only the initial month's payment is due upfront.

The preferred form of payment for Ongoing Financial Planning is via debit from the client's investment account. The Client may also pay via check, credit/debit card, or ACH.

Termination of the Ongoing Financial Planning Agreement

- Ongoing Financial Planning Agreements shall automatically renew monthly after the initial six-month commitment, on the date specified in the Agreement.
- The Client may terminate the Ongoing Financial Planning Agreement without penalty by providing written notice within ten days of signing the Agreement.
- After the initial six month commitment, if either Client or Adviser terminates the Agreement, the following terms will apply:
 - If termination occurs on the month's 1st-15th days, then the final monthly fee will be 50% of the regular monthly payment, and any excess pre-paid fee will be returned to the Client.
 - If termination occurs on the 16th-31st days of the month, then the final monthly fee will be 100% of the usual fee, and no refund will be issued to the Client.
- The Adviser may terminate this Agreement without notice if the Client fails to pay fees promptly, intentionally provides false or misleading information, or willfully fails to respond to a request by the Adviser to provide information necessary to perform the services required under this Agreement.

3. Investment Management

Clients with a Betterment Securities management account are charged a 1% annual management fee.

The Client fee is charged directly to the client's investment accounts at Betterment quarterly. The Client is charged ¼ of the annual fee during each billing cycle.

4. Retirement Account Management

401k Investment Advisory Services Offered through Health Equity

The Adviser receives compensation from specific 401k Plans offered through Health Equity. The payment the Adviser receives is an asset under management fee between 0.1% - 0.5%.

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

SBS does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of a client's assets).

Item 7 – Types of Clients

Step By Step Financial, LLC provides fee-only personalized financial planning to charitably-inclined and financially-responsible married couples as they navigate pre-and post-retirement and tax planning needs.

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

In determining investment recommendations, the Adviser will utilize public information obtained through Morningstar and other public research. Moreover, SBS approaches investment portfolio analysis and implementation based on internal factors such as a Client's tax situation, overall risk tolerance, current financial situation, and personal goals and aspirations. After identifying these items, the portfolio will be structured around individual needs while minimizing the adverse effects of external factors, such as interest rates, market performance, and the economy as a whole.

In general, SBS recommends no-load or "waived load" mutual funds (i.e., mutual funds that have no sales fees), U.S. government securities, money market accounts, certificates of deposit, exchange-traded funds (ETF), and individual bonds (corporate, agency, and municipal) and bond funds. However, in providing investment advice, the Adviser may address other types of assets that the Client already owns. Any other products that may be deemed appropriate for the Client will be discussed based upon the Client's goals, needs, and objectives.

Any investment in securities involves the risk of loss that Clients should be prepared to bear. While the Adviser will use its best judgment and reasonable faith efforts in rendering services to the Client, not every investment decision or recommendation made by the Adviser will be profitable. SBS cannot warrant or guarantee any particular level of account performance or that an account will be profitable over time. The client assumes all market risk involved and understands that investment decisions are subject to various market, currency, economic, political, and business risks.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events. SBS has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

The adviser is a member of the Alliance of Comprehensive Planners. More information can be found at www.acplanners.org.

SBS has a relationship with Shareholder Service Group, through Pershing LLC, Betterment Securities, and Charles Schwab to offer custodial services to the Adviser's Clients. SBS does not receive any additional compensation when offering their services to the Adviser's Clients. On occasion, SBS will use various research tools provided by these custodians to recommend securities to clients.

In the course of business, SBS recommends other professionals in the financial service industry. Some of these professionals include:

Third-Party Investment Managers

- Charles Schwab Institutional Services. 866-855-9102
- Shareholder Service Group. 9845 Erma Rd #312, San Diego, CA 92131.
- Betterment Institutional. 888-428-9482

Insurance Providers*

- Low Load Insurance Service. 2907 W. Bay to Bay Blvd. Suite 102. Tampa, FL 33629
- MAGA Limited. 2610 Lake Cook Road, Suite 250, Riverwoods, IL 60015

**SBS and its employees do not receive any compensation and do not participate in any commission-sharing arrangements with these companies. The Client is not obligated to place their insurance business with any of these companies or agents.*

Item 11 – Code of Ethics

SBS seeks to avoid material conflicts of interest. Accordingly, the Adviser, its investment adviser representatives, and its team members do not receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies.

However, some additional services and non-direct monetary or other compensation forms may be offered and provided to SBS due to its relationships with the custodian(s) and mutual fund products providers. For example, SBS representatives and employees may be invited to attend educational conferences and entertainment events sponsored by brokerage firms, custodians, or mutual fund companies. SBS believes that the services and benefits provided to it by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations made to Clients.

Although SBS believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest and manage any material conflicts of interest. Clients should be aware that no set of rules can anticipate or relieve all potential material conflicts of interest. In any event, SBS will disclose to advisory Clients any material conflict of interest relating to SBS, its representatives, or any of its employees, which could reasonably be expected to impair the rendering of unbiased and objective advice.

Our Code of Ethics

SBS has adopted a Code of Ethics, to which all investment adviser representatives and employees are bound to adhere. The Code of Ethics states:

SBS and its investment adviser representatives and employees shall always:

- As a fiduciary, act in the best interests of each Client;
- Act with integrity and dignity when dealing with Clients, Prospects, and others;
- Strive to maintain and continually enhance our high degree of professional education regarding all aspects of personal financial planning;
- Seek at all times to preserve our firm's independence and to maintain our complete objectivity concerning our advisory services and each recommendation made to our Clients; and
- Protect the confidentiality of the client's personal information, as described in the Adviser's privacy policy.

Participation or Interest in Client Transactions and Personal Trading

SBS does not currently participate in securities in which it has a material financial interest. As a matter of policy, SBS and its related persons do not recommend to Clients or buy or sell for Client accounts, securities in which the firm or its associated persons has a material financial interest.

Adviser or individuals associated with the Adviser may buy and sell some of the same securities for their

account that the Adviser buys and sells for its Clients. When appropriate, the Adviser will purchase or sell securities for Clients before purchasing or selling the same securities for the Adviser's account. In some cases, the Adviser may buy or sell securities for its account for reasons not related to the Adviser's Clients' strategies. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of advisory clients while at the same time allowing employees to invest for their accounts.

Certain classes of securities, such as open-ended mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the Adviser's Clients' best interest. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees might somehow benefit from the market activity of a Client. Accordingly, when applicable, employee trading is monitored under the Code of Ethics to prevent conflicts of interest between SBS and its clients.

The adviser will disclose to advisory Clients any material conflict of interest relating to SBS, its representatives, or any of its employees, which could reasonably be expected to impair the rendering of unbiased and objective advice. SBS will notify Clients in advance of its policies regarding officers trading for their account, including the potential conflict of interest when recommending securities to Clients in which the Adviser or its principal holds a position.

Item 12 – Brokerage Practices

The adviser may use its discretion when recommending a broker-dealer. Clients are not obligated to effect transactions through any broker-dealer recommended by the Adviser. When advising a broker-dealer, the Adviser will comply with its fiduciary duty to obtain the best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

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

SBS has listed its third-party independent custodians in Item 10. Regarding our relationships with our brokers and custodians, SBS is not affiliated with any brokerage or custodial firm. The brokerage or custodial firms do not supervise the Adviser, its agents, or activities.

From time to time, the Adviser will receive free investment research software from its custodians. Moreover, the Adviser does associate and visit with representatives of its custodians at industry conferences. The Adviser does not receive any compensation or commission from its custodians to establish certain accounts on their platform. The only payment the Adviser will receive is from the fee mentioned above in Item 5. There could be minimal account or transaction fees associated with the Client's assets being housed at its custodians. These fees are between the custodian and the Client and will be deducted from the Client's account accordingly. The Adviser does not receive compensation from these fees.

SBS does not maintain custody of your assets that we manage. However, we may be deemed to have possession of your assets if you give us the authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We may recommend that our Clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when you and we instruct them. While we may recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so. You will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment For Advisors (defined below).

Your Brokerage and Custody Costs

For our client accounts that Betterment Securities maintains, Betterment Securities generally does not charge you separately for custody services but is compensated as part of the Betterment For Advisors (defined below) platform fee, a percentage of the dollar amount of assets in the account in place of commissions. We have determined that having Betterment Securities execute trades is consistent with our duty to seek your trades' "best execution." Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "Factors Used to Select Custodians or Broker-Dealers").

Research and Other Soft-Dollar Benefits

We currently receive soft dollar benefits by nature of our relationship with MTG, LLC dba Betterment Securities ("Betterment Securities"), as explained below.

Betterment Securities serves as broker-dealer to Betterment For Advisors, an investment and advice platform serving independent investment advisory firms like us ("Betterment For Advisors"). Betterment For Advisors also makes available various support services that may not be available to Betterment's retail customers. Some of those services help us manage or administer our Clients' accounts, while others help us manage and grow our business. Betterment For Advisors' support services is generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment For Advisors' support services:

1. **SERVICES THAT BENEFIT YOU.** Betterment For Advisors includes access to a range of investment products, execution of securities transactions, and custody of Client assets through Betterment Securities. Betterment Securities' services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment For Advisors also makes available other products and services that benefit us but may not directly help you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:
 - a. Assist with back-office functions, recordkeeping, and Client reporting of our clients' accounts.
 - b. Provide access to Client account data (such as duplicate trade confirmations and account statements).
 - c. Provide pricing and other market data.
 - d. Assist with back-office functions, recordkeeping, and Client reporting.
3. **SERVICES THAT GENERALLY BENEFIT ONLY US.** Using Betterment For Advisors, we will be offered other services to help us manage and further develop our business enterprise. These services include:
 - a. Educational conferences and events.
 - b. Consulting on technology, compliance, legal, and business needs.
 - c. Publications and conferences on practice management and business succession.

Our Interest in Betterment Securities' Services

The availability of these services from Betterment For Advisors benefits us because we do not have to produce or purchase them. Also, we don't have to pay for Betterment Securities' services. These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment For Advisors and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. However, we believe that our selection of Betterment Securities as custodian and broker is in our client's best interests. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment For Advisors and Betterment Securities' services that benefit only us.

Item 13 – Review of Accounts

Ongoing Financial Planning Client account reviews are offered to the Client on at least a quarterly basis. Special Client situations or market conditions may also trigger reviews. Triggering factors may include significant changes in the Client's financial condition, changes in the companies' fundamentals or entities issuing securities, price fluctuations, and substantial economic or industry developments.

Reviews are holistic, covering critical aspects of the client's financial situation for which the Adviser is providing financial consulting services. Kevin F. Jacobs, CFP®, EA, is responsible for regularly reviewing and reassessing clients' financial recommendations. Clients can view the Supplemental Brochure (Form ADV Part 2B) for Kevin F. Jacobs, CFP®, EA, in Item 19 of this document. Financial planning Clients receive financial plan recommendations periodically during the term of their engagement of Adviser.

If a Client maintains any brokerage account(s), the custodian will provide a statement at least quarterly, including a list of all assets held in the account, asset values, and all transactions affecting the account assets, including any additions or withdrawals.

Item 14 – Client Referrals and Other Compensation

Step By Step Financial, LLC is a fee-only financial planning firm. It does not sell insurance or investment products, nor does it accept commissions due to product recommendations. The Adviser does not pay referral or finder's fees, nor does it get such fees from other firms.

1. Tax Preparation
 - a. As an Enrolled Agent (EA), Kevin Jacobs offers tax preparation services for both individuals and businesses.

We receive a non-economic benefit from Betterment For Advisors and Betterment Securities in the form of the support products and services it makes available to other independent investment advisors whose Clients maintain their accounts at Betterment Securities and us. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability to us of Betterment For Advisors and Betterment Securities' products and services is not based on us giving particular investment advice, such as buying individual securities for our Clients.

Item 15 – Custody

Adviser does not have custody over client funds and securities. However, we may be deemed to have possession of your assets if you give us authority to withdraw advisory fees from your account (Investment Management Clients only). Accordingly, the Adviser shall have no liability to the Client for any loss or other harm to any property in the account.

Clients will receive at least quarterly statements from the broker-dealer, bank, or other qualified custodians that hold and maintains the client's investment assets. SBS urges all Clients to carefully review such statements and compare such official custodial records to any statements that may be provided by the Adviser. The adviser may also provide Clients with periodic reports on the Client's account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of specific securities.

SBS is not affiliated with the custodian. The custodian does not supervise the advisor, its agents, or activities.

Item 16 – Investment Discretion

Non-discretionary authority requires the Adviser to obtain the Client's prior approval of each specific transaction before executing investment recommendations and the selection and retention of sub-advisers to the account. The adviser will act following a Client's objectives, needs, and risk assessment, regardless. The adviser will only execute transactions for Clients when specifically requested and authorized by the Client in writing (via a fully executed limited power of attorney "LPOA").

The adviser will have the discretion to facilitate the selection of, and changes to, the Betterment For Advisors portfolio allocation. Betterment For Advisors provides software tools for advisors to facilitate the purchase and sale of securities in the Client's accounts, including the amounts of securities to be bought and sold to align with the Client's goals and risk tolerance, through a series of incremental model portfolio allocations ranging from 0% to 100% in equities.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, SBS does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any securities maintained in client portfolios. The Adviser may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered Investment Advisers are required to provide Clients with certain financial information or disclosures about their financial condition. SBS has no financial commitment that impairs its ability to meet contractual and fiduciary obligations to Clients and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

- A The principal executive officer and management person of SBS is Kevin F. Jacobs, CFP®, EA. As of October 8, 2018, the firm has two employees. Mr. Jacobs is the sole performer of investment advisory services on behalf of SBS for its Clients. Mr. Jacobs is also responsible for the day to day management and operations of the firm. Mr. Jacobs' education and business background are separately detailed in the attached Part 2B, Item 2.
- B Mr. Jacobs is not actively engaged in any outside business activities.
- C Mr. Jacobs does not receive any performance-based fees.
- D Mr. Jacobs has not been involved in any arbitration claims or civil, regulatory, or administrative proceedings.
- E Neither Mr. Jacobs nor SBS has any relationship or arrangement with any issuer of securities.

Item 1 – Brochure Supplement ADV Part 2B-1

This brochure supplement provides information about Kevin F. Jacobs, CFP®, EA, that supplements the Step By Step Financial, LLC Brochure (Form ADV Part 2A). You should have received a copy of that Brochure. Please contact Kevin F. Jacobs at 918-806-1030 or via e-mail at kjacobs@stepbystepfinancial.org if you did not receive a copy or if you have any questions about the content of this Supplement.

Additional information about Kevin F. Jacobs, CFP®, EA, Individual CRD No. 5034037, is available on the SEC's website at www.adviserinfo.sec.gov.



KEVIN F. JACOBS, CFP®, EA

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www.stepbystepfinancial.org
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Step by Step Financial, LLC
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Professional Designations and Organizations

CERTIFIED FINANCIAL PLANNER™ Professional

THE CERTIFIED FINANCIAL PLANNER™, CFP®, and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

ENROLLED AGENT (EA)

An Enrolled Agent (EA) is a federally-authorized tax practitioner who has technical expertise in the field of taxation and who is empowered by the U.S. Department of the Treasury to represent taxpayers before all administrative levels of the Internal Revenue Service for audits, collections, and appeals. “Enrolled” means to be licensed to practice by the federal government, and “Agent” means authorized to appear in the place of the taxpayer at the IRS. Only Enrolled Agents, attorneys, and CPAs may represent any taxpayer before the IRS. The Enrolled Agent profession dates back to 1884 when, after questionable claims had been presented for Civil War losses, Congress acted to regulate persons who represented citizens in their dealings with the U.S. Treasury Department. The license is earned in one of two ways: by passing a comprehensive examination which covers all aspects of the tax code, or having worked at the IRS for five years in a position which regularly interpreted and applied the tax code and its regulations. All candidates are subjected to a rigorous background check conducted by the IRS.

In addition to the stringent testing and application process, the IRS requires Enrolled Agents to complete 72 hours of continuing professional education, reported every three years, to maintain their Enrolled Agent status. Because of the knowledge necessary to become an Enrolled Agent and the requirements to maintain the license, there are only about 46,000 practicing Enrolled Agents. Unlike attorneys and CPAs, who may or may not choose to specialize in taxes, all Enrolled Agents specialize in taxation. Enrolled Agents receive their right to practice from the U.S. government (CPAs and attorneys are licensed by the states). Enrolled Agents are required to abide by the provisions of the Department of Treasury’s Circular 230, which provides the regulations governing the practice of Enrolled Agents before the IRS.

Alliance of Comprehensive Planners (ACP) Member

As stated on the ACP website:

“The Alliance of Comprehensive Planners, a not-for-profit association of over 150 Certified Financial Planner and Personal Financial Specialist professionals, is a recognized leader within the financial planning world. They offer the training and communal support for advisors to establish and grow thriving, independent financial planning practices with resources equivalent to that of much larger organizations. As fee-only advisors, ACP planners abide by the highest fiduciary standards and act in their clients' best interests.”

State of Oklahoma Insurance License (Life and Health)

Item 3 – Disciplinary Information

Mr. Jacobs has no disciplinary history.

Item 4 – Other Business Activities

A Investment-Related Activities

Mr. Jacobs is not engaged in any other investment-related activities.

Mr. Jacobs does not receive commissions, bonuses, or other compensation on the sale of securities or other investment products.

B Non-Investment Related Activities

Mr. Jacobs is not engaged in any other non-investment related activities.

Item 5 – Additional Compensation

Mr. Jacobs does not receive additional compensation or economic benefit for providing advisory services.

Item 6 – Supervision

Mr. Jacobs is primarily responsible for all services and advice provided to Clients of “SBS” and prepares all investment policies, forms, and procedures for working with clients and managing the Firm.

Item 7 – Requirements for State-Registered Advisers

A Mr. Jacobs has never been subject to arbitration claim or any other proceedings (civil, self-regulatory organization or administrative) related to investments, fraud, theft, bribery, or dishonest, unfair, or unethical practices.

B Mr. Jacobs has never been the subject of a bankruptcy petition.