

Item 1 – Cover Page



121 West Commercial Street

Broken Arrow, OK 74012

918-806-1030

www.stepbystepfinancial.org

June 23rd, 2020

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

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 with which 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 April 30th, 2020. The following is a summary of material changes made to our brochure since the last annual update:

- Revision to Items 4 and 5
 - Updating the delivery and fee structure of the Financial Planning Service and Investment Management 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 web site www.adviserinfo.sec.gov. The SEC's web site 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>.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics	10
Item 12 – Brokerage Practices	11
Item 13 – Review of Accounts	13
Item 14 – Client Referrals and Other Compensation	14
Item 15 – Custody	14
Item 16 – Investment Discretion	15
Item 17 – Voting Client Securities	15
Item 18 – Financial Information	15
Item 19 – Requirements for State-Registered Advisers	15
Item 1 – Cover Page	16
Brochure Supplement(s) Form ADV Part 2B-1	16

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. The Adviser offers a range of financial services, including to retirement plans. Specifically, SBS distinguishes itself from traditional investment advisory firms by providing services to meet the clients’ retirement and investment needs, as well as tax planning, tax preparation, and charitable planning. SBS follows the CFP® Board of Standards 7 Step Financial Planning Process.

SBS offers investment management services. Investment Management is provided by SBS, 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 prior to executing investment recommendations, as well as for the selection and retention of sub-advisers to the account. Adviser will act in accordance with a Client’s objectives, needs and risk assessment, regardless of whether authority is discretionary or non-discretionary. The Adviser will only execute transactions for Clients when specifically requested and authorized by Client (via a fully executed limited power of attorney “LPOA”). As of June 23rd , 2020, Adviser manages \$24,946,000 of non-discretionary assets under management.

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

Adviser does not sell insurance or investment products and does not accept commissions as a result of any product recommendations. Adviser does not pay referral or finder's fees, nor does it accept 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 we 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. Financial Planning

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:

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

It is strongly recommended and it will be highly suggested that a client completes a Financial Plan prior to moving on to Investment Management.

3. Investment Management

Investment Management provides clients with ongoing non-discretionary asset management. We will recommend either Pershing, Betterment, or Schwab as custodian. Our strategy is to recommend low-cost ETFs and mutual funds. The Adviser may recommend individual bonds if the situation warrants.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by SBS 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.

2. Financial Planning

The fee for the 7 Step Financial Planning Process ranges from \$2,500 - \$5,000. The exact fee is provided in the planning agreement.

3. Investment Management

A. Individual Clients

<u>Total Aggregate Account Value for Assets Under Management</u>	<u>Annual Fee</u>
First \$300,000	1.20%
Next \$301,000-\$500,000	0.90%
Next \$500,001-\$1,500,000	0.70%
Next \$1,500,001-\$3,500,000	0.50%
Next \$3,500,001-\$5,000,000	0.40%
Next \$5,000,001-\$10,000,000	0.30%
Next \$10,000,000-\$25,000,000	0.20%
\$25,000,000 and Above	0.05%
Investment management services are most appropriate for those clients with at least \$300,000 of investable assets. To that end, the Adviser has a minimum fee of \$3,600 for investment management, which may be negotiable.	

B. Retirement Plans

1. 401k Investment Advisory Services Offered through Health Equity

- a. The Adviser receives compensation from certain 401k Plans offered through Health Equity. The compensation the Adviser receives is an assets under management fee between 0.1% - 0.5%.
- b.

Account value is determined by the total amount of assets managed by Advisor, and will be determined by the value on the last trading day of the previous quarter.

- Payment Methods
 - The preferred form of payment is via debit from the client's investment account for investment management clients.. The Client may pay via check, credit/debit card, or ACH for Financial Review and Financial Planning.
- Fee Billing
 - Financial Review
 - \$375 due upfront and the additional \$375 due upon completion of the Agreement.
 - Financial Planning
 - \$2,000 due upfront and the remainder due upon completion of the Agreement. There may be instances where the Adviser does not request an upfront fee. In these cases, the full Financial Planning fee will be due at the time of presentation.
 - Investment Management
 - Fees will be debited on a quarterly basis from the client's accounts.
- Compensation of the Adviser
 - 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 than those disclosed herein. Please refer to your agreement for further details. Fees may be negotiated, as determined by the Adviser.
- Third-Party Fees
 - In addition to Adviser's fee, Clients may incur certain other fees and charges to implement Adviser's recommendations. Additional charges and fees 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, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fee.
- Termination of Agreement and Remaining Fees due Client or Adviser
 - Financial Review
 - 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 after the five day cancellation period, the initial payment will be refunded.

- Financial Planning
 - Financial Planning Agreements shall automatically terminate on the date specified in the Agreement (usually 90 days from execution).
 - Refunding of Fees
 - The Client may terminate the Financial Planning Agreement without penalty by providing written notice within ten days of signing the Agreement. The Client will receive a full refund.
 - If the Client terminates after the ten day cancellation period, the Adviser will provide a pro-rated refund based upon the work already completed.
- Investment Management
 - Upon termination of an Investment Management Agreement, the Client will only be billed for the amount of days in that specified quarter in which the Adviser managed the assets on behalf of the Client.

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 on or capital appreciation of the assets of a Client).

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 as well as 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 negative 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 the course of providing investment advice, the Adviser may address issues related to 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 investing in securities involves risk of loss that Clients should be prepared to bear. While the Adviser will use its best judgment and good faith efforts in rendering services to the Client, not every investment decision or recommendation made by Adviser will be profitable. SBS cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. 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 that would be material to a Client’s evaluation of SBS or the integrity of the Adviser’s management. SBS has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Adviser is a member of the National Association of Personal Financial Advisors (NAPFA), which requires that its members are fee-only and obtain a minimum of 60 continuing education credits every two years. More information can be found at www.napfa.org.

Adviser is also 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 Adviser's Clients. On occasion, SBS will use various research tools offered by these custodians to use in recommending 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 from and does 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 forms of compensation may be offered and provided to SBS as a result of its relationships with custodian(s) and/or providers of mutual fund products. For example, SBS representatives and employees may be invited to attend educational conferences and/or entertainment events sponsored by such brokerage firms or 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. However, in the interest of full disclosure of any potential conflicts of interest, discussion will occur regarding the possible conflicts herein.

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 to appropriately manage any material conflicts of interest that may remain, Clients should be aware that no set of rules can possibly 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 and every 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 with respect to our advisory services and each recommendation made to our Clients; and
- Protect the confidentiality of 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. SBS and its related persons, as a matter of policy, do not recommend to Clients, or buy or sell for Client accounts, securities in which the firm or its related persons has a material financial interest.

Adviser or individuals associated with the Adviser may buy and sell some of the same securities for its own 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 Adviser's own account. In some cases Adviser may buy or sell securities for its own account for reasons not related to the strategies adopted by the Adviser's Clients. 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 own 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 best interest of the Adviser's Clients. 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, and to reasonably prevent conflicts of interest between SBS and its Clients.

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 in respect to officers trading for their own account including the potential conflict of interest that arises when recommending securities to Clients in which the Adviser or its principal holds a position.

Item 12 – Brokerage Practices

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 recommending a broker-dealer the Adviser will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934, and will take into account such relevant factors as:

- Price;
- The broker-dealer's facilities, reliability and financial responsibility;
- The ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such broker or dealer 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 have a certain amount of Client accounts established on their platform. The only compensation the Adviser will receive is from the above-mentioned fee structure 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, although we may be deemed to have custody 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 we and/or you instruct them to. While we may recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and 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 Clients' 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, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. 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 and/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 which 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 are 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:

Step by Step Financial, LLC

Form ADV Part 2A

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 to us other products and services that benefit us, but may not directly benefit 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.** By using Betterment For Advisors, we will be offered other services intended 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. In addition, 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. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our Clients. 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

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 Client's financial condition, changes in the fundamentals of the companies or entities issuing securities, price fluctuations and significant economic or industry developments.

Reviews are holistic, covering key 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 financial recommendations made to Clients. Clients can view the

Step by Step Financial, LLC

Form ADV Part 2A

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 which includes 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 and does not sell insurance or investment products, nor does it accept commissions as a result of any product recommendations. The Adviser does not pay referral or finder's fees, nor does it accept 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 us and other independent investment advisors whose Clients maintain their accounts at Betterment Securities. 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 particular securities for our Clients.

Item 15 – Custody

Adviser does not have custody over Client funds and securities; although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (Investment Management Clients only). Accordingly, 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 custodian that holds and maintains 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. Adviser may also provide Clients with periodic reports on Client's account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain 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 Client’s prior approval of each specific transaction prior to executing investment recommendations, as well as for the selection and retention of sub-advisers to the account. Adviser will act in accordance with a Client’s objectives, needs and risk assessment, regardless. Adviser will only execute transactions for Clients when specifically requested and authorized by Client in writing (via a fully executed limited power of attorney “LPOA”).

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 101 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 and all 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 commitments 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 – Cover Page

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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Step by Step Financial, LLC
Form ADV Part 2A

- 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.

NAPFA (National Association of Personal Financial Advisors) Registered Financial Advisor

As stated on the NAPFA website:

“Individuals in the financial planning industry join NAPFA to enhance their skills, market their services and be a part of a collective, influential voice on matters that impact consumers and the profession. Professionals who become NAPFA-Registered Financial Advisors are committed to the three primary ideals of NAPFA: 1) The belief that clients are best served by a comprehensive approach to financial planning. 2) The highest levels of competency must be achieved and maintained. 3) Fee-Only compensation and a fiduciary relationship are vital to placing the interests of the client above all others.”

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 for 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.