

Sterling Financial Planning, Inc. – Form CRS

Item 1 – Introduction

Sterling Financial Planning, Inc. (“we” or “us”) is registered with the Securities Exchange Commission (“SEC”) as an investment adviser. Our services and compensation structure differ from a registered broker-dealer, and it is important for you to understand the differences between those structures. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS. The site also provides educational materials about broker-dealers, investment advisers and investing. The italicized sentences appearing in text boxes below are intended to be “conversation starters” for you to have with us, as required by the instructions to Form CRS.

Item 2 – Relationships and Services

What investment services and advice can you provide me?

As fiduciaries, we offer to provide investment advisory, financial planning, and related consulting services to individuals and their trusts and estates (“clients,” “you,” or “retail investors”). We manage portfolios based on each client’s unique investment objectives, risk tolerance, investment time horizon, withdrawal requirements, and other special circumstances. We monitor portfolios periodically and make changes to them as we deem necessary. If we manage your portfolio on a discretionary basis, we have the authority to buy and sell investments in your accounts without speaking to you before doing so. However, you can place reasonable restrictions on the securities that we buy by notifying us ahead of time, in writing. If we manage your portfolio on a non-discretionary basis, you make the ultimate decision regarding the purchase or sale of investments, and we cannot execute any account transactions without obtaining your prior consent. Therefore, if we would like to execute a transaction for your non-discretionary account and you are not available to provide consent, we would not be able to execute that transaction, which could place your portfolio at a disadvantage. We do not have to limit the type of securities we trade for retail investors to proprietary products or a limited group or type of investment, but we generally construct and manage portfolios consisting of mutual funds, exchange-traded funds (“ETFs”), and or individual debt and/or equity securities. For this service, we generally prefer to work with clients having at least \$500,000 designated for management, which we can agree to modify in certain circumstances. Upon request, we may also provide financial planning and consulting services on a stand-alone, separate fee basis. When we provide those services, we rely upon the information clients provide and do not verify or monitor it. Our financial planning and consulting services are completed upon the communication of our recommendations or delivery of a written financial plan to the retail investor. For more detailed information about our Advisory Business and the Types of Clients we generally service, please see Items 4 and 7, respectively in our [Form ADV Part 2A](#).

Conversation Starters:

<i>Given my financial situation, should I choose an investment advisory service? Why or why not?</i>
<i>How will you choose investments to recommend to me?</i>
<i>What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?</i>

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

For investment advisory services, our fee is generally based on upon a percentage of the market value of each account placed under our management according to the following tiered annual fee schedule: 1.00% on the first \$0 to \$500,000 of account value; 0.80% on the next \$500,000 to \$1M of account value; 0.50% on the next \$1M to \$2M of account value; 0.40% on the next \$2M to \$5M of account value; and 0.30% on all remaining amounts exceeding \$5M of account value. Fees are adjusted for individual cash inflows and outflows exceeding \$5,000 in any given quarter. We deduct our fees from one or more of your investment accounts, or bill you for our services on quarterly basis, in arrears. Because this fee is based on the amount of your assets under our management, the more assets you designate for our management, the more you will pay for our services. Therefore, we may have an incentive to encourage you to increase the amount of assets that you designate for our management. However, under the fee schedule, as the value of assets under our management increases, the applicable fee percentage decreases incrementally at each tier. For stand-alone financial planning and consulting services, we charge negotiable fixed fees generally ranging between \$2,000 and \$6,000.

Your account will be held with a qualified custodian. Custodians and their affiliated or unaffiliated broker dealers generally charge transaction fees for executing certain types of securities transactions and for costs to maintain your investment account according to their fee schedules. Those fees and expenses include but are not limited to, transaction charges, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. If your assets are invested in mutual funds, ETFs, or other registered and unregistered investment companies, you will bear your pro rata

share of the investment management fees and other fees of the funds, which are in addition to the fees you pay us. These fees and expenses are described in each fund's prospectus or other offering documents. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more detailed information about our fees and costs related to our management of your account, please see Item 5 in our [Form ADV Part 2A](#).

Conversation Starters:

Help me understand how these fees and costs might affect my investments. If I give you \$500,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

- * We may recommend a particular custodian from whom we receive support services. This presents a conflict of interest, because our receipt of their support make us more inclined to continue using and recommending them.
- * We may recommend rollovers out of employer-sponsored retirement plans and into Individual Retirement Accounts that we manage for an asset-based fee. If we do not currently manage your account held with your employer's plan, this will increase our compensation.
- * Certain of our financial professionals may offer commission-based insurance products. This presents conflicts of interest, because they can recommend that you purchase insurance commission-based products based upon the compensation they will receive, rather than your individual need. You are not under any obligation to purchase those products.

Conversation Starters:

How might your conflicts of interest affect me, and how will you address them?

For more detailed information about our conflicts of interest, please review Item 4, 10, 11, and 12 of our [Form ADV Part 2A](#).

How do your financial professionals make money?

Our financial professionals are generally compensated on a salary basis and are eligible to receive discretionary bonuses based on personal performance. In addition, some of our financial professionals are equity owners of the firm, who stand to receive a share of the firm's profits. These payment structures present conflicts of interest, as they could incentivize our financial professionals to recommend that you place additional assets under our management. We mitigate that conflict by adhering to our fiduciary duty when making investment recommendations, so that we only make recommendations in conformity with each client's investment objectives and savings strategy. You should discuss your financial professional's compensation directly with your financial professional.

Item 4 – Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. We encourage you to visit www.Investor.gov/CRS to research our firm and our financial professionals.

Conversation Starters:

As a financial professional, do you have any disciplinary history? If so, for what type of conduct?

Item 5 – Additional Information

Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov. You may contact our Chief Compliance Officer at 973-729-1234 to request a current copy of our [Form ADV Part 2A](#) or our relationship summary.

Conversation Starters:

Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?