



# StatlerFinancial

YOUR FINANCIAL SECURITY IS OUR BUSINESS

**Form ADV Part 2A – Disclosure Brochure**  
**Effective: March 24, 2023**

**Statler Financial Services, Inc.**  
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**Sebring, Florida 33870**  
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This Form ADV Part 2A Brochure (“Brochure”) provides information about the qualifications and business practices of Statler Financial Services, Inc. (“Statler Financial” or “the Firm” or “us” or “we”). If you should have any questions about the contents of this brochure, please contact us at 863-382-0037. 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. Statler Financial Services, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Statler Financial Services, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Statler Financial Services, Inc. is 140650.

## **ITEM 2: MATERIAL CHANGES**

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This version of Statler Financial's Brochure dated March 24, 2023, is our annual amendment brochure. It contains information regarding our qualifications, business practices, nature of the advisory services we provide, as well as a reasonable disclosure of any known and potential material conflicts of interest relating to our advisory business that could affect a client's account with us. You should rely on the information contained in this document or other information that we have referred you to. We have not authorized anyone to provide you with information that is different. We encourage all current and prospective clients to read the Brochure and discuss any questions you have with us. Should you have any questions or concerns regarding Statler Financial or the contents of this Brochure, please contact Phillip Statler, Chief Compliance Officer at (863) 382-0037. The purpose of this page is to inform you of any material changes since the previous annual filing of this Form ADV Part 2A Brochure.

### **MATERIAL CHANGES SINCE THE LAST UPDATE**

There are no material changes since our previous other than annual amendment Brochure filing dated August 22, 2022.

### **FULL BROCHURE**

We will provide an updated version of the Brochure as necessary when updates or new information are added, at any time, without charge. To request a complete copy of our Brochure, contact us at (863) 382-0037.

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## **ITEM 4: ADVISORY BUSINESS**

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### **A. FIRM DESCRIPTION**

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Statler Financial is an investment advisor registered with the States of Florida, Pennsylvania, New Jersey, and Tennessee. Phillip Wayne Statler (CRD Number 2555007) is President and Chief Compliance Officer of the Firm. Mr. Statler owns one hundred (100%) percent of the equity of the Firm. The Firm is not publicly owned or traded. There are no indirect owners of the Firm or intermediaries who have any ownership interest in the Firm.

### **B. TYPES OF ADVISORY SERVICES**

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Statler Financial dedicates itself to understanding the intricacies of each client. For all investment advisor and related services described below, we tailor our products in accordance with the client-specific needs from documented discussions, a financial plan, and/or risk assessment. Before providing investment advisory services, Statler Financial takes multiple factors into consideration, including, but not limited to, investment objectives, investment horizon, and risk tolerance.

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#### **ASSET MANAGEMENT SERVICES**

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The Firm offers discretionary and non-discretionary asset management services to individuals, high net worth individuals, and businesses, as well as foundations and charities, trusts, estates, and qualified retirement plans. For discretionary clients, we are authorized to perform various functions without further approval from the client, such as the determination of securities to be purchased or to be sold for the client's account without permission from the client prior to each transaction. For non-discretionary clients, we will obtain client approval prior to taking any action in the account, including, but not limited to, executing trades. Non-discretionary clients have the unrestricted right to decline to implement any advice provided by the Firm. We do not act as a custodian of client assets, and the client will always maintain control of their assets.

If a client elects to engage us for their asset management services, we require an executed Investment Management Agreement ("IMA") between the client and Statler Financial prior to us providing our services to the client. The IMA outlines the services and fees the client will incur pursuant to the IMA.

Upon signing the IMA, we will then gather pertinent information on the client about their financial and personal circumstances and objectives. We will also complete a risk assessment which will help us identify, quantify, and understand our client's unique risk tolerance. The information gathered in the risk assessment will be used to identify the appropriate investments and portfolio construction for the client. The client's strategy is tailored to their individual needs and may include some or all of the following: individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds, and other public or private securities or investments. Once the appropriate portfolio is selected, portfolios are continuously and regularly monitored and, if necessary, rebalanced based upon the client's needs, goals, and objectives.

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#### **FINANCIAL PLANNING & CONSULTING**

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The Firm provides a variety of standalone financial planning and consulting services, including, but not limited to, tax planning, insurance planning/consulting, retirement planning, and estate planning. If a client engages us for financial planning or consulting services, we require a written Financial Planning Agreement ("FPA") signed by the client prior to the engagement of services. The FPA outlines the services and fees the clients will incur pursuant to the FPA.

Upon signing the FPA, we will then gather pertinent information from the client about their financial and personal circumstances and objectives. Our financial planning services involve consultations and/or the preparation and delivery of a written plan, which analyze a client's financial situation and makes appropriate recommendations for strategies and methods of implementation of the strategies. Implementation of the recommendations will be at the client's discretion.

An inherent conflict exists between the interests of Statler Financial and the interests of the client. The client is under no obligation to act upon Statler Financial's recommendations. Should the client elect to act on any recommendation made by Statler Financial, the client is under no obligation to affect the transactions through the Firm.

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#### INDEPENDENT MONEY MANAGERS

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The Firm may select and monitor independent money managers on behalf of clients. Before selecting an independent money manager, the Firm will ensure the chosen party is properly licensed or registered. The Firm does not offer advice on any specific securities or other investments in connection with accounts managed by independent money managers. The Firm will provide initial due diligence of the independent money managers and ongoing reviews of their management of client accounts. The independent money manager will provide the client with their own Form ADV 2A and any other necessary disclosures regarding their fees.

#### C. TAILORED RELATIONSHIPS

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At Statler Financial, we offer the same suite of services to all our clients. The advisory services and recommendations offered by Statler Financial are based on the individual needs of our clients and the suitability of products and services. Specific client financial plans and their implementation are dependent upon the client's risk assessment which outlines each client's current situation (income, objectives, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

#### D. WRAP FEE PROGRAM

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The Firm does not sponsor or offer a wrap fee program.

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions, and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing, and custodial services in a "bundled" form. In exchange for these "bundled" services, the clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

#### E. ASSETS UNDER MANAGEMENT

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When calculating regulatory assets under management, an investment adviser must include the value of any advisory account over which it exercises continuous and regular advisory or management services. As of December 31, 2022, the Firm manages \$30,730,059 in assets under management.

## ITEM 5: FEES AND COMPENSATION

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### A. FEE SCHEDULE

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor.

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#### ASSET MANAGEMENT SERVICES

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Upon engagement, Statler Financial will charge clients an asset management fee for its discretionary and non-discretionary asset management services. The asset management fee is an annual fee that ranges from 0.50% to 2.00% of assets managed and is negotiable depending on the size and complexity of the client's account. The annualized fee is paid quarterly, at the start of each quarter based on the value of the account(s) as of the last day of the previous quarter.

Clients are advised that comparable services may be available through other advisers for lower or higher fees. However, fees of more than 3.0% are considered excessive.

You will provide written authorization to your custodian/brokerage Firm for them to automatically deduct our fees from your account and remit them to the Firm. If your account does not have a sufficient cash or money market balance to cover the fees or is restricted from automatic debiting of fees, you may deposit additional funds (subject to certain restrictions for IRA accounts and Qualified Retirement Plans) or make a payment in an alternative manner acceptable to the Firm. If you do not deposit additional funds or otherwise make the payment, securities in your account will be sold in an amount sufficient to cover the fees. Your account's custodian will reflect the amount of the deduction on your account's statement.

#### For Florida Clients

Because we automatically deduct our fees from our clients' accounts, we are required to abide by the safekeeping requirements in Fla. Admin. Code. R. 69W-600.0132(a)-(d) and provide the following additional safeguards:

1. **Written authorization.** We must have written authorization from our clients to deduct advisory services from their accounts held with a qualified custodian.
2. **Notice of fee deduction.** Each time a fee is deducted from a client account, the adviser must concurrently:
  - a. send the qualified custodian an invoice of the amount of the fee to be deducted from the client's account;
  - b. send the client an invoice itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management on which the fee is based, and the time period covered by the fee; and
  - c. provide notification in writing to the Florida Office of Financial Regulation on Form ADV that we intend to use the safeguards provided above.

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#### FINANCIAL PLANNING & CONSULTING

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Statler Financial's financial planning services are offered on an hourly or fixed flat fee basis. The estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of the client engagement. Fees are negotiable. The maximum hourly fee charged will not exceed \$400 and fixed flat fees range from \$450 - \$5,000. Fees are due upon rendering of plan or consultation.

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PLAN CONFIDENCE™ SERVICE FEE

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You will be charged a reoccurring monthly fee between \$25 to \$500, in advance, per account, based on the size of the account by Plan Confidence™. The Firm, at its sole discretion, may waive the fee for clients who engage the Firm for asset management services. For those clients who incurred said fee, it is collected through AdvicePay. (a third-party payment processor).

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INDEPENDENT MONEY MANAGERS

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Clients utilizing independent money managers will be charged an annual fee by the independent money manager. The independent money manager will pay the Firm a portion of the fees generated by the referred client. The specific terms of the engagement with the independent money manager will be outlined in their separate disclosure documents, which are provided to the client.

**B. PAYMENT OF FEES**

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The fees identified in this section shall be paid as follows:

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ASSET MANAGEMENT SERVICES

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Statler Financial asset management fee is paid quarterly, based on the value of the account(s) as of the last day of the previous quarter. The fees are deducted during the first month of the quarter.

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FINANCIAL PLANNING & CONSULTING

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We will bill the client for financial planning services based on the scope of services rendered upon consultation or rendering of a plan. Payment must be due upon receipt of the invoice. Financial planning fees will be paid via check or through AdvicePay.

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PLAN CONFIDENCE™ SERVICE FEE

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Client can pay the Plan Confidence™ Service fee via a credit or debit card through AdvicePay. You may stop incurring a fee for this service by canceling at any time for any reason. The Firm, at its sole discretion, may waive the fee for clients who engage the Firm for asset management services.

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INDEPENDENT MONEY MANAGERS

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Payment of fees charged by the independent money managers will be paid in accordance with the client's agreement with the independent money manager or pursuant to the independent money manager disclosure documents, which are provided to the client.

**C. OTHER FEES AND PAYMENTS**

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There may be additional fees or charges that result from the maintenance of, or trading within, a client's account. These are fees that are imposed by third parties in connection with investments made through a client's account, such as custodial and investment fees. In addition to our advisory fees, clients are responsible for paying fees associated with investing their accounts.

As part of our investment advisory services, we may invest, or recommend that you invest, in mutual funds

and exchange traded funds. The fees that you pay to our Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include an advisory fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. Where suitable, we will recommend no-load mutual funds. To fully understand the total cost you will incur, you should review all of the fees charged by mutual funds, exchange traded funds, our Firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section (Item 12) of this Disclosure Brochure.

#### D. PREPAYMENT OF FEES

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Statler Financial fees shall be prepaid as follows:

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#### ASSET MANAGEMENT SERVICES

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Asset Management fees are paid quarterly, in advance, at the start of each quarter based on the value of the account(s) as of the last day of the previous quarter. You can terminate our agreement(s) for services within five days of entering into the agreement(s) orally or in writing without penalty. After the five-day period, the Firm can terminate the Agreement for any reason, at any time, and without penalty, by providing thirty (30) days' prior written notice to the Client. The Client can terminate the Agreement for any reason, at any time, and without penalty, by providing five (5) days prior written notice. As applicable, upon notice of termination, the fee due from client to the Firm shall be prorated to the date of termination. Any prepaid, unearned fees will be processed during the next billing cycle and refunded to the client.

#### E. OTHER COMPENSATION

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Statler Financial Services, Inc. is a licensed insurance agency. Persons providing investment advice on behalf of the Firm, including Mr. Statler, are licensed insurance agents. The Firm and its licensed persons are eligible to earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance services are separate and in addition to the advisory services offered through the Firm; and commissions are separate and in addition to advisory fees charged by the Firm.

Receipt of commission-based compensation presents a conflict of interest because the Firm and persons providing investment advice on behalf of the Firm, who are licensed insurance agents, have an incentive to recommend insurance products to you for the purpose of generating commissions rather than recommendations made solely based on your needs. We address this conflict of interest by recommending insurance products only where suitable and in accordance with investment advice being provided to the client. Clients are under no obligation to act upon the recommendations of the Firm; and if the client elects to act upon any of the recommendations, the client is under no obligation to affect the insurance transactions through the Firm or through any entity or person associated with the Firm, including Mr. Statler.

### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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#### A. PERFORMANCE-BASED COMPENSATION

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**Statler Financial does not assess Performance Fees.**

Performance-Based Fees ("Performance Fees") are based on a share of the capital gains or capital



appreciation of the assets of a client. Our fees are calculated as described in Item 5 above.

## B. SIDE-BY-SIDE MANAGEMENT

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### **Statler Financial does not provide Side-by-Side Management.**

“Side-by-Side Management” refers to a situation in which the same adviser manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts for which fees are performance-based.

## **ITEM 7: TYPES OF CLIENTS**

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We provide our advisory services to individuals, high net worth individuals, and businesses, as well as foundations and charities, trusts, estates and qualified retirement plans, to assist them in meeting their financial objectives in what we believe to be a cost-effective way. Our Firm does not require minimum income levels, minimum level of assets or other conditions for its financial planning, investment consultation, or portfolio management services.

We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, pre-existing relationships, or as otherwise determined by our Firm principal. 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**

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### A. METHODS OF ANALYSIS & INVESTMENT STRATEGIES

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When engaged to provide our investment advice, we first gather and consider information regarding several factors, including (but not limited to) your current financial situation, current and long-term needs, investment goals and objectives, level of investment knowledge, social concerns or other reasonable restrictions, and tolerance for risk.

Fundamental analysis is used in order to analyze securities. Investment strategies are long term purchases, short term purchases, and margin transactions. Individuals who invest in securities must understand that there is a risk of loss that such individuals must be prepared to bear.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations as well as the client’s risk tolerance. The client may change these objectives at any time. Each client executes an investment policy statement that documents their objectives and their desired investment strategy and assigns a model portfolio. As part of our strategy, we utilize model portfolios available through Synergy Financial Management and Redwood Investment Management, portfolio modeling providers. Statler Financial Services supervises the accounts and manages in line with that model portfolio on a discretionary or non-discretionary basis.

### B. RISK OF LOSS

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Clients need to be aware that investing in securities involves risk of loss of the principal.

Every method of analysis has its own inherent risks. To perform an accurate market analysis, the Firm must have access to current/new market information. The Firm has no control over the dissemination rate of

market information; therefore, unbeknownst to the Firm, certain analyses may be compiled with outdated market information, severely limiting the value of the Firm's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Firm) will be profitable or equal to any specific performance level(s). The Firm does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Notwithstanding the Firm's method of analysis or investment strategy, the assets within the client's portfolio are subject to the risk of devaluation or loss. The client should be aware that many different events can affect the value of the client's assets or portfolio including, but not limited to, changes in the financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.
- **Prepayment Risk:** The returns on fixed-income securities (e.g., corporate bonds and mortgage-backed securities) may change dramatically if the principal on the underlying loans is repaid earlier than scheduled.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** This risk is associated with a particular industry or a particular company within an industry.

- **Liquidity Risk:** Liquidity is the ability to convert an investment into cash readily. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Risk Factors relevant to specific securities utilized include:

- **Equity Securities:** The value of the equity securities is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates, and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- **Exchange Traded Funds ("ETF"):** ETFs represent an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead, are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from, or a premium to, the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.
- **Mutual Fund Shares:** Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Fixed Income Securities Risk:** Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed-income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.
- **Real Estate Related Securities Risk:** Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition,

property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earthquakes, or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts (“REITs”) involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.

- **Alternative Investments Risks:** Alternative investments, including, but not limited to, investment partnerships, alternative mutual funds, non-traditional ETFs, managed futures, and/or real estate (related) investments may also present unique risks, such as decreased liquidity and transparency and increased complexity. Alternative investments typically use derivative instruments (such as options, futures, or index-based instruments) and/or leveraging strategies. The use of derivative instruments involves multiple risks, as discussed in more detail above. In addition, to the extent that the alternative investment uses commodities (or commodity-based derivatives) as part of its investment strategy, the investment return may also vary as a result of fluctuations in the supply and demand of the underlying commodities. Certain alternative investments may be less tax efficient than others. Additional risks may include style-specific risk, speculative investment risk, concentration risk, correlation risk, credit risk and lower-quality debt securities risk, equity securities risk, financial services companies’ risk, interest rate risk, non-diversification risk, small- and mid-cap company risk, and special risks of mutual funds and/or ETFs, among others.
- **Municipal Bond Risk:** Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure, and utility projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk, and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the Client’s assets or profits.

While this information provides a synopsis of the events that may affect a client’s investments, this listing is not exhaustive. Although the Firm’s methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients should understand that there are inherent risks associated with investing, and depending on the risk occurrence, clients may suffer *LOSS OF ALL OR PART OF THE CLIENT’S PRINCIPAL INVESTMENT*.

### C. RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES

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Statler Financial does not primarily recommend a particular type of security as our recommendations are unique to each client based on their needs, goals, and risk capacity. However, investments may include, but are not limited to, individual stocks, bonds, exchange traded funds (“ETFs”), options, mutual funds, and other public or private securities.

## **ITEM 9: DISCIPLINARY INFORMATION**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or potential client's evaluation of the Firm or the integrity of the Firm's management.

### **A. CRIMINAL AND CIVIL ACTIONS**

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Statler Financial Services and Phillip Statler have not been subject to any criminal or civil actions.

### **B. ADMINISTRATIVE PROCEEDINGS**

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On October 19, 2018, Statler Financial Services, Inc. and Mr. Statler, without admitting or denying any fault, liability, or findings made by the State of Florida, agreed to a settlement with the Office of Financial Regulation in lieu of entering into lengthy proceedings. The Firm and Mr. Statler agreed to pay an administrative fine of \$7,500 and to cease and desist from violations of Chapter 517 of the Florida Statutes and any rules promulgated thereunder.

### **C. SELF-REGULATORY ORGANIZATION**

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Statler Financial Services and Phillip Statler have not been subject to any self-regulatory action proceedings.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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In the interest of promoting fair, equitable, and ethical principles as a registered investment advisor, we are required to disclose when Statler Financial, our representatives, or any of our employees may have any material conflicts of interests which may impair the rendering of unbiased and objective advice. Any known and potential material conflicts of interest that may impair the client advisory relationship are reasonably disclosed in this Brochure. Should you have any additional questions or concerns, please contact Phillip Statler, Chief Compliance Officer, by phone at (863)382-0037.

### **A. FINANCIAL INDUSTRY ACTIVITIES**

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Statler Financial is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of Statler Financial's management or supervised persons are registered representatives of, nor have applications pending to register as representatives of, a broker-dealer.

### **B. FINANCIAL INDUSTRY AFFILIATIONS**

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Statler Financial is not a registered Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, Statler Financial's management and supervised persons are not registered as and do not have an application pending to register as an associated person of the foregoing entities.

### **C. OTHER MATERIAL RELATIONSHIPS**

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Statler Financial Services does not have any material arrangements with other investment advisers that are material to its advisory clients.

However, Statler Financial Services, Inc. is a licensed insurance agency. Persons providing investment advice on behalf of the Firm, including Mr. Statler, are licensed insurance agents. The Firm and its licensed persons are eligible to earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance sales are separate and in addition to the advisory services offered through the Firm; commissions are also separate and in addition to advisory fees charged by the Firm. Receipt of commission-based compensation presents a conflict of interest because the Firm and persons providing investment advice on behalf of the Firm who are licensed insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions, rather than recommendations made solely based on your needs. We address this conflict of interest by recommending insurance products only where suitable and in accordance with investment advice being provided to the client. Clients are under no obligation to act upon the recommendations of the Firm; if the client elects to act upon any of the recommendations, the client is under no obligation to affect the insurance transactions through the Firm or through any entity or person associated with the Firm, including Mr. Statler.

Additionally, Mr. Statler is president and equity owner of SFS Tax Service Inc., through which Mr. Statler offers tax services. Some of his tax clients may become clients of Statler Financial, and vice-versa. The services offered through and the fees paid to SFS Tax Service Inc. are separate and in addition to the advisory services offered through and the advisory fees paid to Statler Financial. Clients are not obligated to use the tax services offered through SFS Tax Service Inc. or Mr. Statler.

#### D. OTHER INVESTMENTS ADVISORS

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Statler Financial does not have any material arrangements with other investment advisors that are material to its advisory clients.

### **ITEM 11: CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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#### A. DESCRIPTION OF CODE OF ETHICS

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All employees of Statler Financial must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, including SEC Rule 204A-1, Statler Financial has adopted a Code of Ethics in its Employee Policies and Procedures Manual to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by our personnel. Statler Financial's Code of Ethics in its Employee Policies and Procedures Manual, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Statler Financial's Code of Ethics includes the following requirements to make sure that we meet our fiduciary responsibilities:

1. We will put your interests before our own interests.
2. You have the unrestricted right to specify your investment objectives, guidelines, and/or conditions on the overall management of your account.
3. We will not make investment decisions for our personal portfolio(s) if the decision is based on information that is not also available to the investing public.
4. We will not participate in private placements or initial public offerings (IPO's) that may affect your

investments without disclosure to you.

5. We will comply with all applicable federal and state regulations governing registered investment advisers.

## **B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

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Statler Financial does not recommend or affect transactions in securities in which any related person may have material financial interest.

## **C. PROPRIETARY / SIMULTANEOUS TRADING**

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On occasion, Phillip Statler may buy or sell securities that he recommends to clients. There is no conflict of interest as the securities are widely held and publicly traded and he is too small an investor/advisor to affect the market. Moreover, he places client interests before his own interests. It is further disclosed that Statler Financial is in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Statler Financial Services does not recommend or effect transactions in securities in which any related person may have a material financial interest.

## **ITEM 12: BROKERAGE PRACTICES**

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### **A. SELECTION AND RECOMMENDATION**

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Clients wishing to implement the Firm's advice are free to select any broker they wish and are so informed. Those seeking the recommendation of a broker from the Firm will receive a recommendation based on the broker's costs, skills, reputation, dependability, and compatibility with the client. Currently, we recommend TD Ameritrade, member of FINRA and SIPC, to our clients.

NOTE: Clients may be able to obtain lower commissions and fees from other brokers and the value of products, research, and services given to the Firm is not a factor in determining the selection of broker-dealers or the reasonableness of their commissions.

### **B. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

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As part of our fiduciary duties to you, we always endeavor to put your interests first. You should be aware that the receipt of economic benefits by our Firm is considered to create a conflict of interest. In recommending a broker-dealer, we will consider the value of research and additional brokerage products and services that broker-dealer has provided or will provide to our clients and our Firm. Receipt of these additional brokerage products and services are considered to have been paid for with "soft dollars." Because such services could be considered to provide a benefit to our Firm, we have a conflict of interest.

We could receive benefits by selecting a particular broker-dealer to execute your transactions, and the transaction compensation charged by that broker-dealer might not be the lowest compensation we might otherwise be able to negotiate. Products and services that we may receive from broker-dealers may consist of research data and analyses, financial publications, recommendations or other information about particular companies and industries (through research reports and otherwise), and other products or services (e.g., software and data bases) that provide lawful and appropriate assistance to our Firm in the performance of our investment related decision-making responsibilities. Consistent with applicable rules, brokerage products and services consist primarily of computer services and software that permit our Firm to effect securities transactions and perform functions incidental to transaction execution. We use such products and services in our general investment decision making, not just for those accounts for which commissions may

be considered to have been used to pay for the products or services.

The test for determining whether a service, product, or benefit obtained from or at the expense of a broker constitutes “research” under this definition is whether the service, product, or benefit assists our Firm in investment decision-making for discretionary client accounts. Services, products, or benefits that do not assist in investment decision-making for discretionary client accounts do not qualify as “research.” Also, services, products, or benefits that are used in part for investment decision-making for discretionary client accounts and in part for other purposes (such as accounting, corporate administration, recordkeeping, performance attribution analysis, client reporting, or investment decision-making for the Firm’s own investment accounts) constitute “research” only to the extent that they are used in investment decision-making for discretionary client accounts.

Currently, we receive soft dollar benefits from TD Ameritrade. Through TD Ameritrade, the Firm has access to iRebal, which is a portfolio rebalancing program. The Firm also receives a discounted rate for financial planning software, such as MoneyGuidePro. We utilize these applications in our business to provide better services to clients.

#### C. BROKERAGE FOR CLIENT REFERRALS

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Before placing orders with a particular broker-dealer, we determine that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that broker-dealer. In some cases, the commissions charged by a particular broker for a particular transaction, or set of transactions, may be greater than the amounts charged by another broker-dealer that did not provide research services or products. We do not exclude a broker-dealer from receiving business simply because the broker-dealer does not provide our Firm with soft dollar research products and services. However, we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services. The products and services we receive from broker-dealers will generally be used in servicing all of our clients’ accounts.

#### D. DIRECTED BROKERAGE

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Statler Financial does not routinely recommend, request, or require a client direct Statler Financial to execute transactions through a specified broker-dealer.

#### E. ORDER AGGREGATION

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Statler Financial may, at times, aggregate sale and purchase orders of securities (“block trading”) for advisory accounts with similar orders to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively from better purchase or sale execution prices, lower commission expenses, or beneficial timing of transactions or a combination of these and other factors. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. Statler Financial may aggregate or “bunch” transactions for a client’s account with those of other clients to obtain the best execution under the circumstances.

#### F. TRADE ERROR POLICY

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Statler Financial maintains a record of any trading errors that occur in connection with investment activities of its clients. In accordance with SEC recommendations, Statler Financial will bear any losses due to trading



errors, and the client account will benefit from any gains due to trading errors.

## **ITEM 13: REVIEW OF ACCOUNTS**

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### **A. PERIODIC REVIEWS**

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Mr. Statler reviews accounts as an ongoing practice. The frequency and level of review are determined by the complexity of your portfolio, changes in economic or market conditions, tax laws, and/or your individual situation, but are typically done no less than annually. Copies of revised investment guidelines or asset allocation reports will be provided to the Client upon request in printed or digital format.

Re-balancing occurs when your portfolio needs adjusting to bring the investments in line with your stated goals and risk tolerances. Statler Financial uses financial software to assist in the rebalancing process to improve the tax efficiency and reduce transaction costs when possible.

### **B. INTERMITTENT REVIEW FACTORS**

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Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify the Firm promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

### **C. REPORTS**

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Brokerage Firms and custodians send account statements to you at least quarterly, but usually monthly. These account statements show money balances, investment values, and transactions. We urge you to compare the account statements you receive with reports and invoices that you receive from us. Please let us know if there are any discrepancies.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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### **A. ECONOMIC BENEFITS FROM OTHERS**

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Some of the professionals that we recommend will refer their clients to us. As a result, this creates an incentive on our part to refer clients to only those professionals that send us referrals, rather than to someone who may provide better services at lower cost. To address this conflict, we want you to understand:

1. Statler Financial does not accept any economic benefit from referring clients to another professional without first notifying you of such possibilities. We act completely in a fiduciary capacity – putting your interests first.
2. You are under no obligation to use any professional we recommend preparing planning documents (i.e., estate, insurance, tax, etc.). You are free to choose anyone to implement the recommendations made in your financial plan.
3. Certain professionals (insurance agents and brokerage Firm representatives) may receive the commissions from purchases that you may make through their employer.

We may suggest the need for you to consult with an attorney, CPA, insurance agent, or other professional. We do not share in any fees you pay to these professionals.

As disclosed under Item 12 above, Statler Financial participates in TD Ameritrade's institutional customer program, and we may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between the Firm's participation in the program and the investment advice it gives to its clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Statler Financial by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Statler Financial but may not benefit its client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Firm manage and further develop its business enterprise. The benefits received by Statler Financial or its personnel through participation in the program does not depend on the number of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

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#### B. COMPENSATION TO UNAFFILIATED THIRD PARTIES

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We may provide referrals to various other professionals, such as an attorney or accountant, as a service to our clients. We do not have an agreement with or receive referral fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are separate from fees charged by Statler Financial.

We do not receive any economic benefit, directly or indirectly, from any third-party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

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### **ITEM 15: CUSTODY**

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#### A. CUSTODIAN OF ASSETS

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We do not accept custody of client funds; however, we are deemed to have custody because we automatically withdraw our fees from our Clients' accounts.

Custody means holding, directly or indirectly, Client funds or securities, or having any authority to obtain possession of them. When we manage your investments, the custodian of your account(s) will directly debit your account(s) for the payment of our advisory fees. You will not give us the authority to withdraw securities or funds (other than advisory fees) from your account. SEC regulations include the ability to deduct advisory fees from your account(s) in their definition of "custody." For this reason, our Firm is considered to exercise custody over your funds. However, your funds and securities will be held with a

bank, brokerage firm, or other independent qualified custodian at all times. We do not accept physical custody of any of your funds and/or securities. The only checks that we are permitted to accept are those payable for our fees.

## B. ACCOUNT STATEMENTS

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We do not produce account statements, though we may provide separate invoices in accordance with relevant state statutes and regulations. You will receive account statements from the custodian holding your funds and securities at least quarterly. These account statements will indicate the amount of our advisory fees deducted from your account(s) each billing period. We urge you to review these account statements for accuracy. Please let us know if there are any discrepancies.

As previously stated, we recommend that clients open accounts with TD Ameritrade, a member of FINRA and SIPC. Clients should receive at least quarterly statements from their broker dealer, bank, or other qualified custodian that holds and maintains that client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or invoices that we may provide to you. Our statements or invoices may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For a client account in which the Firm directly debits its advisory fee:

- The Firm will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- The client will provide written authorization to the Firm, permitting them to be paid directly for their accounts held by the custodian.

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### For Florida Clients

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Because we automatically deduct our fees from our clients' accounts, we are required to abide by the safekeeping requirements in 69W-600.0132(a)-(d) and provide the following additional safeguards:

1. **Written authorization:** We must have written authorization from our clients to deduct advisory services from their accounts held with a qualified custodian.
2. **Notice of fee deduction:** Each time a fee is deducted from a client account, the adviser must concurrently:
  - a. send the qualified custodian an invoice of the amount of the fee to be deducted from the client's account;
  - b. send the client an invoice itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management on which the fee is based, and the period covered by the fee; and
  - c. provide notification in writing to the OFR on Form ADV that we intend to use the safeguards provided above.

## ITEM 16: INVESTMENT DISCRETION

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The Firm manages client accounts on both a discretionary and non-discretionary basis. For accounts in which it has discretion, the Firm limits its discretionary authority by prohibiting itself and Phillip Statler

from withdrawing funds and/or securities from client accounts. In addition, discretionary transactions are limited to general securities, mutual funds, and government securities.

If you enter into a non-discretionary management agreement with our Firm, we must obtain your approval prior to executing any transactions on behalf of your account. If you enter into a planning or consulting agreement with our Firm, we will provide general investment recommendations to the client who is then responsible for the execution of all transactions. In any case, you have an unrestricted right to decline to implement any advice provided by our Firm on a non-discretionary basis.

## **ITEM 17: VOTING CLIENT SECURITIES**

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The Firm does not vote proxy statements on behalf of advisory clients.

## **ITEM 18: FINANCIAL INFORMATION**

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### **A. BALANCE SHEET REQUIREMENT**

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Statler Financial is not the qualified custodian of Client funds or securities and does not require prepayment of fees of more than \$500 per Client, six (6) months or more in advance.

### **B. FINANCIAL CONDITION**

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Statler Financial does not have any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

### **C. BANKRUPTCY PETITION**

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Statler Financial has not been the subject of a bankruptcy petition at any time during the last 10 years.

## **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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### **A. BACKGROUNDS OF PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSONS**

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The education and business background for Statler Financial's Principal Executive Officer and Founder, Phillip Statler, can be found in his Brochure Supplement.

### **B. OTHER ACTIVELY ENGAGED BUSINESSES BY FIRM OR ITS PERSONNEL**

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Please see Item 10 of this Brochure for information regarding the Firm's other business activities. Other business activities for each relevant individual can be found on the Brochure Supplement for each such individual.

### **C. CALCULATION OF PERFORMANCE-BASED FEES AND DEGREE OF RISK TO CLIENTS**

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Statler Financial does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### D. MATERIAL DISCIPLINARY DISCLOSURES OF MANAGEMENT PERSONS

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On October 19, 2018, Statler Financial Services, Inc. and Mr. Statler, without admitting or denying any fault, liability, or findings made by the State of Florida, agreed to a settlement with the Office of Financial Regulation in lieu of entering into lengthy proceedings. The Firm and Mr. Statler agreed to pay an administrative fine of \$7,500 and to cease and desist from violations of Chapter 517 of the Florida Statutes and any rules promulgated thereunder.

#### E. MATERIAL RELATIONSHIPS THAT MANAGEMENT PERSONS HAVE WITH ISSUERS OF SECURITIES

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There are no additional relationships or arrangements to report under this section.

## **Privacy Policy and Procedures for Protecting Client Information**

### **STATEMENT OF POLICY**

The Adviser is committed to protecting the confidentiality and security of consumer, customer and former customer information that it collects and will disclose such information only in accordance with Regulation S-P, any other applicable law, rules and regulations and this Privacy Policy.

#### **I. Background**

Regulation S-P limits the circumstances under which an adviser may disclose nonpublic personal information about a client to other persons and requires an adviser to disclose to all of its clients the adviser's privacy policies. The Adviser has implemented the following Privacy Policy ("Privacy Policy") and Program for Protecting Client Information (the "Program") to comply with Regulation S-P.

#### **II. Summary of Regulation S-P**

Regulation S-P has four key features:

An adviser must provide notice to its clients about its privacy policies;

- An adviser may only disclose nonpublic personal information about clients to a nonaffiliated third party if it provides an initial privacy notice and a notice giving the client the opportunity to "opt-out" from the adviser's disclosure of the information;
- A client may request that his or her nonpublic personal information not be disclosed to nonaffiliated third parties (although certain information required for processing transactions is still permitted to be disclosed); and
- An adviser must adopt a program reasonably designed to (i) ensure the security and confidentiality of client records and information; (ii) protect against any anticipated threats or hazards to the security or integrity of client records and information; and (iii) protect against unauthorized access to or use of client records or information that could result in substantial harm or inconvenience to any client.

#### **III. Privacy Policy**

##### **Scope**

The Adviser has adopted this Privacy Policy, which applies to the Adviser. The Adviser conducts its business affairs primarily through its employees, to whom this Privacy Policy applies. To the extent that service providers are utilized in servicing accounts, confidentiality agreements that comply with Regulation S-P will be put into place.

##### **Service Providers**

The Adviser will obtain a representation from each service provider that the service provider will not disclose client and former client information of the Adviser other than to carry out the purposes for which the client and former client information was provided to the service provider. The Adviser will seek to obtain this representation from all third-party service providers in the contract for services.

##### **Privacy Notices**

Under Regulation S-P, the Adviser must provide an initial privacy notice to its customers at the time the advisory relationship is established and annually thereafter and provide an initial privacy notice to its "consumers" before it discloses nonpublic personal information.

Consumers. A "consumer" is an individual who obtains from an adviser, financial products that are to be used primarily for personal, family or household purposes, such as one-time investment advice. The Adviser must provide an initial privacy notice to its consumers before the Adviser discloses the consumers' nonpublic personal information to a nonaffiliated third party (other than as necessary to process consumer transactions). The Adviser is not required to send a privacy notice to consumers if the Adviser discloses

nonpublic information about its consumers to third parties only pursuant to certain exceptions. The Adviser may satisfy the initial notice requirement by sending a “short form” notice that explains how the consumer may obtain the adviser’s privacy notice.

Customers. A “customer” is a consumer who uses the product or service of the Adviser on an on-going basis (such as receiving continuous investment advice). The Adviser must provide an initial privacy notice when the Adviser establishes the customer relationship (such as when an investor enters into an advisory contract) and annually thereafter.

### **Content of Customer Privacy Notices**

The initial and annual privacy notices must contain the following information:

- categories of nonpublic personal information collected by the Adviser;
- categories of nonpublic personal information disclosed by the Adviser;
- categories of affiliates and nonaffiliates to whom the Adviser discloses the nonpublic personal information;
- categories of nonpublic personal information about former customers disclosed by the Adviser and the categories of affiliates and nonaffiliates to whom it is disclosed;
- if nonpublic personal information is disclosed to third parties, an explanation of the right to “opt-out” of such disclosure; and
- a general description of the Adviser’s policies and practices with respect to protecting the confidentiality and security of nonpublic personal information.

The initial privacy notice will be delivered with Part 2 of the Adviser’s Form ADV, the investment advisory agreement for separate accounts or subscription agreement for private investment vehicle investors that is given to customers at the start of the advisory or investment relationship. The annual notice will be electronically delivered to each customer, generally accompanying the annual Part 2 delivery requirements. The Chief Compliance Officer or the delegee will review and update the privacy notice at least annually.

### **Opt-Out Notice**

If the Adviser plans to disclose nonpublic personal information (other than pursuant to certain exceptions), the Adviser will provide consumers and customers a reasonable means to “opt-out” of the disclosure of that information, in compliance with Regulation S-P. Once a consumer elects to opt-out, the Adviser must honor the election as soon as reasonably practicable. The opt-out election remains in effect until the consumer revokes it.

### **Document Destruction Policy**

The Adviser is required to take reasonable measures to guard against access to information derived from credit reports or other customer information when disposing of it, such as shredding such information, entering into a contract with a company that is in the business of disposing of consumer information in a manner consistent with Regulation S-P, destroying or erasing electronic documents that contain consumer information, and monitoring employee compliance with disposal and destruction procedures.

## **IV. Administration of Privacy Policy**

### **Designation of Responsibility**

The Chief Compliance Officer or the delegee shall be responsible for implementing this Privacy Policy and all questions regarding this Policy should be directed to the Chief Compliance Officer or the delegee.

### **Amendment of the Privacy Policy**

The Privacy Policy may be amended only by action of the Chief Compliance Officer or the delegee.

### **Non-Compliance**

An employee will report to the Chief Compliance Officer or the delegee any material breach of this Privacy Policy of which the employee has become aware. Upon being informed of any such breach, the Chief Compliance Officer or the delegee is authorized to take any such action he or she deems necessary or appropriate to enforce this Privacy Policy and otherwise comply with Regulation S-P.

#### **V. Program for Protecting Customer Information**

The Chief Compliance Officer or the delegee are responsible for implementing and maintaining the Program.

##### **Identifying Internal and External Risks**

The Program is designed to identify foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such customer information. An assessment and evaluation will be made of the likelihood, and potential damage of these threats, the sufficiency of any safeguards in place to control such risks and, where appropriate, the Program will be revised to address such risks (the “Risk Assessment”). At a minimum, the Risk Assessment will include a consideration of the risks in each of the Adviser’s areas of operation, including:

- Employee training and management, including instructing and periodically reminding employees of the Adviser’s legal requirement and policy to keep customer information secure and confidential;
- Information systems, including network and software design, as well as information processing, storage, transmission, retrieval and disposal; and
- Detecting, preventing and responding to attacks, intrusions, or other system failures.

##### **Design and Implementation of Safeguards**

Information safeguards will be designed and implemented to control the risks identified through the Risk Assessment, and the effectiveness of the safeguards’ key controls, systems and procedures will be regularly tested or otherwise monitored.

##### **Overseeing Service Providers**

Reasonable steps will be taken to determine that the service providers<sup>1</sup> who have been selected and retained by the Adviser, at a minimum, maintain sufficient customer information safeguard procedures to detect and respond to security breaches. Moreover, reasonable procedures will be implemented to discover and respond to widely-known security failures by service providers. Finally, all contracts with service providers must contain assurances that such service providers have implemented and will maintain such safeguards.

##### **Evaluation and Maintenance of the Program**

The Program will be periodically adjusted, as necessary or appropriate, based on: (i) results of testing and monitoring pursuant to the Program; (ii) any material changes to the business and operation of the Adviser; and (iii) any other circumstances that may have a material impact on the Adviser’s information security system.





# StatlerFinancial

YOUR FINANCIAL SECURITY IS OUR BUSINESS

**Statler Financial Services, Inc.**

**147 S. Ridgewood Drive,**

**Sebring, Florida 33870**

**(863) 382-0037**

**[www.statlerfinancial.com](http://www.statlerfinancial.com)**

***Phillip W. Statler***

Wealth Management Advisor and Chief Compliance Officer

Individual CRD No. 2555007

**Form ADV Part 2B – Brochure Supplement**

Effective: March 24, 2023

This Form ADV Part 2B (“Brochure Supplement”) provides information about the background and qualifications of Phillip W. Statler as a supplement to the information contained in Statler Financial Services, Inc.’s Form ADV Part 2A Disclosure Brochure. You should have received a copy of that Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of Statler Financial Services, Inc.’s Disclosure Brochure or this Brochure Supplement, please contact Statler Financial Services at (863) 382-0037.

Additional information about Mr. Statler is also available on the SEC’s Investment Adviser Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The site is searchable by a unique number known as the CRD number. Mr. Statler’s CRD Number is 2555007.

## **Item 2: Educational Background and Business Experience**

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### EDUCATIONAL BACKGROUND

Phillip W. Statler, born in 1962, is dedicated to advising clients of Statler Financial Services, Inc. as its President and Founder. Mr. Statler earned his Bachelor of Science degree in finance & accounting from Florida State University in 1984.

### BUSINESS BACKGROUND

06/2007 – Present	President	SFS Tax Service, Inc.
05/2006 – Present	Wealth Management Advisor & Chief Compliance Officer	Statler Financial Services, Inc. <i>(Registered Investment Adviser)</i>
06/1998 – Present	Insurance Agent	Statler Financial Services, Inc. <i>(Insurance Agency)</i>

### PROFESSIONAL DESIGNATIONS

#### ***Enrolled Agent (“EA”)***

Mr. Statler earned the Enrolled Agent status in 1992. An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service (“IRS”) by: (1) successfully passing a suitability check and background screening; and (2) either passing a three-part IRS Special Enrollment Examination (SEE) or completion of five (5) years of employment by the IRS in a position which regularly interpreted and applied the tax code and its regulations. EA is the highest designation awarded by the IRS. Individuals who obtain this designation must adhere to ethical standards and complete 72 hours of continuing education courses every three (3) years.

EAs, like attorneys and certified public accountants, have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before.

## **Item 3: Disciplinary Information**

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On October 19, 2018, Statler Financial Services, Inc. and Phillip Statler, without admitting or denying any fault, liability, or findings made by the State of Florida, agreed to a settlement with the Office of Financial Regulation (“OFR”). In lieu of entering into lengthy proceedings, a settlement was agreed upon wherein Statler Financial and Phillip Statler accepted and consented to findings that they had failed to amend Form ADV, amend outdated information on Form U4, include discretionary language in its investment management agreement, conduct an annual compliance review, and prepare client suitability information. The Firm and Mr. Statler agreed to pay an administrative fine of \$7,500 and to cease and desist from violations of Chapter 517 of the Florida Statutes and any rules promulgated thereunder.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil, or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement, or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. We encourage you to independently view the background of Mr. Statler on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Item 4: Other Business Activity**

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Mr. Statler is a licensed insurance agent may recommend and engage in the sale of insurance products offered by various insurance carriers for which he will receive additional compensation. These services are offered under Statler Financial Services, Inc. Please be advised that there is a conflict of interest in that there is an economic incentive for Mr. Statler to recommend insurance products services to clients. Any commissions received through the sales of insurance policies do not offset advisory fees the client may pay for advisory services provided by Statler Financial Services. Mr. Statler strives to put his clients' interests first and foremost, and clients are not obligated to purchase insurance products or tax preparation services through him and may seek similar services elsewhere.

Mr. Statler is a tax preparer and may recommend and engage in the offering of tax preparation services for which he will receive additional compensation. These services are offered under SFS Tax Service, Inc., where Mr. Statler serves as the President and tax preparer. Please be advised that there is a conflict of interest in that there is an economic incentive for Mr. Statler to recommend tax preparation services to clients. Any fees received for tax preparation services do not offset advisory fees the client may pay for advisory services provided by Statler Financial Services. Mr. Statler strives to put his clients' interests first and foremost, and clients are not obligated to purchase tax preparation services through him and may seek similar services elsewhere.

#### **Item 5: Additional Compensation**

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Mr. Statler does not receive any economic benefit from any person, company, or organization in exchange for providing clients advisory services through Statler Financial. However, Mr. Statler does receive compensation from insurance product sales and tax preparation services as referenced above.

#### **Item 6: Supervision**

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Supervision of Mr. Statler is performed by himself in his capacity as Chief Compliance Officer of Statler Financial Services. Statler Financial Services has implemented a policies and procedures manual and Code of Ethics which guides the Firm and its supervised persons in meeting their fiduciary obligations to its clients when providing investment advisory services. As Statler Financial Services' Chief Compliance Officer, Mr. Statler is responsible for the implementation of the Firm's policies and procedures and Code of Ethics. Mr. Statler may be contacted at 863-382-0037 for more information about this Brochure Supplement.

Additionally, Statler Financial Services is subject to regulatory oversight by various agencies. These agencies require registration by Statler Financial Services and its supervised persons. As a registered entity, Statler Financial Services is subject to examinations by regulators, which can be announced or unannounced. Statler Financial Services is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Firm.

#### **Item 7: Requirements for State-Registered Advisors**

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Mr. Statler has not been found liable in an arbitration, civil, or self-regulatory proceeding. However, please see Item 3 for disclosable events. Additionally, Mr. Statler declared bankruptcy in 1986, which has since been settled.

Last Revision: August 1, 2018

**PRIVACY POLICY AND PROCEDURES AND  
PROGRAM FOR PROTECTING CLIENT INFORMATION**

Adopted August 1, 2018

**Statement of Policy**

The Adviser is committed to protecting the confidentiality and security of consumer, customer and former customer information that it collects and will disclose such information only in accordance with Regulation S-P, any other applicable law, rules and regulations and this Privacy Policy.

**I. Background**

Regulation S-P limits the circumstances under which an adviser may disclose nonpublic personal information about a client to other persons and requires an adviser to disclose to all of its clients the adviser's privacy policies. The Adviser has implemented the following Privacy Policy ("Privacy Policy") and Program for Protecting Client Information (the "Program") to comply with Regulation S-P.

**II. Summary of Regulation S-P**

Regulation S-P has four key features:

An adviser must provide notice to its clients about its privacy policies;

An adviser may only disclose nonpublic personal information about clients to a nonaffiliated third party if it provides an initial privacy notice and a notice giving the client the opportunity to "opt-out" from the adviser's disclosure of the information;

A client may request that his or her nonpublic personal information not be disclosed to nonaffiliated third parties (although certain information required for processing transactions is still permitted to be disclosed); and

An adviser must adopt a program reasonably designed to (i) ensure the security and confidentiality of client records and information; (ii) protect against any anticipated threats or hazards to the security or integrity of client records and information; and (iii) protect against unauthorized access to or use of client records or information that could result in substantial harm or inconvenience to any client.

**III. Privacy Policy**

**Scope**

The Adviser has adopted this Privacy Policy, which applies to the Adviser. The Adviser conducts its business affairs primarily through its employees, to whom this Privacy Policy applies. To the extent that service providers are utilized in servicing accounts, confidentiality agreements that comply with Regulation S-P will be put into place.

**Service Providers**

The Adviser will obtain a representation from each service provider that the service provider will not disclose client and former client information of the Adviser other than to carry out the purposes for which

the client and former client information was provided to the service provider. The Adviser will seek to obtain this representation from all third-party service providers in the contract for services. To the extent the Adviser has not previously obtained this representation from the service provider in the contract for services, the Adviser will seek to obtain such representation in substantially the form as set forth in **Attachment A**.

### **Privacy Notices**

Under Regulation S-P, the Adviser must provide an initial privacy notice to its customers at the time the advisory relationship is established and annually thereafter and provide an initial privacy notice to its “consumers” before it discloses nonpublic personal information.

Consumers. A “consumer” is an individual who obtains from an adviser financial products that are to be used primarily for personal, family or household purposes, such as one-time investment advice. The Adviser must provide an initial privacy notice to its consumers before the Adviser discloses the consumers’ nonpublic personal information to a nonaffiliated third party (other than as necessary to process consumer transactions). The Adviser is not required to send a privacy notice to consumers if the Adviser discloses nonpublic information about its consumers to third parties only pursuant to certain exceptions. The Adviser may satisfy the initial notice requirement by sending a “short form” notice that explains how the consumer may obtain the adviser’s privacy notice.

Customers. A “customer” is a consumer who uses the product or service of the Adviser on an on-going basis (such as receiving continuous investment advice).<sup>0</sup> The Adviser must provide an initial privacy notice when the Adviser establishes the customer relationship (such as when an investor enters into an advisory contract) and annually thereafter.

### **Content of Customer Privacy Notices**

The initial and annual privacy notices must contain the following information:

categories of nonpublic personal information collected by the Adviser;

categories of nonpublic personal information disclosed by the Adviser;

categories of affiliates and nonaffiliates to whom the Adviser discloses the nonpublic personal information;

categories of nonpublic personal information about former customers disclosed by the Adviser and the categories of affiliates and nonaffiliates to whom it is disclosed;

if nonpublic personal information is disclosed to third parties, an explanation of the right to “opt-out” of such disclosure; and

a general description of the Adviser’s policies and practices with respect to protecting the confidentiality and security of nonpublic personal information.

The initial privacy notice will be delivered with Part 2 of the Adviser’s Form ADV, the investment advisory agreement for separate accounts or subscription agreement for private investment vehicle investors that is given to customers at the start of the advisory or investment relationship. The annual notice will be electronically delivered to each customer, generally accompanying the annual Part 2 delivery requirements. The Compliance Officer or the delegatee will review and update the privacy notice at least annually.

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<sup>0</sup> All “customers” are also “consumers,” but not all consumers are customers.

## **Opt-Out Notice**

If the Adviser plans to disclose nonpublic personal information (other than pursuant to certain exceptions), the Adviser will provide consumers and customers a reasonable means to “opt-out” of the disclosure of that information, in compliance with Regulation S-P. Once a consumer elects to opt-out, the Adviser must honor the election as soon as reasonably practicable. The opt-out election remains in effect until the consumer revokes it.

## **Document Destruction Policy**

The Adviser is required to take reasonable measures to guard against access to information derived from credit reports or other customer information when disposing of it, such as shredding such information, entering into a contract with a company that is in the business of disposing of consumer information in a manner consistent with Regulation S-P, destroying or erasing electronic documents that contain consumer information, and monitoring employee compliance with disposal and destruction procedures.

## **V. Administration of Privacy Policy**

### **Designation of Responsibility**

The Compliance Officer or the delegee shall be responsible for implementing this Privacy Policy and all questions regarding this Policy should be directed to the Compliance Officer or the delegee.

### **Amendment of the Privacy Policy**

The Privacy Policy may be amended only by action of the Compliance Officer or the delegee.

### **Non-Compliance**

An employee will report to the Compliance Officer or the delegee any material breach of this Privacy Policy of which the employee has become aware. Upon being informed of any such breach, the Compliance Officer or the delegee is authorized to take any such action he or she deems necessary or appropriate to enforce this Privacy Policy and otherwise comply with Regulation S-P.

## **VI. Program for Protecting Customer Information**

The Compliance Officer or the delegee are responsible for implementing and maintaining the Program.

### **Identifying Internal and External Risks**

The Program is designed to identify foreseeable internal and external risks to the security, confidentiality, and integrity of customer information<sup>0</sup> that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such customer information. An assessment and evaluation will be made of the likelihood, and potential damage of these threats, the sufficiency of any safeguards in place to control such risks and, where appropriate, the Program will be revised to address such risks (the “Risk Assessment”). At a minimum, the Risk Assessment will include a consideration of the risks in each of the Adviser's areas of operation, including:

- Employee training and management, including instructing and periodically reminding employees of the Adviser's legal requirement and policy to keep customer information secure and confidential;
- Information systems, including network and software design, as well as information

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<sup>0</sup> “Customer information” is any record containing non-public personal information about a customer of the Adviser, whether in paper, electronic, or other form, that is handled or maintained by or on behalf of the Adviser or its affiliates.

- processing, storage, transmission, retrieval and disposal; and
- Detecting, preventing and responding to attacks, intrusions, or other system failures.

### **Design and Implementation of Safeguards**

Information safeguards will be designed and implemented to control the risks identified through the Risk Assessment, and the effectiveness of the safeguards' key controls, systems and procedures will be regularly tested or otherwise monitored.

### **Overseeing Service Providers**

Reasonable steps will be taken to determine that the service providers<sup>0</sup> who have been selected and retained by the Adviser, at a minimum, maintain sufficient customer information safeguard procedures to detect and respond to security breaches. Moreover, reasonable procedures will be implemented to discover and respond to widely-known security failures by service providers. Finally, all contracts with service providers must contain assurances that such service providers have implemented and will maintain such safeguards.

### **Evaluation and Maintenance of the Program**

The Program will be periodically adjusted, as necessary or appropriate, based on: (i) results of testing and monitoring pursuant to the Program; (ii) any material changes to the business and operation of the Adviser; and (iii) any other circumstances that may have a material impact on the Adviser's information security system.

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<sup>0</sup> A "service provider" is any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through its provision of services directly to the Adviser. This may include: core processing; information and transaction processing and settlement activities; Internet-related services; security monitoring; systems development and maintenance; aggregation services; digital certification services, and call centers. If the Fund's administrator (or any other third party) receives, maintains, processes, or otherwise is permitted access to customer information as a result of its duties for the Adviser, then it would be considered a service provider.