

ST. CLAIR

ADVISORS LLC

Family Office Services | Investment Advisory | Wealth Transfer Planning

Firm Brochure

This brochure provides information about the qualifications and business practices of St. Clair Advisors, LLC. If you have any questions about the contents of this brochure, please contact David Sommer at (216) 925-5670 or by email at dws@saintclairllc.com. 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.

Additional information about St. Clair Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. St. Clair Advisors, LLC's CRD number is: 155064.

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Registration does not imply a certain level of skill or training.

March 28, 2018

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Item 3: Material Changes

The United States Securities and Exchange Commission (“SEC”) adopted “Amendments to Form ADV” in July, 2010. This Firm Brochure, dated as of March 28, 2017, is our newest disclosure document prepared in accordance with the SEC’s requirements and rules. This Item 2 is used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, December 31. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

St. Clair Advisors has no material changes to report since our last brochure dated March 28, 2017.

Item 4: Advisory Business

Description of the Advisory Firm

St. Clair Advisors (“SCA”) was founded in 2010 as an independent, practitioner owned, multi-family office serving the broad financial needs of a select group of wealthy families, business owners and corporate executives. SCA’s clients demand an objective, integrated approach to wealth management—one that links comprehensive tax and financial planning with sophisticated investment counseling. SCA meets these demands by providing comprehensive, integrated wealth management services.

St. Clair Advisors is managed by its three Principals:

Ronald E. Bates - President & CEO
David W. Sommer - Chief Investment Officer
Craig A. Steinbrink - Senior Investment Advisor

Types of Advisory Services

SCA’s wealth management services include investment advisory, tax planning and compliance, wealth transfer and charitable planning. Specifically, these services include:

- Development of an appropriate integrated asset allocation plan
- Selection and placement of appropriate investment strategies and/or individual securities
- Objective investment performance evaluation
- Estate planning and net worth analysis
- Tax planning and compliance
- Cash flow analysis and budgeting
- Bill Pay Services
- Property/Casualty and Life Insurance reviews

SCA integrates its investment advisory and financial planning services to create efficient, highly customized financial plans that result in the simplification of SCA’s clients’ financial affairs. Once SCA develops these plans, it adds further value by serving as the single point of contact for other professionals that currently provide services to its clients which results in the efficient implementation of the plan.

Selection of Other Advisors

SCA may direct client assets to third-party money managers for management on a discretionary basis. Before selecting these managers, SCA will ensure that third-party

managers are properly licensed and/or registered and that such third-party money manager's investment strategies meet client objectives.

Services Limited to Specific Types of Investments

Within the scope of SCA's responsibilities as investment counsel to its clients, SCA uses third-party money managers, mutual funds, ETFs, individual equities, fixed income instruments, debt securities, real estate, hedge funds, REITs, private placements, and government securities. SCA may also use other securities to help diversify a portfolio when appropriate.

Client Tailored Services and Client Imposed Restrictions

SCA offers the same suite of services to all its clients. However, client financial plans and investment portfolios are dependent upon each client's specific financial situation. The implementation and execution of these plans can differ among clients and is dictated by each client's specific goals, objectives, time horizon, tax bracket and tolerance for risk.

Clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SCA from properly implementing its recommended investment strategies, or if the restrictions would require SCA to deviate from its standard suite of services, SCA reserves the right to terminate its relationship as investment adviser with such client.

Wrap Fee Programs

SCA does not participate in any wrap fee programs.

Amounts under Management

SCA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$570,595,254	None	12/31/2017

SCA Item 5: Fees and Compensation

Fee Schedule

The fees for SCA's comprehensive Wealth Management Services are based on a percentage of assets advised upon by SCA. The fee schedule used for determining SCA's fee for its services is as follows:

Total Assets Under Management	Annual Fee
First \$2,500,000	1.00%
Next \$2,500,000	0.75%
Next \$5,000,000	0.50%
Next \$15,000,000	0.35%
Over \$25,000,000	Negotiated

Depending upon the complexity of a client's financial affairs and/or the amount of assets under management with SCA, some or all SCA's services may be provided and a fixed annual retainer fee or hourly charges may be negotiated. The SCA Wealth Management Fee may vary from client to client.

Payment of Fees

Fees are paid quarterly, in advance, but never more than one quarter in advance. Clients may terminate their Investment Advisory Agreement with thirty days' written notice. Refunds are given on a prorated basis based on the number of days remaining in a quarter at the point of termination. Fees are paid by a clients' custodian directly from the client's accounts to SCA with client's prior written authorization.

Clients Are Responsible for Third-party Fees

Clients are responsible for the payment of all third-party fees which could include external money managers' fees, custodian fees, investment platform fees, mutual fund fees, transaction fees, performance reporting fees, wire fees, etc. Those fees are separate and distinct from the fees and expenses charged by SCA. Please see Item 12 of this brochure regarding broker/custodian fees and practices.

Outside Compensation for the Sale of Securities to Clients

Neither SCA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

SCA does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

SCA generally provides investment advice and/or management supervisory services to High-Net-Worth Individuals, individuals (other than High-Net-Worth) and other related entities, including foundations and trusts.

Minimum Account Size

SCA's minimum account size is \$2,500,000, which may be waived by SCA.

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

Methods of Analysis

SCA believes that the most prudent way to assume risk in client portfolios is to first determine how much risk is appropriate for a client, construct a diversified portfolio reflecting that level of risk, and then make disciplined, incremental allocation decisions to maintain that risk level. SCA also believes that effective diversification requires an investment policy that goes beyond the traditional asset classes of equities and fixed income and includes "alternative" asset classes that may exhibit diverse correlations to both stocks and bonds.

SCA is an "open architecture" advisor and primarily operates in a "manager of managers" role to ensure SCA's incentives are aligned with those of its clients. As such, SCA selects from a wide array of potential investment strategies and managers on behalf of its clients.

SCA may direct client assets to third-party money managers. SCA will always act in the best interests of its clients, including the determination of which third-party manager to recommend to clients. **SCA does not receive any additional compensation from these managers and is only compensated based upon the fees set forth in Item 5.**

The first question that SCA must answer is whether active management is warranted in each asset class, or whether it would be more efficient to gain exposure to an asset class via a passive approach such as an index fund or ETF. An active approach will be considered in less efficient asset classes.

Taking an active approach to gaining access to an asset class requires the selection of an actively managed investment strategy. SCA selects active managers based on the following criteria:

- Sound and intuitive investment thesis
- Rigorous investment process that is repeatable over time
- Risk-adjusted, after tax, after fee performance that justifies an active management fee
- Performance through varied market environments that is consistent with expectations, based on the investment thesis
- Strong peer rankings over multiple periods
- Experienced portfolio management team
- Well-established back-office, compliance, and client service functions
- Available capacity, particularly in constrained asset classes

SCA may direct client assets to third-party money managers. SCA will always act in the best interests of its clients, including the determination of which third-party manager strategy to employ within client portfolios. SCA does not receive any additional compensation from these managers and is only compensated based upon the fees set forth in Item 5.

SCA does not accept any payment in return for choosing any investment strategy. SCA partners with independent third-party due diligence providers to monitor and evaluate individual securities and investment strategies on an ongoing basis.

SCA defines the alternative asset class as consisting of both “liquid alternatives” that provide full transparency and daily liquidity, and “private placement alternatives” which typically require multiyear holding periods and limited liquidity. In either case, SCA seeks proven asset classes that have provided meaningful long-term appreciation and/or demonstrated meaningful diversification benefits versus publicly-traded equities and fixed income. Examples of these asset classes include master limited partnerships, real estate, private equity/ debt, hedged equity, absolute return / low volatility and high yield debt strategies. These investment strategies provide additional diversification in SCA clients’ portfolios as well as providing SCA client portfolios with a wider array of tactical allocations.

Investing in any investment strategy and/or individual security involves a risk of loss, which clients should be prepared to bear.

Investment Objectives

SCA's investment philosophy is based upon broad diversification and includes five distinct investment objectives. As previously described, SCA strives to ensure that its clients are exposed to an appropriate level of investment risk based upon their circumstances. Below is a description of each objective:

Conservative: The Conservative objective is appropriate for investors seeking investments primarily focused on the preservation of capital with a secondary desire for some growth and a modest level of current income. Investors in this category may utilize a modest equity allocation as a long-term inflation hedge to preserve purchasing power but must be willing to tolerate some fluctuations in principal.

Income and Growth: The Income and Growth objective is appropriate for investors seeking modest current income generation with a secondary provision for capital appreciation. Investors in this category expect below average returns for accepting below average principal volatility.

Moderate: The Moderate objective is appropriate for investors seeking long-term investment appreciation from a combination of modest current income generation and capital appreciation. Investors in this category expect average returns in exchange for accepting average principal volatility.

Growth: The Growth objective is appropriate for investors primarily focused on achieving long-term capital appreciation, with a modest fixed income allocation to dampen volatility. Investors in this category expect to have above average returns for accepting above average risk.

Aggressive Growth: The Aggressive Growth objective is SCA's most aggressive investment objective. This strategy is appropriate for investors seeking the highest long-term capital appreciation in exchange for significant portfolio risk and volatility. Investors in this category have no expectation of current income and can accept significant principal fluctuations.

Private Placements

From time to time, SCA will offer certain unregistered securities, known as private placements, to clients. In all cases, the private placement will be offered by a third party, unaffiliated with SCA. In every instance, the private placement offering will have a disclosure document, called a Confidential Memorandum, or a Private Placement Memorandum ("PPM") that will be delivered to the client prior to investing. This document details the fees, expenses and risks, among other things, of the investment.

Material Risks Involved

The investment strategies implemented in SCA client portfolios may include exposure to publicly-traded equity and fixed income securities as well as illiquid alternative investments. These illiquid alternative investment strategies include, but are not limited to private equity, private debt, private real estate, illiquid hedge and other illiquid alternative investment strategies. Each of these has different risk characteristics:

- **Publicly-Traded Equities:** Risks include: market risk (the risk that an investment will decline in value); liquidity risk (the risk that a client will be unable to sell an asset at the price the client wants; economic risk (the risk of a general downturn in the economy, affecting a wide range of financial markets); and tax risk (the risk that the value of investments will be adversely affected by changing tax rates).
- **Publicly-Traded Fixed Income:** Risks of investing in fixed income are credit risk (the risk that the issuer of a bond may default on its payment obligations) and interest rate risk (the risk that the value of a bond may change due to a change in the absolute level of interest rates).
- **Illiquid Alternative Investments (Private Placements):** These investments are particularly subject to liquidity risk. Some of these investments require a long-time horizon – frequently as long as 10 to 12 years – to realize an investment return. In addition, the fees related to some illiquid alternative investments typically are much higher than fees for conventional investments, such as mutual funds. This may reduce client’s returns. As with all investments, the return of client principal is not guaranteed. Material loss of value is possible.

Risks of Specific Securities Utilized

SCA generally seeks investment strategies or securities that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets, with the exception of some illiquid alternative investments. The investment decisions made by SCA and/or the money management firms selected by SCA will not always be profitable. As with all investments, the return of Client principal is not guaranteed. Material loss of value is possible.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of SCA or the integrity of SCA management.

Item 10: Other Financial Industry Activities and Affiliations

Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SCA nor its management persons are registered as a broker/dealer or as representatives of a broker/dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SCA nor its management persons are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

SCA does not have any relationships material to its registration. From time to time, SCA may recommend a private placement investment to its clients. In such instances, all potential conflicts of interest are disclosed in writing to the client in advance of their investment.

Selection of Other Advisors or Managers and How This Advisor is Compensated for Those Selections

SCA has no affiliations with other advisors or managers.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

SCA has adopted a Code of Ethics for all employees describing its standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, personal securities trading procedures, restrictions on accepting significant gifts, among other activities. All SCA employees must acknowledge the terms of the Code of Ethics annually, or as amended. Any current or potential SCA client may request a copy of SCA's Code of Ethics.

Investing Personal Money in the Same Securities as Clients

From time to time, SCA employees may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for employees of SCA to buy or sell the same securities before or after recommending the same securities to clients resulting in an employee profiting from the recommendations they provide to clients. SCA monitors employee trading to reasonably prevent conflicts of interest between SCA and its clients.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

Client assets must be maintained in an account at a “qualified custodian”, generally a broker-dealer or bank. SCA, independently owned and not affiliated with any broker-dealer, seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are most advantageous when compared to other available providers. SCA considers a wide range of factors which may include: quality of professional services, competitive pricing, reputation, financial strength, capability to execute, clear and settle trades, as well as availability of other products and services that benefit SCA and its clients (as discussed below). SCA considers a wide range of factors, including, among others, these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades
- Capabilities to facilitate transfers and payments to and from accounts
- Breadth of investment products made available
- Availability of investment research and tools that assist SCA in making investment decisions
- Quality of services
- Competitiveness of the price of those services and willingness to negotiate them
- Reputation, financial strength and stability of the provider
- Their prior service to SCA and to its other clients
- Availability of other products and services that benefit SCA

SCA recommends that its clients use Charles Schwab & Co., Inc., a FINRA-registered broker-dealer, member SIPC, as the qualified custodian.

Schwab will hold SCA’s clients’ assets in a brokerage account and buy/sell securities when SCA or the SCA designated money manager instructs them to. While SCA recommends that its clients use Schwab as custodian/broker, SCA’s clients decide whether to do so and will open an account with Schwab by entering into an account

agreement directly with Schwab. Even though an SCA client's assets are maintained at Schwab, SCA and its designated money managers can still use other brokers to execute trades for their accounts (see Brokerage and Custody Costs).

Schwab provides SCA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment than is required of SCA clients.

Products and Services Available to SCA from Schwab

Schwab Advisors Services is Schwab's business serving independent investment advisory firms like SCA. They provide SCA and its clients with access to its institutional brokerage-trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help SCA manage or administer its client accounts while others help SCA manage and grow its business.

Brokerage and Clearing Costs

For SCA client accounts held at Schwab, Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into a Schwab account (for some accounts, Schwab may charge a percentage of the dollar amount of assets in the account in lieu of commissions). Schwab's commission rates and asset-based fees applicable to SCA's clients' accounts were negotiated based on SCA's commitment to maintain \$10 million of client assets in accounts at Schwab. The commitment benefits SCA's clients because the overall commission rates/asset-based fees paid by SCA's clients is lower than they would be if SCA had not made the commitment. In addition to commissions or asset-based fees, Schwab charges a flat dollar amount as "prime broker" or "trade away" fee for each trade that SCA or its designated money managers execute through a different broker-dealer but where the securities bought or funds from securities sold are deposited into a Schwab account. These fees are in addition to the commissions or other compensation SCA clients pay the executing broker-dealer. Because of this, to minimize SCA client trading costs, SCA has determined that having Schwab execute most of the trades for its clients' accounts is consistent with its duty to seek "best execution" of trades.

Services that benefit SCA Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab include some of which SCA might not otherwise have

access or that would require a significantly higher minimum initial investment by SCA's clients.

Services That May Not Directly Benefit SCA's Clients

Schwab also makes available to SCA other products and services that benefit SCA but may not directly benefit SCA clients. These products and services assist SCA in managing and administering its clients' accounts. They include investment research, both Schwab's own and that of third parties. SCA may use this research to service all or some substantial number of SCA client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data such as duplicate trade confirmations and account statements
- Facilitate trade execution and allocate aggregated trade data
- Facilitate payment of SCA fees from client accounts
- Assist with back-office functions, recordkeeping and client reporting

Services That Generally Benefit Only SCA

Schwab also offers other services intended to help SCA manage and further develop SCA's business. These services include:

- Educational conferences and events
- Technology, compliance, legal and business consulting
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third party vendors to provide the services to SCA. Schwab may also discount or waive its fees for some of these services or pay all or part of a third party's fees. Schwab may also provide SCA with other benefits such as occasional business entertainment of SCA employees.

Research and Other Soft-Dollar Benefits

SCA utilizes due diligence services provided by various third-party providers for investment strategies and structures that it may employ within client portfolios. SCA may receive certain financial incentives by way of reduced fees for due diligence services in exchange for implementing certain account structures designed to reduce third-party managers' fees and/or increase the tax efficiency of third-party managed accounts for clients. In evaluating whether to recommend that clients utilize any specific account structure, SCA may consider the reduction in due diligence fees as part of the total mix of factors it considers and not solely on the nature, cost or quality of the structure, which may create a potential conflict of interest.

Brokerage for Client Referrals

SCA receives no referrals from a broker-dealer or third-party in exchange for using that broker-dealer or third-party.

Clients Directing Which Broker/Dealer/Custodian to Use

SCA does not allow clients to direct brokerage.

Aggregating (Block) Trading for Multiple Client Accounts

SCA maintains the ability to aggregate (block) trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, SCA does not feel that the clients are at a disadvantage due to the belief that it obtains best execution for its clients through the particular custodian.

Item 13: Reviews of Accounts

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

An SCA Investment Advisor is assigned to each client portfolio and is responsible for monitoring and maintaining compliance with client specific guidelines. Portfolios are reviewed on a regular basis. SCA encourages its clients to meet with a representative of the firm on a regular basis to review the structure and performance of their portfolios.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

More frequent informal reviews may be triggered by market conditions, news events, excess cash balances or any other event that SCA considers significant. Clients are encouraged to contact SCA whenever their financial situation changes as this may trigger an adjustment to the construction of the portfolio.

Content and Frequency of Regular Reports Provided to Clients

Each client will receive an account statement sent directly from the Custodian of their assets. In addition, SCA will prepare an objective investment performance review and

either deliver a hard copy to the client on a quarterly basis or make it available to clients electronically on a quarterly basis. SCA clients may also access their portfolio information online from the custodian's website, if desired.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales or Other Prizes)

Other than the fees paid by its clients and described in item 5, SCA does not receive any economic benefit, directly or indirectly from any third-party for advice rendered to SCA clients.

SCA receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit SCA, and related conflicts of interest are described above (see item 12 – Brokerage Practices). The availability to SCA of Schwab products and services is not based on SCA giving investment advice, such as buying securities for its clients.

Compensation to Non –Advisory Personnel for Client Referrals

SCA does not directly or indirectly compensate any person who is not an SCA supervised person for client referrals.

Item 15: Custody

All client assets are held in custody by a qualified custodian. Clients will receive statements from their custodian, and SCA urges clients to compare statements received from the custodian with statements received from SCA. As part of its financial consulting service, SCA may be granted authority to pay client bills from client deposit or custodial accounts, or act in a fiduciary capacity. As a result, SCA is subject to an annual surprise audit of these funds by a qualified public accounting firm.

Item 16: Investment Discretion

For those client portfolios where SCA provides ongoing supervision, a client gives SCA written discretionary authority over the client's accounts with respect to investment strategies and/or securities to be bought or sold and the amount of client funds invested in these strategies and / or securities to be bought or sold. SCA fully discloses details of this relationship to the client before commencing any advisory relationship. Clients provide SCA discretionary authority via

a limited power of attorney in the Investment Advisory Agreement and in the contract between the client and the Custodian.

Clients may impose restrictions on SCA's discretionary authority. However, if the restrictions prevent SCA from properly servicing the client account, or if the restrictions would require SCA to deviate from its standard suite of services, SCA reserves the right to terminate its relationship as investment adviser with such client.

Item 17: Voting Client Securities (Proxy Voting)

SCA will accept voting authority for client securities in certain cases. When SCA does accept voting authority for client securities, it will always seek to vote in the best interests of its clients. Where the Firm is required to vote proxies, the proxies are voted by Institutional Shareholder Services Inc. a proxy voting service ("*ISS*") on behalf of SCA per *ISS*'s recommended and SCA approved proxy voting procedures. Generally, SCA's proxy voting policy ensures that proxies are voted in the best interests of the client and in a manner consistent with each client's stated investment objectives that SCA believes will maximize the client's investment return. Clients of SCA may obtain the voting record on client securities by contacting SCA at phone number or e-mail address listed on the cover page of this brochure. Clients may obtain a copy of SCA's proxy voting policies and procedures upon request.

Item 18: Financial Information

Balance Sheet

SCA does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and, therefore, does not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SCA nor its management have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

SCA has not been the subject of a bankruptcy petition in the last ten years.