



# Form ADV Part 2A & 2B Firm Brochure

May 13, 2025

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## **Stout Bowman & Associates, LLC**

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This brochure provides information about the qualifications and business practices of Stout Bowman & Associates, LLC, if you have any questions about the contents of this brochure, please contact Matthew Stout at 717-761-2040 or [matthew@stoutbowman.com](mailto:matthew@stoutbowman.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. If a client has not received a copy of this brochure at least 48 hours prior to signing an agreement, the client has five business days in which to cancel the agreement, without penalty.

Additional information about Stout Bowman & Associates, LLC (Firm CRD #130631) is also available on the SEC's Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that while we can be considered an Investment Adviser, registration does not imply a certain level of skill or training.

## **Item 2: Material Changes**

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Initial State registration dated: 07/16/2012.

### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

Since the last update on March 4, 2025, the following changes have occurred:

- Items 4 to update the assets under management for the firm.
- Item 9 has been updated to disclose an Order with the Pennsylvania.
- 2B updated with new outside business activity information.

### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm. If you would like an updated copy, please contact Matthew Stout at 717-761-2040 or via email at [matthew@stoutbowman.com](mailto:matthew@stoutbowman.com).

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## Item 4: Advisory Business

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### **Firm Description**

Stout Bowman & Associates, LLC dba Stout Bowman is a limited liability company that was created and began offering advisory services in July 2012 between principal owners: Matthew A. Stout, Managing Partner & Chief Compliance Officer and Marc Bowman, Managing Partner.

### **Types of Advisory Services**

#### **Asset Management**

We offer discretionary and non-discretionary asset management services to advisory Clients. We will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

##### Discretionary

When the Client provides our firm with discretionary authority, the Client will sign a limited trading authorization or equivalent. We will have the authority to execute transactions in the account without seeking Client approval on each transaction.

##### Non-Discretionary

When the Client elects to use our firm on a non-discretionary basis, we will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, we will obtain prior Client approval on each and every transaction before executing any transaction.

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds or other public investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least annually and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives.

We offer individualized investment advice to clients utilizing our Asset Management service. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

#### **Financial Planning and Consulting**

Stout Bowman furnishes independent investment advice through consultations and the Financial Planning Process. The Financial Planning process that we provide is comprehensive and unbiased. We do not work for a particular company or financial institution; we only work for our clients.

Financial Planning at Stout Bowman includes but is not limited to a review of:

- Cash Flow
- Retirement Goals
- Risk management as in Disability and Elder Care events
- Net Worth
- Survivor Needs
- Estate Planning
- Education Funding

It encompasses all facets of your life and begins with consultations designed to get to know you, your family, your concerns and your goals. Once an agreement is set to proceed with a Written Financial Plan, we will gather most of your life's important documents including wills, power of attorney, insurance documents, employment documents, and all financial documents and/or statements.

Once documents are gathered there are additional fact-finding questions that our firm will ask. This will assist with the preparation of the written financial plan. With a team approach, we will then analyze the plan's output data to prepare recommendations that are designed to make any next steps or changes needed to move in the direction of meeting your goals as simple as possible. Plans and/or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly.

#### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

#### **Wrap Fee Programs**

Stout Bowman offers a wrap fee program to legacy clients only. No new investors will be placed in this program.

#### **Client Assets under Management**

We have the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$103,000,000	\$0	December 31, 2024

## **Item 5: Fees & Compensation**

### **Method of Compensation and Fee Schedule**

#### **Asset Management**

##### ***MAXIMUM FEE SCHEDULE: ASSET MANAGEMENT***

Assets Under Management	Annual Percentage of Assets Charged
Under \$200,000	1.85%
\$200,000 - \$1,000,000	1.50%
Over \$1,000,000	Negotiable

This is a flat rate/breakpoint fee schedule, the entire portfolio is charged the same asset management fee. For example, a Client with \$750,000 under management would pay \$11,250 on an annual basis.  $\$750,000 \times 1.50\% = \$11,250$ .

The annual fee is negotiable. The fee amount will typically be determined based on the grouping of accounts in an entire household. Stout Bowman's fees are billed quarterly in advance based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Fees will generally be automatically deducted from your managed account\*.

As part of this process, you understand and acknowledge the following:

- Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- You provide authorization permitting us to be directly paid by these terms;
- We send a copy of our invoice to the independent custodian at the same time we send the invoice to you;

- d) Our invoice includes a legend that urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

\*In rare cases, we will agree to directly bill clients.

Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. After the initial five (5) business days, the agreement may be terminated by Stout Bowman with thirty (30) days written notice to Client and by the Client at any time with written notice to Stout Bowman. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period or waived in full at Stout Bowman's discretion. Additionally, all unearned fees will be refunded to the Client. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Some of our associated persons may sell securities for a commission. In order to sell securities for a commission, our associated persons are registered representatives of Innovation Partners, LLC. Our associated persons may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm an incentive to recommend investment products based on the compensation received, rather than on the Client's needs. Our firm, in no way, prohibits Clients from purchasing investment products recommended by us through other brokers or agents which are not affiliated with Stout Bowman. Advisory Fees are not reduced to offset any commissions earned for the sale of a security or any markups.

### **Financial Planning and Consulting**

Stout Bowman charges a flat fee from \$800 to \$5,000 for Financial Planning or Financial Consulting services. Fees are independent of any other fees and/or compensation for additional services Stout Bowman may offer. This fee is based on an initial consultation and formulated based on the extent of time to consult, prepare, collect data, research, create and present with explanation the personalized financial plan/consultation.

Fees are typically required in the form of a check made payable to Stout Bowman. Alternatively, fees may be debited from assets managed by Stout Bowman & Associates, LLC, through our asset billing software, Panoramix Financial.

Fees for financial planning/consulting are due 50% in advance of collecting data with the balance due upon delivery of the plan or recommendations.

Services are completed and delivered within six (6) months. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to Stout Bowman.

The client may receive a 100% refund of the fee if the termination occurs within 5 business days of signing this Agreement. The client will receive a pro-rata refund of unearned fees based on the time

and effort expended by our firm and Planner. The entire fee may be refunded at the Planner's discretion. Once the plan or recommendations have been delivered or presented, the client has 14 business days to request, in writing, a refund of 100% of their fee, stating the specific reason for the request. After 14 business days, it is deemed that the fee has been fully earned, and the fee will not be refunded.

### **Client Payment of Fees**

Investment management fees are billed quarterly, in advance, meaning that we invoice you at the beginning of the three-month billing period. Payment in full is expected upon invoice presentation. Fees are deducted directly from client accounts to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance with the remainder due upon completion. Fees are typically required in the form of a check made payable to Stout Bowman. Alternatively, fees may be debited from assets managed by Stout Bowman & Associates, LLC, through our asset billing software.

### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities and exchange-traded funds. These charges may include mutual fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Stout Bowman, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on brokerage practices, see Item 12 of this brochure.

### **Prepayment of Client Fees**

Stout Bowman does not require prepayment of fees more than \$500 per client and six month or more in advance.

### **External Compensation for the Sale of Securities to Clients**

Stout Bowman does not receive any external compensation for the sale of securities to clients; however affiliated persons may also be registered representatives of an unaffiliated broker dealer and receive commissions for the sale of securities. The outside activities for each affiliated person will be disclosed in their Form ADV Part 2B.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

### **Sharing of Capital Gains**

Stout Bowman does not charge or collect fees based on a share of capital gains or on capital appreciation of the assets of a client and therefore does not engage in side-by-side management.

## **Item 7: Types of Client**

### **Description**

The types of clients to whom we generally provide advisory services to are individuals. We also provide planning services to High Net-Worth Individuals, Corporations, Partnerships and Non- Profit

organization.

### **Account Minimums**

We do not maintain requirements for opening and maintaining accounts or otherwise engaging us.

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

### **Methods of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Technical Analysis.*** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk, in that a poorly managed or financially unsound company may underperform regardless of market movement.

We use the following methods of analysis in formulating our financial planning and consulting: Stout Bowman uses Advicent Profiles and Navi Plan software as their basis for the initial data analysis. In addition, we will use research materials prepared by others and/or information set forth by governing federal and state laws and the federal IRS Codes. Our internal formulas for the financial plan is based on the client's preferences and needs, however we maintain a conservative approach and never use a rate of return on investment projects higher than 10%. For unknowns, we will lessen income factors and increase expense factors. While our software provides data analysis, final recommendations are made upon consultation of the team of professionals. If need be, we will solicit additional advice from our professional colleagues. Our recommendations are personalized based on the client's needs and goals and will include legal, estate, risk management and health recommendations, in addition to planning and investing, as needed.

### **Investment Strategy**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

### **Risks**

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

### **Cash Balances**

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit,

high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to asset management services.

### **General Risks**

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Stout Bowman:

- *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:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *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:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. 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.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Leveraged Risk:* The risks involved with using leverage may include compounding of returns (this works both ways – positive and negative), possible reset periods, volatility, use of derivatives, active trading and high expenses.

### **Security Specific Material Risks**

- *Stock Risk:* There are no guarantees of profits when you buy stock, which makes stock a risky investment. If a company doesn't do well or falls out of favor with investors, its stock can fall in price, and investors could lose money.

- *Bond Risk:* Some of the disadvantages of bonds include interest rate fluctuations, market volatility, lower returns, and changes in the issuer's financial stability. The price of bonds is inversely proportional to the interest rate. If bond prices increase, interest rates decrease and vice versa.
- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- *Mutual Fund Risk:* When a client invests in open end mutual funds or ETFs, the client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which client invests.
- *Foreign Securities Risk:* Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Derivatives Risk:* Funds in a client's portfolio may use derivative instruments. The value of these derivative instruments derives from the value of an underlying asset, currency or index. Investments by a fund in such underlying funds may involve the risk that the value of the underlying fund's derivatives may rise or fall more rapidly than other investments, and the risk that an underlying fund may lose more than the amount that it invested in the derivative instrument in the first place. Derivative instruments also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

Stout Bowman does not have any criminal or civil actions to disclose.

### **Administrative Enforcement Proceedings**

Without admitting or denying the allegations, in February of 2025, the firm entered into a Consent Agreement and Order with Pennsylvania for failure to exercise diligent supervision over the securities activities of its investment advisor representatives by failing to establish and maintain written procedures and a system for applying and enforcing those procedures with respect to securities such as inverse ETFs. The firm was fined \$70,000.

### **Self-Regulatory Organization Enforcement Proceedings**

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Broker-Dealer or Representative Registration**

Marc E. Bowman is a registered representative with Innovation Partners, LLC, a registered broker-dealer and Member FINRA/SIPC and an independent insurance agent. Our firm is not affiliated with Innovation Partners. Marc E. Bowman may offer securities and insurance services and products. He will receive normal and customary commissions as a result of these transactions. These practices represent conflicts of interest because it gives Marc E. Bowman an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place and to act in the best interest of the Client at all times. Clients always have the right to decide whether to purchase any securities or insurance products. Clients have the option to purchase these products through another registered representative or insurance agent of their choosing.

### **Futures or Commodity Registration**

Neither Stout Bowman nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Associated person(s) of Stout Bowman has relationships with a fixed insurance independent brokerage firm, CRUMP, for non-securities related products and may from time to time refer clients to these professionals. This will include Life Insurance; Term, Whole Life and Universal Life products. It includes fixed annuities, both deferred and immediate, and includes Long Term Care Insurance products. These practices represent conflicts of interest because it gives the associated persons an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place and to act in the best interest of the Client at all times. Clients always have the right to decide whether to purchase any insurance products. Clients have the option to purchase these products through another insurance agent of their choosing.

Stout Bowman has a relationship with professional colleagues such as tax preparers & certified public accountants, attorneys & law firms and real estate, mortgage & appraisal professionals. Our relationship with these professionals is to maintain a team approach to Financial Planning, to provide comprehensive planning services and to assist clients with services in this regard. This does not present a conflict of interest as Stout Bowman is not compensated in any way by these professionals.

Should a client wish to proceed with any services they may provide, the client engages those services directly with the professional and Stout Bowman is not compensated for either the referral or the services.

## **Item 11: Code of Ethics**

### **Code of Ethics Description**

Our Firm's Code of Ethics; As Planners and Investment Advisers we adhere to the following code of ethics as outlined by the Certified Financial Planner Board of Standards, Inc. We strive to meet or exceed the following Principles coupled with the idea that above all else we consider ourselves to conduct all business in a Fiduciary and Confidential manner.

- ❖ Integrity – Provide professional services with Integrity; Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. We are placed in a position of trust by our clients, and the ultimate source of that trust is our personal integrity. Allowance can be made for innocent error and legitimate difference of opinion but integrity cannot co-exist with deceit or subordination of one's principles.
- ❖ Objectivity – Provide professional services objectively; Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which a certificate functions, we protect the integrity of our work; maintain objectivity and avoid subordination of our judgment.
- ❖ Competence – Maintain the knowledge and skill necessary to provide professional services competently; Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to our clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. We make a continuing commitment to learning and professional improvement.
- ❖ Fairness – Be fair and reasonable in all professional relationships. Disclose conflicts of interest; Fairness requires impartiality, intellectual honesty and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated.
- ❖ Confidentiality – Protect the confidentiality of all client information; Confidentiality means ensuring that information is accessible only to those authorized to have access on a need to know basis. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.
- ❖ Professionalism – Act in a manner that demonstrates exemplary professional conduct; Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business-related activities. Our firm cooperates with fellow professionals to enhance and maintain the profession's public image and improve the quality of services.
- ❖ Diligence – Provide professional services diligently; Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

A copy of our Code of Ethics is available upon request.

#### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Stout Bowman and its employees do not recommend to clients securities in which we have a material financial interest.

#### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Stout Bowman and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running Associated persons are prohibited from front running and otherwise engaging in transaction that would otherwise disadvantage the trading in client accounts, employees are required to disclose all reportable securities transactions as well as provide Stout Bowman with copies of their brokerage statements.

The Chief Compliance Officer of Stout Bowman is Matthew Stout. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect

the markets and that clients of the firm receive preferential treatment over employee transactions.

### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Stout Bowman does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Stout Bowman with copies of their brokerage statements.

## **Item 12: Brokerage Practices**

### **Factors Used to Select Broker-Dealers for Client Transactions**

Stout Bowman will recommend the use of a particular broker-dealer based on their duty to seek best execution for the client, meaning they have an obligation to obtain the most favorable terms for a client under the circumstances. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. Stout Bowman will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Stout Bowman relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Stout Bowman. Stout Bowman does not receive any portion of the trading fees.

Stout Bowman will recommend the use of Charles Schwab & Co., Inc.

- ❖ *Directed Brokerage*

Stout Bowman does not allow direct brokerage.

- ❖ *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- ❖ *Soft Dollar Arrangements*

Stout Bowman utilizes the services of custodial broker dealers. Economic benefits are received by Stout Bowman which would not be received if Stout Bowman did not give investment advice to clients. The firm receives a benefit because they do not have to product or pay for the research, products or services provided by the custodial broker dealer. Other benefits include a dedicated trading desk, a dedicated service group and an account services manager dedicated

to Stout Bowman's accounts, ability to conduct "block" client trades, electronic download of trades, balances and positions, duplicate and batched client statements, and the ability to have advisory fees directly deducted from client accounts. Stout Bowman may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving the most favorable execution.

A conflict of interest exists when the firm receives soft dollars. This conflict is mitigated by the fact that the firm has a fiduciary responsibility to act in the best interest of the clients and the services received are beneficial to all clients. The firm requires Charles Schwab & Co., Inc. as the custodian for client accounts based on the services that Charles Schwab & Co., Inc. provides and the fees that they charge.

### **Aggregating Securities Transactions for Client Accounts**

Stout Bowman may aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Stout Bowman. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

## **Item 13: Review of Accounts**

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### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

We review accounts on an annual basis for our clients subscribing to our Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We may review client accounts more frequently than described above.

Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to our Asset Management service. Only our Financial Advisors or Portfolio Managers will conduct reviews.

Stout Bowman updates Financial Plans as new data develops and is provided either by the client or by the investments we manage. It is reviewed and updated a minimum of once annually and the updates are reviewed with the client. Clients may request a preferred frequency. Planning updates in the accumulation (pre-retirement) phase of life will require more frequent updates. Planning updates in Retirement may be very frequent in the first two years of retirement and will taper off to at least annually. Plan will also be reviewed and updated upon changes to the state or federal laws, including tax laws, as they may apply to a particular client. This can be said for changes in the investment, economic, political and global aspects as well; again, as they affect a particular client's plan or household. Stout Bowman reviews updated plans for any needed new recommendations. Depending on the outcome of the updates, updated written plans or graphics will be prepared as needed or requested.

### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of client's accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

### **Content of Client Provided Reports and Frequency**

Clients receive account statements no less than quarterly for managed accounts. Account statements are issued by the Advisor's custodian. Client receives confirmation of each transaction in account from

Custodian and an additional statement during any month in which a transaction occurs. We do not provide additional written reports to clients.

## **Item 14: Client Referrals and Other Compensation**

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### **Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Stout Bowman receives additional economic benefits from external sources as described above in Item 12.

### **Advisory Firm Compensation for Client Referrals**

Stout Bowman does not compensate nor is it compensated for any third parties Client referrals.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at the required custodian, Charles Schwab & Co., Inc., which means the custodians provide account statements directly to clients at their address of record, or designated email address, based upon client preference, at least quarterly. Clients are urged to carefully review the account statements received directly from their custodians.

Stout Bowman is deemed to have constructive custody because advisory fees are directly deducted from the client's account by the custodian on behalf of Stout Bowman as further described in Item 5 above.

Stout Bowman is also deemed to have limited custody due to its Third-Party Standing Letters of Authorization ("SLOA").

Stout Bowman and its qualified custodian meet the following seven (7) conditions in order to avoid maintaining full custody and be subject to the surprise exam requirement:

1. The Client provides an instruction to the qualified custodian, in writing, which includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The Client authorizes Stout Bowman, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. Stout Bowman has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. Stout Bowman maintains records showing that the third party is not a related party nor located at the same address as Stout Bowman.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

If applicable, Client will authorize the firm discretionary authority, via the advisory agreement, to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. If applicable, Client will authorize the firm discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. If, however, consent for discretion is not given, we will obtain prior Client approval before executing each transaction.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions that a client may request are limiting the types of investments to be held in the account which may include but are not limited to abortion & abortifacients, bioethics/stem cell, environment, gambling, tobacco, adult entertainment, cannabis, firearms, military, alcohol, contraceptives, fossil fuel, or nuclear power. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

The Client approves the custodian to be used and the commission rates paid to the custodian. Stout Bowman does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

## **Item 17: Voting Client Securities**

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### **Proxy Voting**

We do not have authority to vote client securities. You may receive proxies or other solicitations directly from a custodian or a transfer agent and you may discuss that with us by calling us or scheduling an appointment, however, we do not vote for our clients.

## **Item 18: Financial Information**

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### **Balance Sheet**

We are not required to provide financial information in this Brochure because we do not require the prepayment of more than \$500 in fees when services cannot be rendered within 6 (six) months and we do not serve as a custodian of client funds or securities.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

We do not have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to clients.

### **Bankruptcy Petitions during the Past Ten Years**

We have never been the subject of a bankruptcy proceeding.

## **Item 19: Requirements for State Registered Advisers**

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### **Principal Executive Officers and Management Persons**

The education and business background for all management and supervised persons can be found in the Part 2B of this Brochure.

### **Outside Business Activities**

The outside business activities for all management and supervised persons can be found in Item 10 of this Brochure.

**Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons**

Neither Stout Bowman nor its management have been involved in any of the following:

1. An award or otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - a) An investment or an investment-related business or activity;
  - b) Fraud, false statement(s) or omissions;
  - c) Theft, embezzlement or other wrongful taking of property;
  - d) Bribery, forgery, counterfeiting, or extortion;
  - e) Dishonest, unfair or unethical practices.
2. An award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a) An investment or an investment-related business or activity;
  - b) Fraud, false statement(s) or omissions;
  - c) Theft, embezzlement or other wrongful taking of property;
  - d) Bribery, forgery, counterfeiting, or extortion;
  - e) Dishonest, unfair or unethical practices.

**Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities**

There are no material relationships with issuers of securities to disclose.



## **Brochure Supplement Matthew A. Stout**

**Stout Bowman & Associates, LLC**  
555 Gettysburg Pike, Suite C-100  
Mechanicsburg, PA 17055  
[www.stoutbowman.com](http://www.stoutbowman.com)

Firm Contact: Matthew Stout; [matthew@stoutbowman.com](mailto:matthew@stoutbowman.com)

(717) 761-2040 land line | (800) 718-2036 toll free | (717) 761-2069 fax

This brochure supplement provides information about Matthew Stout that supplements our ADV Part 2A Firm Brochure. You should have received a copy of that brochure. Please contact our firm if you did not receive our brochure or if you have any questions about the contents of this supplement. If a client has not received a copy of this brochure at least 48 hours prior to signing an agreement, the client has five business days in which to cancel the agreement, without penalty.

Additional information about Matthew Stout (CRD #3048211) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Dated: May 13, 2025

## Educational Background and Business Experience

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### **Matthew A. Stout**

Year of Birth: 1972

Education: Shippensburg University

Recent Business Background:

- Padron Property Group; Consultant/Co-owner; 05/2025 - Present
- Stout Bowman & Associates, LLC: Managing Partner & Chief Compliance Officer: 07/2012-Present
- A Cut Above Cigars, LLC; Managing Member; 01/2016-12/2018
- Stout Joyce & Associates, LTD.: CEO: 08/2004-07/2012
- LPL Financial LLC: Registered Representative: 05/2007-07/2012
- Linsco/Private Ledger Corp: Registered Representative: 08/2003-05/2007

Matthew has been working in the Financial Services industry since 1997. He graduated from Shippensburg University with a Bachelor Degree in Business Administration majoring in Finance with an Economics minor. He spent the first five years at a full service brokerage firm and a mutual fund company's field force uncovering many ways to help his clients in the financial services industry. While there, his business and professional relationships grew to a point where he knew both personally and professionally it was in his client's best interest for him to seek a completely independent broker/dealer. Matthew is currently the Managing Partner & Chief Compliance Officer of Stout Bowman. Active in his community in sports and coaching, he was also a Past President Advisory Board Member of the KUSBDC where he delivered both free and fee seminars to small business owners. He is a member of the Financial Planning Association and Million Dollar Round Table. He and his wife Heather live in Mechanicsburg with their three young children. Matthew excels in Wealth Management.

## Professional Certifications

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Employees have earned certifications and credentials that are required to be explained in further detail.

Accredited Wealth Management Advisor (AWMA®): Accredited Wealth Management Advisor is a designation granted by the College for Financial Planning. AWMA® requirements:

- Completion of courses encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives, and asset protection alternative
- Completion of 120-150 of self-study hours
- Program must be completed within one year from enrollment
- Must be renewed every two years by completion of 16 hours of continuing education
- Reaffirming compliance with the Standards of Profession Conduct, Terms and Conditions, and complying with self-disclosure requirements.

## Disciplinary Information

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Matthew Stout does not have any disciplinary history to disclose.

## Other Business Activities

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Matthew Stout is co-owner of MBMS Holding, LLC and Padron Property Group. This is for real estate purposes. Mr. Stout spends less than 5% of his time on these activities. There is no

relationship/arrangement between this entity and there will not be any crossover Clients.

## Additional Compensation

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Matthew Stout does not receive additional economic benefits for providing advisory services.

## Supervision

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Marc Bowman, Managing Partner, supervises and monitors Matthew Stout's activities on a regular basis. Marc Bowman reviews all outgoing correspondence for written financial advice that Matthew Stout provides to his clients. Please contact Marc Bowman if you have any questions about Matthew Stout's brochure supplement at 717-761-2040.

## Requirements for State Registered Advisers

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In addition to the Disciplinary Information section of this ADV Part 2B Brochure, Matthew Stout has not been involved in any arbitration claim, civil, self-regulatory organization, or administrative proceeding, or filed bankruptcy. Matthew Stout does not have any material disciplinary events to disclose.



## **Brochure Supplement**

### **Marc E. Bowman**

**Stout Bowman & Associates, LLC**  
555 Gettysburg Pike, Suite C-100  
Mechanicsburg, PA 17055  
[www.stoutbowman.com](http://www.stoutbowman.com)

Firm Contact: Matthew Stout; [matthew@stoutbowman.com](mailto:matthew@stoutbowman.com)  
(717) 761-2040 land line | (800) 718-2036 toll free | (717) 761-2069 fax

This brochure supplement provides information about Marc Bowman that supplements our ADV Part 2A Firm Brochure. You should have received a copy of that brochure. Please contact our firm if you did not receive our brochure or if you have any questions about the contents of this supplement. If a client has not received a copy of this brochure at least 48 hours prior to signing an agreement, the client has five business days in which to cancel the agreement, without penalty.

Additional information about Marc Bowman (CRD #3150989) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Dated: May 13, 2025

## Educational Background and Business Experience

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### **Marc E. Bowman**

Year of Birth: 1972

Education: Shippensburg University

Recent Business Background:

- Innovation Partners, LLC; Registered Representative; 12/2023-Present
- Stout Bowman & Associates, LLC: Managing Partner: 07/2012-Present
- Independent Licensed Insurance Agent: 12/1998 - Present
- Fortune Financial Services, Inc.: Registered Representative: 10/2018-12/2023
- Purshe Kaplan Sterling Investments: Registered Representative: 08/2012-10/2018
- LPL Financial LLC: Registered Representative: 09/2011-07/2012
- LeRoy Jones: Advisor Associate: 02/2001-09/2011

Marc has been working in the Financial Services industry since 1998. Marc graduated from Shippensburg University with a Bachelors' Degree in Science. He spent 13 years working for a Mutual Fund Company and top regional office that focused on financial planning as a cornerstone for meeting clients' financial needs. Marc is passionate about using financial planning to help clients reach their financial goals. Understanding that every individual's economic and life situation is unique he believes that personalized planning and service is essential when matching clients with the right financial products and services. As Managing Partner at Stout Bowman, Marc recognizes his commitment to clients through comprehensive wealth management strategies using unbiased, Non-Proprietary investments, as well as comprehensive financial planning. As a way to continue his professional development, Marc is currently working to attain the Certified Financial Planner designation. Marc is happily married to his wife, Kori, and has twins. Away from work, Marc enjoys playing and coaching soccer as well as spending time with friends and family. He is active in his community, serving as a former soccer board member.

## Disciplinary Information

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Marc Bowman does not have any disciplinary history to disclose.

## Other Business Activities

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Marc E. Bowman is a registered representative with Innovation Partners, LLC, a registered broker-dealer and Member FINRA/SIPC and an independent insurance agent. Our firm is not affiliated with Innovation Partners, LLC. Marc E. Bowman may offer securities and insurance services and products. He will receive normal and customary commissions as a result of these transactions. These practices represent conflicts of interest because it gives Marc E. Bowman an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place and to act in the best interest of the Client at all times. Clients always have the right to decide whether to purchase any securities or insurance products. Clients have the option to purchase these products through another registered representative or insurance agent of their choosing.

Marc Bowman is also co-owner of MBMS Holding, LLC. This is for real estate purposes. He does not receive any compensation from this company nor offer any services. There is no relationship/arrangement between this entity and there will not be any crossover Clients.

## Additional Compensation

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Marc Bowman does not receive additional economic benefits for providing advisory services.

## Supervision

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Matthew Stout, Chief Compliance Officer, supervises and monitors Marc Bowman's activities on a regular basis. Matthew Stout reviews all outgoing correspondence for written financial advice that Marc Bowman provides to his clients. Please contact Matthew Stout if you have any questions about Marc Bowman's brochure supplement at 717-761-2040.

## Requirements for State Registered Advisers

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In addition to the Disciplinary Information section of this ADV Part 2B Brochure, Marc Bowman has not been involved in any arbitration claim, civil, self-regulatory organization, or administrative proceeding, or filed bankruptcy. Marc Bowman does not have any material disciplinary events to disclose.