

S.F. Ehrlich Associates, Inc.

CRD # 121356

ADV Part 2A, Brochure Dated: June 6, 2017

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This Brochure provides information about the qualifications and business practices of S.F. Ehrlich Associates, Inc. (the “Registrant”). If you have any questions about the contents of this Brochure, please contact us at 908-789-1100 or stan@sfehrlich.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 S.F. Ehrlich Associates, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to S.F. Ehrlich Associates, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the most recent annual amendment filing on February 8, 2017, this Brochure has been materially amended at Item 9 and Item 19.D. with respect to a Consent Agreement and Order with the Commonwealth of Pennsylvania.

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Item 4 Advisory Business

- A. S.F. Ehrlich Associates, Inc. (the “Registrant”) is a corporation formed in July 1996 in the State of New Jersey. The Registrant is principally owned by Stanley Ehrlich who is the Registrant’s President and Chief Compliance Officer.
- B. As discussed below, the Registrant offers to its clients (generally: individuals and high net worth individuals) investment advisory services along with financial planning and consulting services upon request.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management. Before engaging the Registrant to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

Registrant’s annual investment advisory fee compensates for investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written agreement with the client.

Before Registrant provides investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. Next, the Registrant will confirm the investment objectives and allocate investment assets accordingly. The Registrant currently generally allocates client investment assets among: exchange-listed securities, mutual funds, exchange traded funds (“ETFs”), individual bonds and bond funds, cash and cash equivalents on a discretionary basis. Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may periodically execute account transactions based upon such reviews.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters) on a stand-alone separate fixed fee basis. Registrant’s planning and consulting fees are negotiable depending upon the level and scope of the services required and the professional(s) rendering the services. Before engaging the Registrant to provide financial planning or consulting services, clients are required to enter into either a Financial Planning and Consulting Agreement, or a Limited Consulting Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and a description of the applicable fee that will become due from the client. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The

client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

MISCELLANEOUS

Limitations of Financial Planning and Consulting Services. As indicated above, the Registrant may provide financial planning and consulting services, including services regarding non-investment related matters such as tax planning or insurance planning. Neither the Registrant, nor any of its representatives, serves as an accountant, attorney, or licensed insurance agent, and no portion of the Registrant's services should be construed as accounting, tax, legal, or insurance implementation services. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.) The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Use of Mutual Funds. While the Registrant may allocate client investment assets to mutual funds that are not available directly to the public, the Registrant may also allocate client investment assets to publicly-available mutual funds that the client could obtain without engaging Registrant as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through selected registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Registrant's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply.

Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee as a result of the rollover. To the extent that Registrant recommends that clients roll over assets from their retirement plan to an IRA managed by Registrant, then Registrant represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974 ("ERISA"), or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. The Registrant's Chief Compliance Officer, Stanley Ehrlich, remains available to address any questions that a client or prospective**

client may have regarding the potential for conflict of interest presented by such a rollover recommendation.

ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a retirement plan (“Plan”) organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then the Registrant represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by the Registrant or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account. **The Registrant’s Chief Compliance Officer, Stanley Ehrlich, remains available to address any questions that a client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), the Registrant may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant’s advisory fee.

ByAllAccounts. In conjunction with the services provided by ByAllAccounts, Inc., the Registrant may also provide periodic comprehensive reporting services, which can incorporate all of the client’s investment assets including those investment assets that are not part of the assets managed by the Registrant (the “Excluded Assets”). The Registrant’s service relative to the Excluded Assets is limited to reporting services only, which does not include investment implementation. Because the Registrant does not have trading authority for the Excluded Assets, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional), and not the Registrant, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. The client and/or their other advisors that maintain trading authority, and not the Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets. Without limiting the above, the Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that the Registrant provide investment management services with respect to the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the Investment Advisory Agreement between the Registrant and the client.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant’s previous recommendations and/or services.

Investment Risk. 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 Registrant) will be profitable or equal any specific performance level(s).

Disclosure Statement. A copy of the Registrant's written disclosure statement as set forth on Form ADV Part 2 shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement. Any client who has not received a copy of Registrant's written Brochure at least 48 hours before executing the applicable form of client agreement shall have five business days subsequent to executing the agreement to terminate the Registrant's services without penalty.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2016, the Registrant had approximately \$94,223,000 in client assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

The client can engage the Registrant to provide discretionary investment advisory services on a negotiable *fee-only* basis. The Registrant's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management (generally, between 0.75% and 1.0%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
Up to \$1,000,000	1.00%
Balance exceeding \$1,000,000	0.75%

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fixed fee basis. Registrant's financial planning and consulting fees are negotiable depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s), but generally range: from \$1,500.00 to \$5,000.00 on a fixed fee basis according to the terms and conditions of a Financial Planning and Consulting Agreement; or between \$500 and \$600 on a fixed fee basis according to the terms and conditions of a Limited Consulting Agreement.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's Investment Advisory Agreement and the custodial / clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. For investment advisory services, the Registrant shall deduct fees and/or bill clients quarterly in arrears based upon the market value of the assets on the last business day of the previous quarter. Financial planning and consulting fees are payable according to the terms and conditions of the applicable form of agreement, typically upon completion of the engagement.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab and Co., Inc., an SEC-registered and FINRA member broker-dealer/custodian ("Schwab") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers/custodians such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity, ETFs and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The amount of such commissions and/or transaction fees may vary depending upon the following factors: the broker-dealer/custodian utilized; the amount of assets under management by the Registrant; the type of asset (e.g. equity, exchange traded fund, mutual fund, fixed income product); and whether clients receive their account statements electronically or by hard copy.
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in arrears based upon the market value of the assets on the last business day of the previous quarter. The applicable form of agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of such agreement. Upon termination: the Registrant will prorate and bill the client for the number of days that services were provided during the billing quarter, as applicable.
- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients generally include individuals and high net worth individuals. The Registrant generally requires an annual minimum fee of \$5,000 and a minimum asset level of \$500,000 for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment advisory fee, reduce or waive its minimum fee, and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). **Please Note:** Clients who maintain assets with the Registrant below the minimum account size may pay a higher percentage rate than reflected in Item 5.A. above.

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

- A. The Registrant may utilize the following methods of security analysis:
- **Charting** - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices);
 - **Fundamental** - (analysis performed on historical and present data, with the goal of making financial forecasts);
 - **Technical** - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices); and
 - **Cyclical** - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant executes investment strategies for each client based upon the client's individual and confirmed investment objectives. The Registrant's primary investment strategy is a strategic asset allocation utilizing a core and satellite approach. This means that Registrant focuses upon passively-managed mutual funds and exchange-traded funds as the core investments, and then adds actively-managed funds where it perceives opportunities for improvement. Portfolios are globally diversified in an attempt to control the risk associated with traditional markets. Other strategies may include long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), and periodic rebalancing to align asset allocation to designated investment objectives.

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. 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 Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant'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.

The Registrant's primary investment strategies are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, the Registrant generally allocates client investment assets among: exchange-listed securities, mutual funds, exchange traded funds ("ETFs"), individual bonds and bond funds, cash and cash equivalents on a discretionary basis in accordance with the client's investment objectives.

Item 9 Disciplinary Information

While Registrant has not been involved in any legal or disciplinary events that it considers material to a client's evaluation of its advisory business or the integrity of its management, it entered into a "Consent Agreement and Order" with the Commonwealth of Pennsylvania Department of Banking and Securities, Bureau of Licensing, Compliance and Examinations (the "Bureau") effective May 16, 2017. The Consent Agreement and Order reflects the Bureau's finding that Registrant violated a specific section of the Pennsylvania Securities Act of 1972 because it was not registered as an investment adviser in Pennsylvania from April 2012 until the effective date of the Consent Agreement and Order, by failing to submit applicable forms and fees.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. There are no relationships or arrangements that are material to Registrant's advisory business or to its clients, with any of the types of entities requiring disclosure in this Item 10.C.
- D. The Registrant does not recommend or select other investment advisors for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940 and similar state law, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at Schwab. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending Schwab or any other broker-dealer/custodian to clients, include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from Schwab (or another broker-dealer/custodian, investment platform, independent investment manager, vendor, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. The support services that Registrant may obtain could include: investment-related research, pricing information and market data, software and other technology that provide access to client account data, trading assistance, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel expenses and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

Certain of the support services and/or products that may be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by the Registrant to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. The Registrant does not receive referrals from broker-dealers.
3. Directed Brokerage. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. . **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

The Registrant's Chief Compliance Officer, Stanley Ehrlich, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant may receive economic benefits from Schwab including support services and/or products without cost or at a discount. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no commitment made by the Registrant to Schwab, or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. Please refer to Item 12.A.1. for more information.
- B. The Registrant does not compensate, directly or indirectly, any person other than its representatives for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute an Investment Advisory Agreement, naming the Registrant as client's attorney in fact and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$500, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

Item 19 Requirements for State- Registered Advisors

- A. Stanley Ehrlich is the Registrant's management person. For more information about Mr. Ehrlich, please refer to the Registrant's ADV Part 2B, Brochure Supplement.
- B. The Registrant is not actively engaged in any other business except as disclosed above.

- C. Neither the Registrant nor its representatives accept performance-based fees.
- D. As indicated in Item 9 above, the Registrant entered into a “Consent Agreement and Order” with the Commonwealth of Pennsylvania Department of Banking and Securities, Bureau of Securities, Compliance and Examinations (the “Bureau”) effective May 16, 2017. The Consent Agreement and Order reflects the Bureau’s finding that Registrant violated a specific section of the Pennsylvania Securities Act of 1972 because it was not registered as an investment adviser in Pennsylvania from April 2012 until the effective date of the Consent Agreement and Order, by failing to submit applicable forms and fees.
- E. Neither the Registrant nor its representatives have any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: The Registrant’s Chief Compliance Officer, Stanley Ehrlich, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

ADV Part 2B Brochure Supplement

Item 1 Cover Page

A.

Stanley F. Ehrlich

S.F. Ehrlich Associates, Inc.

ADV Part 2B, Brochure Supplement
Dated: June 6, 2017

Contact: Stanley F. Ehrlich, Chief Compliance Officer
37 Elm Street, Suite 5
PO Box 2778
Westfield, NJ 07090
www.sfehrlich.com
908-789-1100

B.

This Brochure Supplement provides information about Stanley F. Ehrlich that supplements S.F. Ehrlich Associates, Inc.'s Brochure; you should have received a copy of that Brochure. Please contact Stanley F. Ehrlich, Chief Compliance Officer, if you did *not* receive S.F. Ehrlich Associates, Inc.'s Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Stanley F. Ehrlich is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Stanley F. Ehrlich was born in 1950. He graduated from Syracuse University in 1971 with a Bachelor of Arts degree in Economics, then from John Jay College in 1975 with a Master's Degree in Criminal Justice, and finally from New York University in 1985 with a Master of Public Administration and an ABD. Since July 1996, Mr. Ehrlich has been the President of S.F. Ehrlich Associates, Inc. He has also been a columnist with NAPFA, a contributing Editor with Cahners Business Publications (between 2000 and 2003), a columnist for ONSITE between 1998 and 2008, an associate professor at Raritan Valley Community College, and an adjunct faculty member at The College of New Jersey.

Item 3 Disciplinary Information

The supervised person has not been involved in any disciplinary events requiring disclosure at this Item 3.

Item 4 Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 Additional Compensation

None.

Item 6 Supervision

S.F. Ehrlich Associates, Inc. provides investment advisory and supervisory services in accordance with current state regulatory requirements. S.F. Ehrlich Associates, Inc.'s Chief Compliance Officer, Stanley F. Ehrlich, is primarily responsible for overseeing the activities of S.F. Ehrlich Associates, Inc.'s supervised persons. Mr. Ehrlich also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding S.F. Ehrlich Associates, Inc.'s supervision or compliance practices, please contact Mr. Ehrlich at 908 789-1100.

Item 7 State-Registered Investment Advisors

- A. As S.F. Ehrlich Associates, Inc.'s Chief Compliance Officer, Mr. Ehrlich has been involved in the events leading to a "Consent Agreement and Order" with the Pennsylvania Department of Banking and Securities, Bureau of Securities, Compliance and Examinations (the "Bureau") effective May 16, 2017. The Consent Agreement and Order reflects the Bureau's finding that S.F. Ehrlich Associates, Inc. violated a specific section of the Pennsylvania Securities Act of 1972 because it was not registered as an investment adviser in Pennsylvania from April 2012 until the effective date of the Consent Agreement and Order, by failing to submit applicable forms and fees.
- B. Mr. Ehrlich has never been the subject of a bankruptcy petition.

Item 1 Cover Page

A.

John Zeltmann

S.F. Ehrlich Associates, Inc.

ADV Part 2B, Brochure Supplement

Dated: June 6, 2017

Contact: Stanley F. Ehrlich, Chief Compliance Officer
37 Elm Street, Suite 5
PO Box 2778
Westfield, NJ 07090
www.sfehrlich.com
908-789-1100

B.

This Brochure Supplement provides information about John Zeltmann that supplements S.F. Ehrlich Associates, Inc.'s Brochure; you should have received a copy of that Brochure. Please contact Stanley F. Ehrlich, Chief Compliance Officer, if you did not receive S.F. Ehrlich Associates, Inc.'s Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about John Zeltmann is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

John Zeltmann was born in 1980. He graduated from Cornell University in 2002 with a Bachelor of Science degree. From 2008 through 2016, Mr. Zeltmann worked with RegentAtlantic initially as an Analyst between 2008 and 2010, then as a Financial Advisor from 2010 through 2015, and finally as a Wealth Advisor between 2015 and 2016. He has been an Investment Adviser Representative with S.F. Ehrlich Associates, Inc. since July 2016.

Mr. Zeltmann has been a CERTIFIED FINANCIAL PLANNER™ since 2008. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 77,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must currently satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Mr. Zeltmann has been a CFA® Charter Holder since 2012. CFA® designates an international professional certificate that is offered by the CFA Institute.

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 140,000 CFA charter holders working in 135 countries. To earn the CFA charter, candidates must: (1) pass three sequential, six-hour examinations; (2) have at least four years of qualified professional investment experience; (3) join CFA Institute as members; and (4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment. Additionally, regulatory bodies in approximately 23 countries/territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

Item 3 Disciplinary Information

The supervised person has not been involved in any disciplinary events requiring disclosure at this Item 3.

Item 4 Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 Additional Compensation

None.

Item 6 Supervision

S.F. Ehrlich Associates, Inc. provides investment advisory and supervisory services in accordance with current state regulatory requirements. S.F. Ehrlich Associates, Inc.'s Chief Compliance Officer, Stanley F. Ehrlich, is primarily responsible for overseeing the activities of S.F. Ehrlich Associates, Inc.'s supervised persons. Mr. Ehrlich also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding S.F. Ehrlich Associates, Inc.'s supervision or compliance practices, please contact Mr. Ehrlich at 908 789-1100.

Item 7 State-Registered Investment Advisors

- A. Mr. Zeltmann has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Zeltmann has never been the subject of a bankruptcy petition.