

## Item 1: Cover Page

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# Blom & Howell Financial Planning, Inc.



## Form ADV Part 2A Brochure

March 9, 2023

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This brochure provides information about the qualifications and business practices of Blom & Howell Financial Planning, Inc. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. 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. Blom & Howell Financial Planning, Inc. is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about Blom & Howell Financial Planning, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching for CRD# 311830.

## Item 2: Material Changes

In this Item, Blom & Howell Financial Planning, Inc. is required to identify and discuss material changes since its last annual amendment. Since filing its last annual amendment on February 7, 2022, there have been the following material changes:

- Our firm transitioned from state to SEC registration in Q2 2022. This brochure has been amended accordingly.

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## **Item 4: Advisory Business**

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- A. Blom & Howell Financial Planning, Inc. ("Adviser") is an investment adviser registered with the U.S. Securities and Exchange Commission, and principally owned by Gary George Blom and Michael Joseph Howell.
- B. Adviser offers the following types of advisory services:
  - i. **Comprehensive Wealth Management**: Adviser offers comprehensive wealth management services through the provision of either discretionary or non-discretionary investment management services combined with financial planning services as described below. These combined services are provided exclusively through a wrap fee program for which Adviser serves as the sponsor and portfolio manager. Please refer to Adviser's separate Form ADV Part 2A – Appendix 1 (the "Wrap Fee Brochure") for more information.

In general, Adviser provides comprehensive wealth management through the implementation and management of tailored portfolios of diversified assets that are typically comprised of some combination of stocks, bonds, mutual funds, exchange-traded funds ("ETFs"), and real estate investment trusts ("REITs"). Such portfolios are rebalanced periodically to remain in-line with the client's agreed-upon asset allocation, though the asset allocation may be changed from time to time based on changes to a client's specific situation. In all instances, Adviser accounts for the client's current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients' account(s).

- ii. **Financial Planning**: Adviser provides a variety of standalone financial planning and consulting services to clients for the management of financial resources based upon an analysis of current situations, goals, and objectives. Financial planning services will typically involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass, but is not limited to, Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, General Tax Planning, Real Estate Analysis, Cash Flow/Budget Analysis, Mortgage/Debt Analysis, Debt Management, Insurance Analysis, or Business and Personal Financial Planning.

Financial plans (delivered in written or digital form depending on the financial planning technology utilized) or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by clients. Implementation of the recommendations will be at the discretion of the client. Financial consultations are not typically accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service. Assuming that all the information and documents requested from the client are provided promptly, plans or consultations are typically completed within three (3) months of the client signing an agreement and may encompass multiple meetings.

When rendering financial planning services, a conflict exists between Adviser's interests and the interests of its clients; clients are under no obligation to act upon Adviser's financial planning recommendations. If a client elects to act on any of the recommendations made by Adviser, the client is under no obligation to affect the transaction through Adviser.

- iii. **Selection of Other Investment Advisers**: When appropriate for a particular client, Adviser will recommend the use of an independent and unaffiliated third-party investment adviser (a “Third-Party Adviser”) to perform various administrative and investment management services for such client. The Third-Party Adviser will either be retained by Adviser on behalf of applicable clients or applicable clients will engage the Third-Party Adviser directly pursuant to a separate agreement. In all such instances in which a Third-Party Adviser is to provide administrative or investment services to a client, Adviser will confirm that such Third-Party Adviser is appropriately registered and will perform other due diligence as appropriate.
- iv. **Retirement Plan Consulting**: Adviser provides ongoing retirement plan consulting services to employer plans that are typically qualified under the Employee Retirement Income Security Act of 1974 (“ERISA”), and will assist employer plan sponsors in establishing, monitoring, and reviewing their company’s participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advice could include investment policy statement development, implementation and monitoring, analysis of investment options, plan structure and participant education, cost structure, risk analysis and performance measurement. When appropriate for a particular plan, Adviser may also recommend the retention of an independent and unaffiliated third-party retirement plan consultant to serve as a 3(21) or 3(38) fiduciary with respect to the plan.
- v. **Automated Investment Program**: Adviser offers an automated investment program (the “Program”) through which clients are invested in a range of investment strategies Adviser has constructed and managed, each consisting of a portfolio of ETFs and mutual funds and a cash allocation. The client may instruct Adviser to exclude up to three ETFs and mutual funds from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. (“Schwab”). Adviser uses the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment advisers and an affiliate of Schwab, to operate the Program. Adviser is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, Schwab, or their affiliates. Adviser, and not Schwab, are the client’s investment adviser and primary point of contact with respect to the Program. Adviser is solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. Adviser has contracted with SPT to provide the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables Adviser to make the Program available to clients online and includes a system that automates certain key parts of the investment process. The Platform also includes an automated investment engine through which Adviser manages the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

Clients do not pay brokerage commissions or any other fees to Schwab as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that Adviser selects to buy and hold in the client’s brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client’s brokerage account for services Schwab provides; and

- (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.
- vi. Held Away Accounts: We use a third-party platform (Pontera, formerly FeeX) to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly, and allocation changes will be made as deemed necessary.
- C. Adviser tailors its advisory services to the individual needs of its clients by taking the time to understand clients' current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients' account(s). This information will then be used to make investment recommendations that reflect clients' individual needs and objectives on an initial and ongoing basis. Adviser's recommendations and decisions will allocate portions of clients' account(s) to various asset classes classified according to historical and projected risks and rates of return.
- For non-discretionary accounts and in the performance of financial planning services, clients will have the opportunity to accept or reject any of Adviser's recommendations. Non-discretionary Clients are under no obligation to accept or implement any recommendation made by Adviser.
- For discretionary accounts, Adviser shall be granted a limited power of attorney to effect transactions in such accounts without necessarily conferring with clients in advance.
- Clients may impose restrictions on investing in certain securities or types of securities so long as such restrictions may reasonably be implemented by Adviser.
- D. Adviser sponsors and serves as the portfolio manager for its own wrap fee program. Adviser's wrap fee program is offered to comprehensive wealth management clients, which is inclusive of financial planning services. Alternatively, clients may retain Adviser exclusively to render financial planning services outside of its wrap fee program. Thus, Adviser may also manage assets outside of its wrap fee program. Adviser is compensated for its comprehensive wealth management services through its wrap fee program as described in Item 5, below. Please refer to Adviser's Wrap Fee Brochure for more information about Adviser's wrap fee program.
- E. As of January 27, 2023, Adviser manages \$102,860,364 in client assets on a discretionary basis and \$4,959,453 in client assets on a non-discretionary basis.

## **Item 5: Fees and Compensation**

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- A. Adviser is compensated for its comprehensive wealth management services by fees charged based on a client's assets under management with Adviser. For clients that do not wish to engage Adviser to provide comprehensive wealth management services, Adviser alternatively offers separate financial planning services on a fixed-fee or hourly basis. Fees are negotiable, and each client's specific fee schedule is included as part of the investment advisory agreement signed by Adviser and the client.

Adviser's maximum comprehensive wealth management fee is 1.00% per annum of client's assets under Adviser's management, charged monthly in arrears based on the average daily account balance over the course of the previous month.

Fixed financial planning fees typically range from \$500 to \$10,000 depending on the nature and complexity of a client's specific financial situation, as well as the specific financial planning topics to be addressed as part of the initial plan or ongoing planning services. Hourly financial planning fees are charged at a rate not to exceed \$250 per hour. Such fees will be directly billed to the client and due within 30 days of a financial plan being delivered or a consultation rendered. Adviser will not require a retainer or any prepayment exceeding \$500 when services cannot be rendered within 6 months.

When a Third-Party Adviser is engaged to provide administrative or investment services to a client, such client will typically pay the Third-Party Adviser an annual asset-based fee up to 2.00%, billed quarterly in advance, based on the assets under the administration or management of the Third-Party Adviser. In no event will the total asset-based fee payable to Adviser and a Third-Party Adviser exceed 3% per annum.

Retirement plan consulting services are billed on (a) an hourly basis, (b) an annual fixed fee, or (c) an annual fee based on the percentage of assets under Adviser's management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of Adviser's engagement with the retirement plan client. The maximum hourly fee to be charged will not exceed \$250 per hour billed monthly in arrears. Fixed retirement plan consulting fees will start at a minimum of \$500 and due within 30 days of the retirement plan consulting services being delivered. Depending on the size of the plan, a higher fee will be assessed pursuant to the agreement between Adviser and the plan. Fees based on a percentage of assets will not exceed 1.00% per annum, billed monthly in arrears based on the average daily plan asset balance over the course of the previous month. The fee-paying arrangements for retirement plan consulting services will be determined on a case-by-case basis and will be detailed in the signed agreement between Adviser and the plan.

Fees may be payable via direct debit from the client's account(s), or via ACH, debit/credit card, or check for clients that elect not to have fees directly debited from their account(s).

Lower fees for comparable services may be available from other sources.

- B. In addition to the fees charged by Adviser, non-wrap fee program clients (i.e., clients not receiving comprehensive wealth management services) will incur brokerage and other transaction costs. As part of its wrap fee program, Adviser pays the brokerage and other transaction costs for its comprehensive wealth management clients. Clients should be aware that this creates a conflict of interest in that Adviser is incentivized to trade less frequently so as to not incur such brokerage and transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction-related practices, as well as Adviser's Wrap Fee Brochure.

All clients will also typically incur additional fees and expenses imposed by independent and unaffiliated third parties, which can include qualified custodian fees, mutual fund or ETF fees and expenses, mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, check-writing fees, early-redemption charges, certain deferred sales charges on previously purchased mutual funds, margin fees, charges or interest, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions. These additional charges are separate and apart from the fees charged by Adviser.

Please note that clients with accounts held at American Funds will be subject to an annual fee of \$10.

- C. If Adviser or client terminates the advisory agreement before the end of a billing period, Adviser's fees will be prorated through the effective date of the termination. The pro rata fees earned through the effective date of the termination will be billed to the client.
- D. Neither Adviser nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

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Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## **Item 7: Types of Clients**

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Adviser generally provides its services to individuals, high-net-worth individuals, trusts, estates, business entities, charitable organizations and pension and profit sharing plans. Adviser does not require a minimum account value to open or maintain an account; however, Schwab imposes a minimum investment of \$5,000 to open or convert an account into the Program and a minimum account balance of \$50,000 to utilize the Program's tax-loss harvesting feature. Schwab does not impose a minimum account balance on other types of accounts outside of the Program.

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

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Investing in securities involves risk of loss that clients should be prepared to bear. Adviser utilizes the following strategies in managing client accounts, provided that such strategies are appropriate for the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizon, and other considerations:

Long-Term Purchases: We may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value has the potential to appreciate over a long horizon. The risk of this strategy is that it could miss out on potential short-term gains that could have been profitable to a client's account. Moreover, if Adviser's predictions are incorrect, it's possible that the security's value may decline sharply before the security is sold.

Short-Term Purchases: Adviser may buy securities for a client's account and decide to sell them within a relatively short time horizon (less than a year) in order to capitalize on short-term price fluctuations. There's no guarantee, however, that this strategy will be able to produce gains.

Debt Securities (Bonds): Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. Bonds with longer rates of maturity tend to have greater interest rate risks.

Certain additional risk factors relating to debt securities include: (a) When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.; (b) Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.; (c) Debt securities may be sensitive to economic changes, political and corporate developments, and interest rate changes. Investors can also expect periods of economic change and uncertainty, which can result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. (d) Debt securities may contain redemption or call provisions entitling their issuers to redeem them at a specified price on a date prior to maturity. If an issuer exercises these provisions in a lower interest rate market, the account would have to replace the security with a lower yielding security, resulting in decreased income to investors. Usually, a bond is called at or close to par value. This subjects investors that paid a premium for their bond risk of lost principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.; (e) If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account may incur losses or expenses in seeking recovery of amounts owed to it.; (f) There may be little trading in the secondary market for particular debt securities, which may adversely affect the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of debt securities.

Adviser attempts to reduce the risks described above through diversification of the client's portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments, but there can be no assurance that Adviser will be successful in doing so.

Credit ratings for debt securities provided by rating agencies reflect an evaluation of the safety of principal and interest payments, not market value risk. The rating of an issuer is a rating agency's view of past and future potential developments related to the issuer and may not necessarily reflect actual outcomes.

There can be a lag between the time of developments relating to an issuer and the time a rating is assigned and updated.

**Equity Securities:** Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers and market, economic and other conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. There may be little trading in the secondary market for particular equity securities, which may adversely affect Adviser's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities. Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

**ETFs:** An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. The vast majority of ETFs are designed to track an index, so their performance is close to that of an index mutual fund, but they are not exact duplicates. A tracking error, or the difference between the returns of a fund and the returns of the index, can arise due to differences in composition, management fees, expenses, and handling of dividends. ETFs benefit from continuous pricing; they can be bought and sold on a stock exchange throughout the trading day. Because ETFs trade like stocks, an investor can place orders just like with individual stocks - such as limit orders, good-until-canceled orders, stop loss orders etc. They can also be sold short. Traditional mutual funds are bought and redeemed based on their net asset values ("NAV") at the end of the day. ETFs are bought and sold at the market prices on the exchanges, which resemble the underlying NAV but are independent of it. However, arbitrageurs will ensure that ETF prices are kept very close to the NAV of the underlying securities. Although an investor can buy as few as one share of an ETF, most buy in lots. Anything bought in less than a lot will increase the cost to the investor. Anyone can buy any ETF no matter where in the world it trades. This provides a benefit over mutual funds, which generally can only be bought in the country in which they are registered. One of the main features of ETFs are their low annual fees, especially when compared to traditional mutual funds. The passive nature of index investing, reduced marketing, and distribution and accounting expenses all contribute to the lower fees. However, individual investors must pay a brokerage commission to purchase and sell ETF shares; for those investors who trade frequently, this can significantly increase the cost of investing in ETFs. That said, with the advent of low-cost brokerage fees, small or frequent purchases of ETFs are becoming more cost efficient.

**Mutual Funds:** A mutual fund is a company that pools money from many investors and invests that money in a variety of differing security types based on the objectives of the fund. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares are the fund's per share net asset value ("NAV") plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which is calculated daily after market close.

The benefits of investing through mutual funds include: (a) Mutual funds are professionally managed by an investment adviser who researches, selects, and monitors the performance of the securities purchased by the fund; (b) Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as “Don’t put all your eggs in one basket.” Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.; (c) Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.; and (d) At any time, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption.

Mutual funds also have features that some investors might view as disadvantages: (a) Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distributions they receive. This includes instances where the fund performed poorly after purchasing shares.; (b) Investors typically cannot ascertain the exact make-up of a fund’s portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.; and (c) With an individual stock, investors can obtain real-time (or close to real time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock’s price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund’s NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds, however, are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund’s capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit and cannot use losses to offset these gains.

**Margin Transactions:** If a client’s account is set up for margin transactions, Adviser may buy on margin for such account. Buying on margin is essentially borrowing money from a broker/custodian to purchase the security. Because using borrowed money amplifies gains and losses, buying on margin can substantially increase the risk of a portfolio.

## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management. Neither Adviser nor any of its management persons have been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction, an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority, and/or a self-regulatory organization (SRO) proceeding.

## Item 10: Other Financial Industry Activities & Affiliations

- A. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither Adviser nor any of its management persons have any business relationship or arrangement with any of the following related persons that is material to its advisory business or to clients:
  - i. broker-dealer, municipal securities dealer, or government securities dealer or broker
  - ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
  - iii. futures commission merchant, commodity pool operator, or commodity trading advisor
  - iv. banking or thrift institution
  - v. accountant or accounting firm
  - vi. lawyer or law firm
  - vii. pension consultant
  - viii. real estate broker or dealer
  - ix. sponsor or syndicator of limited partnerships
- D. Both of Adviser's investment adviser representatives ("IARs") are licensed insurance agents, and from time to time will earn an ordinary and customary commission from the sale of an insurance product in such capacity. This creates a conflict of interest, because such IARs have the potential to earn both an insurance commission and advisory fee revenue from a client. Adviser addresses this conflict of interest by fully disclosing this relationship with the applicable insurance provider, and informing clients that they are under no obligation to purchase an insurance product through any IAR.

Prior to selecting any Third-Party Adviser, Adviser will ensure that such Third-Party Adviser is properly registered or notice-filed.

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

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- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

## **Item 12: Brokerage Practices**

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- A. Adviser considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfill its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser recommends Charles Schwab & Co., Inc. ("Schwab") as the custodial broker-dealer for client accounts.
  - i. Adviser does not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits". However, Schwab provides certain products and services that are intended to directly benefit Adviser, clients, or both. Such products and services include (a) an online platform through which Adviser can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to the custodial broker-dealer(s)' educational conferences, (e) practice management consulting, and (f) occasional business meals and entertainment. In connection with Adviser's initial registration, Schwab also offset the cost of certain third-party vendor services that Adviser would have otherwise had to incur in connection with registering as an investment adviser and the transfer of client accounts to Schwab. Adviser does not have to pay Schwab for the Platform so long as Adviser maintains client assets in accounts at Schwab as custodial broker-dealer. The receipt of these products, services, and benefits creates a conflict of interest to the extent it causes Adviser to recommend Schwab as opposed to a comparable broker-dealer. Adviser addresses this conflict of interest by fully disclosing it in this brochure, evaluating Schwab based on the value and quality of its services as realized by clients, and by periodically evaluating alternative broker-dealers to recommend.
  - ii. Adviser does not consider, in selecting or recommending custodial broker-dealers, whether Adviser or a related person receives client referrals from a custodial broker-dealer or third-party.
  - iii. Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified custodial broker-dealer other than Schwab. Please note that clients wishing to utilize the Schwab Program must utilize Schwab as a custodial broker-dealer.
- B. Adviser retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by Adviser, such aggregation will be done so as to not to disadvantage any client and to treat all clients as fairly and equally as possible.

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

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- A. Gary Blom and Michael Howell, IARs of Adviser, monitor comprehensive wealth management client accounts on an ongoing basis, and typically review such client accounts on a quarterly basis. Such reviews are designed to ensure that the client is still on track to achieve his or her financial goals, and that the investments remain appropriate given the client's risk tolerance, investment objectives, major life events, and other factors. Clients are encouraged to proactively reach out to Adviser to discuss any changes to their personal or financial situation.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with Adviser. Adviser does not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage Adviser for a post-financial plan meeting or update to their initial written financial plan.

- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).
- C. The custodial broker-dealer will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election. If agreed to by Adviser and client, Adviser or a third-party report provider will also send clients reports to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.

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

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- A. Nobody other than clients provide an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the custodial broker-dealer(s) recommended for client accounts provides certain products, services, and benefits that are intended to directly benefit Adviser, clients, or both.
- B. Neither Adviser nor a related person directly or indirectly compensates a person who is not Adviser's supervised person for client referrals.

## Item 15: Custody

For clients that do not have their fees deducted directly from their account(s) and have not provided Adviser with any standing letters of authorization to distribute funds from their account(s), Adviser will not have any custody of client funds or securities. For clients that have their fees deducted directly from their account(s) or that have provided Adviser with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), Adviser will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

Some clients may execute limited powers of attorney or other standing letters of authorization that permit the firm to transfer money from their account with the client's independent qualified Custodian to third-parties. This authorization to direct the Custodian may be deemed to cause our firm to exercise limited custody over your funds or securities and for regulatory reporting purposes, we are required to keep track of the number of clients and accounts for which we may have this ability. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate any transfers that may have taken place within your account(s) each billing period. You should carefully review account statements for accuracy.

If a client receives account statements from both the custodial broker-dealer and Adviser or a third-party report provider, client is urged to compare such account statements and advise Adviser of any discrepancies between them.

## **Item 16: Investment Discretion**

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Adviser accepts discretionary authority to manage securities accounts on behalf of certain comprehensive wealth management clients only pursuant the mutual written agreement of Adviser and the client through a power-of-attorney, which is typically contained in the advisory agreement signed by Adviser and the client. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or power-of-attorney. Such discretionary authority applies to the securities to be bought or sold for a client's account and the amount/timing of securities to be bought or sold for a client's account.

Alternatively, a client may engage Adviser to render non-discretionary comprehensive wealth management services.

## Item 17: Voting Client Securities

- A. Adviser does not have and will not accept authority to vote client securities.
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

## **Item 18: Financial Information**

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- A. Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.
- C. Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.