

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

OMB APPROVAL

OMB Number: 3235-0049

Expires: February 28, 2011

Estimated average burden hours per  
response . . . 4.07

Name of Investment Adviser:

Fee-Only Financial Planning, LC

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code

Telephone Number

355 Campbell Avenue SW

Roanoke

VA

24016

540 342-7102

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

## Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees . . . . .	2
2	Types of Clients. . . . .	2
3	Types of Investments. . . . .	3
4	Methods of Analysis, Sources of Information and Investment Strategies. . . . .	3
5	Education and Business Standards. . . . .	4
6	Education and Business Background. . . . .	4
7	Other Business Activities. . . . .	4
8	Other Financial Industry Activities or Affiliations. . . . .	4
9	Participation or Interest in Client Transactions. . . . .	5
10	Conditions for Managing Accounts. . . . .	5
11	Review of Accounts. . . . .	5
12	Investment or Brokerage Discretion. . . . .	6
13	Additional Compensation. . . . .	6
14	Balance Sheet. . . . .	6
	Continuation Sheet. . . . .	Schedule F
	Balance Sheet, if required. . . . .	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not  
required to respond unless the form displays a currently valid OMB control number.

Applicant:  
Fee-Only Financial Planning, LC

SEC File Number:  
801- 60251

Date:  
3/3/2009

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |   |         |
|---|---------|
| <input type="checkbox"/> (1) Provides investment supervisory services   | _____ % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services   | _____ % |
| <input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above                                    | 25 %    |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription  | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above  | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities                                   | 75 %    |
| <input type="checkbox"/> (8) Provides a timing service  | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above  | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☒ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> (6) Other  |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

**3. Types of Investments** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity securities  | <input checked="" type="checkbox"/> H. United States governmental securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                                |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                        | I. Options contracts on:   |
| <input checked="" type="checkbox"/> (3) foreign issuers   | <input checked="" type="checkbox"/> (1) securities                           |
|   | <input checked="" type="checkbox"/> (2) commodities                          |
| <input checked="" type="checkbox"/> B. Warrants   |  |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | J. Futures contracts on:   |
| <input checked="" type="checkbox"/> D. Commercial paper   | <input checked="" type="checkbox"/> (1) tangibles                            |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                    | <input checked="" type="checkbox"/> (2) intangibles                          |
| <input checked="" type="checkbox"/> F. Municipal securities                                       |  |
| G. Investment company securities:   | K. Interests in partnerships investing in:                                   |
| <input checked="" type="checkbox"/> (1) variable life insurance                                   | <input checked="" type="checkbox"/> (1) real estate                          |
| <input checked="" type="checkbox"/> (2) variable annuities  | <input checked="" type="checkbox"/> (2) oil and gas interests                |
| <input checked="" type="checkbox"/> (3) mutual fund shares  | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)        |
|   | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)         |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                         | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales  |  |

Applicant:  
Fee-Only Financial Planning, LC

SEC File Number:  
801- 60251

Date:  
3/3/2009

**5. Education and Business Standards.**

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:  
Fee-Only Financial Planning, LC

SEC File Number:  
801- 60251

Date:  
3/3/2009

**9. Participation of Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☐ ☒

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Applicant's primary service for individuals is coordinated financial planning on matters including investment strategy, tax and estate planning, cash flow and risk management and, in general, attainment of financial goals and objectives. Each client receives an initial financial evaluation. The frequency and type of review depends upon the client's situation. Clients are expected to notify Applicant of changes in their circumstance that may impact their financial position and to request a review if they feel it may be warranted.**

**Andrew M Hudick, James E Pearman, Jr., and Pamela D. Poldiak perform all reviews for their respective clients. Each reviewer has responsibility for specified clients and they perform their reviews and provide their recommendations independently based upon their experience. The objective of the review is to determine whether a change in client financial strategy is warranted. Reviewers consult with each other as necessary to provide consistent recommendations to clients.**

B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Each client receives an initial written report that details suggestions and recommendations based upon the level of service they have contracted for. These areas may or may not include investment, insurance, tax, retirement and estate planning. Updates are provided as requested by the individual client within the contract period and can be in either written or oral format. Quarterly investment reporting is offered for clients who desire and contract for that service.**

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                                     |                                     |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? .....               | Yes                                 | No                                  |
|  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold? ..... | Yes                                 | No                                  |
|  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (3) broker or dealer to be used? .....                   | Yes                                 | No                                  |
|  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (4) commission rates paid? .....                         | Yes                                 | No                                  |
|  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                          |                                     |
|---|--------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                      | No                                  |
|   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                      | No                                  |
|   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... ☐ Yes ☒ No

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
Fee-Only Financial Planning, LC	801- 60251	3/3/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Fee-Only Financial Planning, LC	IRS Empl. Ident. No.: 54-1648649
--	-------------------------------------

Item of Form (identify)	Answer
	<p><b>Item 1, Part D</b> Applicant offers a non-biased, coordinated fee-only financial planning service that provides detailed recommendations in the areas of cash flow management, investment management, retirement and estate planning, tax planning, and planning for special needs such as education funding and business management. Recommendations are tailored to meet the individual needs of each client based on an evaluation of their goals and objectives and the client's current situation.</p> <p>Compensation for coordinated planning, which includes the initial review, quantitative and qualitative fact gathering, preparation and presentation of written recommendations, and assistance with implementation of recommendations as required, is a negotiable fee generally based on one and one-half percent (1 1/2%) of the prior year's total gross receipts plus three-quarters of one percent (3/4%) of the investable assets of the client. The minimum fee is generally \$3,500. Fees may vary in part due to perceived complexity and/or use of staff resources and other subjective measures applied using factors known or anticipated at the time of the fee quote. Pro-bono engagements are uncommon but occur periodically as opportunities present and staff resources permit. Normally, payment of the fee is one-half (1/2) of the fee due upon completion of the fact finding interview and the balance due upon presentation of the written plan. The fees applied for any engagement are detailed in writing and agreed upon by all parties prior to the commencement of work.</p> <p>Fees for ongoing asset management services in the first year shall be calculated as .75% (three quarters of one percent) per annum of the fair market value of the assets under management reasonably determined by Advisor on the last business day of each three month period. Thereafter, the fee shall be calculated as .60% (six tenths of one percent) per annum of the fair market value of the assets under management reasonably determined by Advisor on the last business day of each three month period. Minimum Advisory fee \$3,500 per annum with previous Coordinated Financial Planning engagement, \$5,000 per annum otherwise. Fees will be billed in advance at the beginning of each three-month period. A one time set up fee of \$1,000 generally applies to all portfolios. Variations from these fees are made on occasion taking into account factors such as complexity and are made in writing and agreed upon in advance by all parties prior to engagement.</p> <p>Compensation for consulting, tax preparation, or planning services other than a coordinated plan is generally based on various hourly rates with a maximum hourly rate of \$350 per hour. Applicant may negotiate with client to provide these services for a fixed fee. Clients pay for these services on a monthly, quarterly, or annual basis depending upon the agreement with the client.</p> <p>A client may terminate a financial planning or retainer agreement at any time by notifying Applicant in writing. Within the first five (5) days of the agreement the termination can be made without penalty and after five (5) days the client would pay the appropriate hourly rate for the time spent on the engagement. Unearned asset management fees will be refunded on a prorated basis. Applicant will refund any unused portion of an advance payment made by client.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
Fee-Only Financial Planning, LC	801- 60251	3/3/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Fee-Only Financial Planning, LC	IRS Empl. Ident. No.: 54-1648649
--	-------------------------------------

Item of Form (identify)	Answer
	<p><b>Item 3, Parts K and L</b> Some clients may have an investment need that can be filled through the purchase of partnerships investing in equipment leasing, research and development, natural resource or mineral development, or agriculture. Clients may also elect to make direct investment in assets such as real estate or other hard assets. Recommendations for and against these investment classes would be incorporated in client's financial plan.</p> <p><b>Item 5</b> Appropriate graduate and/or undergraduate degrees would be required. Attainment of applicable professional designations such as Certified Financial Planner (CFP) or Chartered Financial Analyst (CFA) would be desirable. Important criteria would be several years of experience in the financial services field performing research and working independently with clients. Compliance with all known applicable state and federal securities regulations is also required.</p> <p><b>Item 6</b> ANDREW MICHAEL HUDICK II. Principal and Managing Member Born May 11, 1958. Received Bachelor of Science in Civil Engineering from The University of Virginia in May 1980. Completed CFP program in 1983. Received Master of Science in Financial Planning in 1991. Both MS and CFP from College for Financial Planning. Self-employed as a fee-only financial consultant from 1981 until January 1, 1993 when Applicant was formed. Principal of Applicant from January 1, 1993 until present.</p> <p>JAMES ELWOOD PEARMAN, JR. , Principal and Member Born September 26, 1948. Received Bachelor of Science in Accounting (with Honors) from Virginia Polytechnic Institute and State University in June 1970. Completed requirements for CPA in April 1972. Completed CFP from College for Financial Planning in March 1992. Self-employed as fee-only financial consultant from January 1990 until January 1, 1993 when Applicant was formed. Principal of Applicant from January 1, 1993 until present.</p> <p>ANNE MARIE HUDICK, Principal and Member Born August 14, 1962. Completed requirements for CFP in 1992. Self-employed as financial consultant from May 1989 to November 1992. Self-employed as fee-only financial consultant from November 1992 until January 1, 2001 when joined Applicant as Principal.</p> <p>PAMELA DOLVIN POLDIAK, Principal and Member Born August 22, 1969. Received Bachelor of Science in Accounting from the McIntire School of Commerce at University of Virginia in 1991. Completed requirements for CPA in 1992 and earned her Certified Financial Planner (CFP®) designation in 1998. Worked in the Washington, D.C. office of public accounting firm Arthur Andersen, LLC from 1992- 1995 and was also a financial manager for a physician practice management company from 1995- 1999. Joined Applicant in 2000 and became Principal in January 2005.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2



**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
Fee-Only Financial Planning, LC	801- 60251	3/3/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Fee-Only Financial Planning, LC	IRS Empl. Ident. No.: 54-1648649
--	-------------------------------------

Item of Form (identify)	Answer
	<p><b>Item 7, Parts A, B and C</b> Applicant's primary business is coordinated financial planning and counseling (see Item 1, Part D). Investment advice is a portion of this service but Applicant provides an extensive selection of other services, including tax preparation and accounting consultation, to its clients. All services are provided on a fee-only basis and no product sales are involved.</p> <p><b>Item 9, Part E</b> Related persons occasionally purchase shares of stock or mutual funds recommended to clients. Such purchases, by either the client or the related person, are immaterial in relation to the total assets of the mutual fund or stock company and, therefore, preclude a conflict of interest. Advisor has adopted Code of Ethics which is available upon request.</p> <p><b>Item 12, Part A</b> Applicant develops an investment plan and/or an investment policy statement with client. In many situations, this includes an asset allocation strategy with certain defined parameters. Applicant will proceed to complete the investment allocation by purchasing specific securities or mutual funds as opportunities become available. In most cases, client approval is obtained before each purchase. In other cases, this advanced approval is not practical for a variety of reasons and the purchases will be made within the parameters previously agreed upon with the client but without specific client approval.</p> <p><b>Item 12, Part B</b> Applicant will recommend either full commission or discount brokers based on the particular service need of the individual client. Applicant has no authority to select a broker and the final decision remains with the client. Full commission brokers are recommended to a client when that broker's special knowledge or research capability are required and it is believed that the higher commission paid by the client is justified by the client's need for such services. Discount brokers are recommended for straight-forward (i.e., no research or special service requirement) trading. Any broker recommended will have been determined by Applicant to be a professional who provides a level of service commensurate with the commission charged. Applicant receives no finder's fees, incentives or other remuneration for referrals and no procedures are used to direct client transactions to a particular broker in return for products or research services. Applicant has found many discount brokerage services to be efficient and inexpensive to the individual client.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3