

# Financial Planning Services, Inc.

## Investment Advisor Rule 204-3 Disclosure Brochure

**Financial Planning Services, Inc.**  
700 Exposition Place, Suite #131  
Raleigh NC 27615  
(919) 676-2806  
(919) 848-4310 (fax)

Secondary location:  
808 W. Yacht Drive  
Oak Island, NC 28465  
910-933-4157

This part of form ADV gives information about the investment advisor and its business for the use of clients. The information has not been approved or verified by any government authority.

### Advisory Services and Fees

Financial Planning Services, Inc. ("FPS") provides the client with comprehensive financial planning services including, but not limited to: taxes, estate planning, insurance, business planning, retirement planning, personal investments, financing options, cash flow, company benefits and any other financial aspects of their lives. A written plan is presented to show the client their current situation, their goals and objectives and various alternatives to reach their goals. **The comprehensive financial planning fee is based on the client's current income and net worth as follows:**

**Single Person:** If Annual Income and Investment Net Worth is:

Less than \$100,000	\$2,500
Between \$100,000 & \$300,000	\$3,000
Between \$300,000 & \$500,000	\$4,500
Between \$500,000 & \$700,000	\$6,000
Between \$700,000 & \$900,000	\$7,500
Over \$900,000	\$9,000

**Married Person:** If Annual Income and Investment Net Worth is:

Less than \$200,000	\$4,000
Between \$200,000 & \$400,000	\$5,500
Between \$400,000 & \$600,000	\$7,500
Between \$600,000 & \$800,000	\$9,500
Between \$800,000 & \$1,000,000	\$11,500
Over \$1,000,000	\$15,000

The Fee will be payable at \$500 upon signing of the contract and the remainder upon deliver of the written plan.

### Hourly Arrangement:

Alternatively, FPS will work with clients on an hourly basis for specific financial planning issues (other than portfolio development/analysis), where the client chooses not to engage FPS for a complete financial plan. Fee is \$250/ hour.

A full refund of any prepaid fees will be made for termination of the contract within five business days of its effective date; otherwise, financial planning fees are non-refundable.

### Portfolio Review & Analysis

Fees for portfolio development and analysis are based on fair market value of investment account. Accounts less than \$250,000 will be charged a flat fee of \$1,000. Accounts valued at \$250,000 and over will be charged 50% of the annual fee per investment advisory fee schedule below. A portion of this fee may be applied toward the management fee if the client hires applicant to manage the account.

### Investment Management Services

Investment Management Services are also offered by FPS. Fees are payable quarterly. Fees are based on fair market value of account, adjusted for cash flows, at the end of each billing quarter.

FPS may terminate the investment advisory relationship by sending written notification to the client. In the event of termination by the Client, the first \$1,000 of the annual advisory fee is not refundable.

### Fee Schedule for Investment Management Services:

Assets:	Per Quarter	Annualized
First \$250,000	.25%	1%
Then \$250,000-\$500,000	.2125%	.85%
Then \$500,000-\$1,000,000.	.1875%	.75%
Then \$1,000,000-\$2,000,000	.1300%	.50%
Then \$2,000,000-\$5,000,000	.1000%	.40%
Over \$5,000,000		Negotiable

### **Types of Clients**

FPS generally provides investment advice to the following: Individuals; Pension & Profit Sharing Plans; Trusts, estates and/or charitable organizations; Corporations or business entities.

### **Types of Investments**

FPS offers advice on the following: Exchange-listed securities; Securities traded over-the-counter; Securities offered by foreign issuers; Warrants; Corporate debt securities; Commercial paper; Certificates of deposit; Municipal securities; Variable life insurance; Variable annuities; Mutual fund shares; United States government securities, Options Contracts on securities, Interest in partnerships investing in Real Estate and Oil & Gas interests.

### **Methods of Analysis, Sources of Information, and Investment Strategies**

FPS uses fundamental, technical and cyclical methods of analysis to determine the optimal mixture of asset classes to obtain desired investment returns based upon the client's unique situation and tolerance for risk. Information is also gathered from financial newspapers and magazines, SEC File inspections of corporate activities, corporate annual reports and prospectuses and research information prepared by others.

FPS' investment methodology is based on asset allocation and includes both short and long term purchases, trading, margin transactions and option writing including covered options, uncovered options and spreading strategies.

### **Education and Business Standards**

Generally, persons to be employed in professional, managerial or significant administrative positions will have a four-year college degree and experience in related areas of finance. The attainment of or progress toward a degree program awarding a finance or pension related professional designation (e.g. Chartered Financial Analyst, Certified Financial Planner, Certified Pension Consultant, Certified Investment Counselor) will be supported and encouraged for all staff members of FPS.

### **Education & Business Background**

*Holly K. Nicholson.*

Born: 1955

Education: B.A. (Business/Personnel)  
1977 University of Kansas  
Doctorate - Law  
2003 UNC Chapel Hill

Professional Designations: CFP, JD  
NAPFA – Registered Financial Advisor

### **Business Background:**

1989 - present      Financial Planning  
Services, Inc. Raleigh, NC  
President

1977 – 1989      Carolina Power & Light  
Co. (Progress Energy)  
Human Resources

### **Other Business Activities**

A comprehensive plan must consider income tax, cash flow, retirement planning, estate planning, risk management and special needs in addition to investments. A client may also have a specific need they want analyzed that is not securities related. An estimated 50% of time is spent on other activities and matters not involving securities.

### **Other Financial Industry Activities or Affiliations**

National Association of Personal Financial Advisors,  
Financial Planning Association

### **Participation or Interest in Client Transactions;**

FPS or Nicholson may buy securities for herself or family members that she also recommends and/or buys for clients. If a security has limited availability the client's purchase order will be placed prior to that of Nicholson or her family members. Transaction logs are available for review; these would serve to disclose any conflict of interest.

### **Investment or Brokerage Discretion**

Nicholson and FPS have the authority to determine, without obtaining specific client consent the securities to be bought or sold and the amount of securities to be bought or sold. FPS does not have the authority to determine, without obtaining specific client consent, the broker or dealer to be used or the commission rates to be paid. FPS or Nicholson may suggest that clients use Charles Schwab or TD Ameritrade. However, clients are under no obligation to implement their financial plans through Schwab or TD Ameritrade. Commissions charged by Schwab or TD Ameritrade may be higher or lower than obtainable elsewhere.

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