



S I M P L I F I

## SimpliFi, LLC

An SEC Registered Investment Adviser  
[SEC File #801-63672]

410 W. Fourth Street, Suite 100  
Winston Salem, NC 27101  
(336) 724-4742  
[www.gosimplifi.com](http://www.gosimplifi.com)

Form ADV Part 2  
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This brochure provides clients and prospective clients with information about SimpliFi, LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client. The contents of this brochure have not been approved or verified by the Securities and Exchange Commission, hereinafter the "SEC," or any other state or federal governmental authority. While the firm is an investment adviser registered with the SEC, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

**Material Changes:** Pursuant SEC Release IA-3060, the firm has amended the format of its advisory brochure since its previous version of Form ADV Part II dated March 1, 2010. Although the document content, disclosures, and advisory fee information has generally remained the same, the firm has enhanced its disclosure with respect to risks involving investment strategy (*see Section 5*), its policies involving employee personal trading (*see Section 8*) and voting client securities (*see Section 14*), as well as changes to its senior staff (*see Part 2B*), therefore clients are encouraged to review the document in its entirety.

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## **Section 1 - Advisory Business**

SimpliFi, LLC ("SimpliFi" or the "firm") provides advisory services solely via its Internet website or through an Internet link to its system through various websites, such as those operated by banks, credit unions and other financial services organizations that the firm has been engaged. The firm does not provide asset management services nor charge an asset-based fee.

Depending on each client's unique circumstances or specific requests, financial planning recommendations may be general in nature or focused on particular areas of interest or need. When the firm is engaged to provide narrowly-defined financial planning, the client must understand that their overall financial situation or objectives may not be fully addressed due to limitations determined by the client.

SimpliFi provides advice in the form of a financial plan called a Goal BluePrint. Clients using the service will receive a written financial plan via the internet, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. SimpliFi gathers required information for the financial plan from answers the client must provide on the website in an online "interview" with a Virtual Financial Advisor using data input forms. The client completes each required information page, and the pages are compiled using a software program that builds a complete financial background for that particular client. Information gathered includes a client's current financial status and future LifeGoals. Each page requires that all necessary fields be completed before being submitted, thereby preventing incomplete information about the client's current situation or future LifeGoals. Not every field in a form may be a required field, however, in performing its services the firm shall not be required to verify any information received from the client and is expressly authorized to rely thereon.

When the information has been collected, SimpliFi uses its proprietary computerized financial modeling program to analyze the information supplied by the client. The program will also allow the client to tailor their situation by adjusting the various inputs to the planning model. When the client is satisfied with the plan's likelihood of success measurement, the SimpliFi Personal Planning Service will provide the client with a report covering any or all of the following areas:

**GOALS:** Future financial goals include estate and charitable goals.

**CASH FLOW & BUDGETING:** An analysis of a client's assets, liabilities and net worth, income and spending analyses and planning for current and future years.

**DEBT MANAGEMENT:** An analysis of a client's short and long-term debt, and recommendations for paying off consumer debt using either an accelerated payment approach (referred to as a "debt snowball" method) or a loan consolidation approach to fund a lump-sum payoff of all debts.

**RETIREMENT:** Analysis of current situation and recommendations on immediate and future strategies and investment plans to help the client achieve his or her retirement goals.

**EDUCATION PLANNING:** Analysis of current situation and advice on future course of action and investment allocation.

**INVESTMENTS:** Recommended four class asset allocation based on current situation, LifeGoals, and required annual savings rates.

The plan will be delivered for viewing over the Internet. The client will be able to save multiple versions of their information and print a copy of each version using portable document format (.pdf). This will enable any client with a printer to print the plan. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the firm.

Should a client choose to implement the asset-class recommendations or advice contained in the plan, SimpliFi may also provide that client with access to certain third-party providers via website link or contact information. In doing so, SimpliFi may receive compensation from these providers either through payment for lead generation or advertising, however, the client's use of these providers is entirely at their discretion. Financial advice is not limited to any specific product or service offered by a broker-dealer, mutual fund or insurance company, or other financial services organization.

SimpliFi may provide this service directly to customers and/or may enter into joint marketing relationships with other firms to offer the service to the customers of these other firms. SimpliFi may also provide this service in a private-label format (with appropriate customization) to financial services companies for distribution to groups of users that may or may not include the general public.

## **Section 2 - Fees and Compensation**

### **Financial Planning Fees**

SimpliFi may receive compensation for providing financial planning services to clients through licensing fees paid by a sponsor, lead generation, or advertising. Sponsors may include financial institutions, employers, or other entities clients maintain a relationship. Sponsors who contract to offer the SimpliFi service will pay SimpliFi a license fee. License fees paid to SimpliFi by the sponsor will be negotiated between SimpliFi and the sponsor, memorialized in a separate agreement, and may or may not be based on the number of clients who use the SimpliFi service. In certain situations, although the sponsor is paying SimpliFi a licensing fee to allow clients to utilize SimpliFi's service, clients will interact directly with SimpliFi through its online system.

SimpliFi may reduce and/or waive part or all of these licensing fees at its discretion as a promotional offer to attract new clients.

Any transactional or custodial fees assessed by the selected custodian or clearing firm, and/or individual retirement account or qualified retirement plan account termination fees, are borne by the client and are as provided in the current, separate fee schedule of the selected service provider.

### **Termination of Services**

Under certain circumstances, licensing agreements between SimpliFi and sponsors may be cancelled by one or both parties. Regardless of such circumstances, clients can terminate their usage of the SimpliFi service at any time without recourse. Upon cancellation of any licensing agreement, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

## Firm Services

The firm will use its best judgment and good faith effort in rendering its services to its clients. SimpliFi cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to the client, heirs, or assigns for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the client or their legal agent's direction; or any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within the client services agreement is intended to diminish in any way the firm's fiduciary obligation to act in the client's best interest or shall in any way limit or waive any client rights have under federal or state securities laws or the rules promulgated pursuant to those laws.

## **Section 3 - Performance-Based Fees and Side-By-Side Management**

The firm's investment management services fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of funds of an advisory contract, also known as performance-based fees.

## **Section 4 - Types of Clients**

As an Internet-only firm, SimpliFi may provide its services to a broad range of individuals; from early savers and investors to high net worth individuals interested in engaging the firm for its unique online services. The firm does not limit its services to clients based on levels of investable assets, experience, etc.; in fact the firm encourages those with limited assets or income to participate so that SimpliFi may assist them in preparing an appropriate plan for their future.

Should there be a licensing or referral arrangement in place, clients may be subject to the sponsor or service provider's account restrictions, which will be disclosed prior to the client's engagement with the entity.

## **Section 5 - Methods of Analysis, Investment Strategies and Risk of Loss**

### Method of Analysis

If SimpliFi's online solution is engaged to provide investment advice, the client's current financial situation, needs, goals, objectives and tolerance for risk are evaluated. Asset allocation and investment policy decisions are then calculated, in the firm's judgment, to assist the client in achieving their overall financial objectives while attempting to minimize exposure to risk. The SimpliFi planning model uses publicly available historical investment performance data for its asset classes.

Because the SimpliFi Personal Planning Service is comprehensive, it may include recommendations related to short-term as well as long-term goals, depending on the client's stated LifeGoals. However, the SimpliFi planning model's primary investment strategy is long-term in nature.

### Investment Strategies

SimpliFi's model portfolios are constructed based on the principles of the Modern Portfolio Theory and a mathematical technique commonly known as "mean variance optimization." The result of this process is a portfolio allocation that potentially produces the highest possible return for a given level of risk.

Although the firm develops an overall asset allocation model following client input, it does not create a customized portfolio or recommend specific investments for each client. There are four general asset class models SimpliFi will recommend based upon provided client data which include large cap; small cap, bonds or bond funds, and cash positions. The client may choose from a broad range of investment vehicles offered through other service providers, which may include mutual funds, exchange-traded fund/notes, individual securities, derivatives, and non-correlating asset classes. Individual securities may include common or preferred stocks, bond debentures, U.S. Government issues, notes, commercial paper, etc. Derivatives typically refer to options, futures and swaps that may be used to hedge risk or to exchange a floating rate of return for fixed rate of return. Non-correlating assets would include commodities, managed futures funds, private equity and real estate that may be employed to enhance the diversity of a portfolio; typically acting as a counterbalance should investments within a portfolio of stocks and bonds fall in value. SimpliFi does not make a specific recommendation as to what type of asset should be selected.

### Risk of Loss

While SimpliFi believes its strategies and investment selection is designed to potentially produce the highest possible return for a given level of risk, it cannot warrant or guarantee that an investment objective or planning goal will be achieved. Some investment decisions may result in loss, which may include the original principal invested. The client must be able to bear the various risks involved in the investment of account assets, which may include market; currency, interest rate, liquidity, operational or political risk, among others.

When the firm's research and analyses is based upon commercially available software, rating services, general market and financial information, the firm is relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, and market data information. The firm makes every effort to determine the accuracy of the information received but it cannot foretell events or actions taken or not taken, or the validity of all information it has researched or provided which may or may not affect the advice to or investment results of a client account or financial plan.

When employing Modern Portfolio Theory, an investor should consider the potential risk that their broader allocation may generate lower-than-expected returns than that from a specific asset, and that the risk on each type of asset is a deviation from the average return from the asset class. The firm believes this variance from the "expected return" is generally low if the portfolio is made up of diverse, non-correlated assets whenever possible.

Although not a common practice or recommendation by the firm; an account employing shorter term or frequent trading strategies may result in additional transactional costs or create taxable events that will be borne by the client, and potentially reducing or negating any benefit derived by such investing.

#### **Section 6 - Disciplinary Information**

Neither SimpliFi nor any of its associated personnel have been the subject of a reportable legal or disciplinary event pursuant the Investment Advisers Act of 1940, as amended.

#### **Section 7 - Other Financial Industry Activities and Affiliations**

Neither SimpliFi nor its associated persons are affiliated with another financial industry entity. The firm is engaged with other industry entities through licensing or referral arrangements for its services as described in Section 11. It is the firm's policy to require personnel to conduct business activities in a manner that avoid actual or potential conflicts of interest between the firm, employees and clients, or that may otherwise be contrary to law. The firm will provide disclosure to its client prior to and throughout the term of an engagement of any conflicts of interest which will or may reasonably compromise its impartiality or independence.

#### **Section 8 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

##### **Code of Ethics**

The firm has adopted a Code of Ethics that sets forth the policies of ethical conduct for all personnel and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulation but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. The firm's policies include the prohibition against insider trading, circulation of rumors, and certain political contribution activities.

Not all organizational duties are segregated; however, the firm employs policies and procedures to ensure timely, accurate record keeping and supervision. Certain functions may be outsourced to assist in these efforts when/as necessary.

All material conflicts of interest are disclosed to clients prior to and throughout the term of an engagement will or may reasonably compromise the firm's impartiality or independence. SimpliFi will provide a copy of its Code of Ethics to any client or prospective client upon request.

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

Neither the firm nor any related person are authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc. Additionally, employees are prohibited from taking or providing a loan from a client unless it is an approved financial institution or the natural person is an immediate family member.

## Employee Personal Trading

The firm and its related persons do not make specific investment recommendations to clients, nor will SimpliFi and its employees have knowledge or record of a client's transaction that might create a perceived or actual conflict of interest between parties involving employee's personal trading accounts. The firm has established and enforces its personal trading policy, and maintains the required personal securities transaction records per regulation.

## **Section 9 - Brokerage Practices**

SimpliFi, LLC is not affiliated with any bank, custodian, or broker-dealer firm. The firm does not accept non-cash compensation (termed "soft dollars" in certain jurisdictions), such as products or services from other service providers to support its operations.

Compensation may be paid to the firm when a client engages a recommended service provider. Further details are provided in Section 11.

Due to the scope and nature of the firm's services, it does not aggregate client orders or act in a principal or agency basis involving client transactions, nor does it engage in directed brokerage activities. In light of its delivery of incidental advice through its financial planning solution, the firm does not believe it is obligated to seek or review best execution under current industry guidelines.

## **Section 10 - Review of Accounts**

No regular reviews are performed by SimpliFi for clients of the SimpliFi Personal Planning Service; however, clients may create and receive an updated report at any time by logging in and access their plan information on the SimpliFi website ([www.gosimplifi.com](http://www.gosimplifi.com)) or the website provided through their financial institution or selected service provider. Further, the SimpliFi Continuous Contact System prompts clients by email on a quarterly or annual basis to review/update their plan.

## **Section 11 - Client Referrals and Other Compensation**

For those firms who pay a licensing or referral fee for the SimpliFi Personal Planning Service for use with their customers, SimpliFi will, upon request, embed contact information and/or website links to associated operations of that service provider.

Although SimpliFi itself does not require its users as a condition of the User Agreement to patronize these other entities for their investment product or insurance needs, it does offer recommendation to that service provider. SimpliFi does conduct a review of these firms but does not warranty the licensing, credentials, or commission structure of recommended service providers' operation(s), as outlined in the SimpliFi Licensing Agreement.

SimpliFi may also, from time-to-time, receive compensation in the form of professional fees for consulting services provided to firms who license the SimpliFi planning service. These services may include customizing and implementing hardware/software to support the SimpliFi planning service; providing marketing support for the use of the SimpliFi planning service with the firm's customers; and training firm employees to support the use of the SimpliFi service by its customers.



## **Section 12 - Custody**

Client funds and securities will be maintained by unaffiliated, qualified custodians; banks, broker-dealers, or open-end mutual fund company transfer agents and not with or by SimpliFi, LLC or any associated person.

SimpliFi's policies restrict the firm and its associated persons from acting as trustee for or having full power of attorney over any client account. At no time are client fees to be collected for services to be performed more than six months in advance and in excess of \$1200.

The firm does not provide client transaction confirmations or summary account statements, as these are sent directly from the client's selected service provider maintaining their account. Any reports the client may create from SimpliFi's online service, that include investment performance data they themselves had entered into the system, should be compared to those account statements received from their service provider.

## **Section 13 - Investment Discretion**

The firm does not offer investment management or transactional services and, therefore, it does not engage in discretionary or non-discretionary investment activity. Clients are free to accept or reject the recommendations made by SimpliFi's online solution at their own discretion.

## **Section 14 - Voting Client Securities**

### **Proxy Voting**

The firm does not vote client proxies. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the client's investment assets.

### **Other Corporate Actions**

The firm will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

### **Firm's Receipt of Materials**

The firm will not accept nor forward correspondence relating to the voting of client securities, class action litigation, or other corporate actions. Clients should ensure their selected service provider forwards these materials to their or their legal agent's address of record.

**Section 15 - Financial Information**

Due to the nature of its services, an audited balance sheet is not required nor included in this disclosure. No further material financial information is provided.

## Part 2B: Brochure Supplement (Advisory Personnel)

### **Chief Executive Officer/Chief Compliance Officer**

Charles Bryan Link

#### **Educational Background and Business Experience**

Education: MBA - Wake Forest University; Winston-Salem, NC  
BA - Austin Peay State University; Clarksville, TN

Experience: CEO/CCO - SimpliFi, LLC (2004-Present)  
Contract Manager - BrightLeaf Financial Network, LLC (2008-Present)  
Director of Development - Wake Forest University School of Law (1999-2004)

#### **Disciplinary Information**

Not Applicable

#### **Other Business Activities**

Not Applicable

#### **Additional Compensation**

Not Applicable

### **Chief Product Officer**

Edward ("Ned") B. Tobey

#### **Educational Background and Business Experience**

Education: MBA - Wake Forest University; Winston-Salem, NC  
BA - Kenyon College; Gambier, OH

Experience: CPO - SimpliFi, LLC (2010-Present)  
Director – Northstar Travel Media (2006-2009)  
Product Manager – AOL (2003-2006)

#### **Disciplinary Information**

Not Applicable

#### **Other Business Activities**

Not Applicable

#### **Additional Compensation**

Not Applicable

### **Chief Marketing Officer**

Jason N. Brenner

#### **Educational Background and Business Experience**

Education: BBA - Florida State University; Tallahassee, FL

Experience: CMO - SimpliFi, LLC (2010-Present)  
Director of Marketing & Sales - Hanes Brands, Inc. (2000-2010)

#### **Disciplinary Information**

Not Applicable

#### **Other Business Activities**

Not Applicable

#### **Additional Compensation**

Not Applicable

**Financial Modeling Advisor**

Robert E. Lamy

**Educational Background and Business Experience**

Education: PhD - Louisiana State University; Baton Rouge, LA  
MBA - Southeastern Louisiana University; Hammond, LA  
BS - Southeastern Louisiana University; Hammond, LA

Experience: Financial Modeling Advisor - SimpliFi, LLC (2004-Present)  
Professor - Wake Forest University (1990-Present)

**Disciplinary Information**

Not Applicable

**Other Business Activities**

Dr. Lamy also serves as a professor at Wake Forest University's Babcock Graduate School of Management.

**Additional Compensation**

Wake Forest University

**Supervision**

Mr. Link serves in a supervisory capacity with the firm as both its Chief Executive Officer and Chief Compliance Officer. The firm recognizes that not having all organizational duties segregated may potentially create a conflict of interest however; it employs policies and procedures to ensure timely, accurate record keeping and supervision. Certain functions may be outsourced to assist in these efforts when or as necessary.

Questions relative to the firm, its staff, or services provided may be made to the attention of Mr. Link at (336) 724-4742. Additional information about the firm and other advisory firms is made available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for SimpliFi, LLC is 133372.