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Firm Brochure

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Premier Financial Planning, Inc. (PFPI). If you have any questions about the contents of this brochure, please contact PFPI at: 609-924-2424, or by email at: pfp@premierfinancialplan.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Premier Financial Planning, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Date: March 31, 2011

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization. As such Premier Financial Planning, Inc. (PFPI) has revised its ADV Part 2 form to reflect this new rule.

Full Brochure Available

To receive a complete copy of PFPI’s Firm Brochure, please contact us by telephone at: 609-924-2424 or by email at: pfp@premierfinancialplan.com.

Table of Contents

Material Changes.....	i
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
Advisory Business	1
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships	4
Types of Agreements.....	4
Fees and Compensation.....	6
Description	6
Fee Billing	7
Other Fees	7
Expense Ratios.....	8
Past Due Accounts and Termination of Agreement	8
Performance-Based Fees	8
Sharing of Capital Gains	8
Types of Clients.....	9
Description	9
Account Minimums.....	9
Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Methods of Analysis.....	9
Investment Strategies	10
Risk of Loss	10
Disciplinary Information	11
Legal and Disciplinary.....	11
Other Financial Industry Activities and Affiliations	12
Financial Industry Activities.....	12
Affiliations	12

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Code of Ethics.....	12
Participation or Interest in Client Transactions.....	12
Personal Trading.....	12
Brokerage Practices.....	13
Selecting Brokerage Firms.....	13
Best Execution	13
Soft Dollars	13
Order Aggregation	14
Review of Accounts	14
Periodic Reviews	14
Review Triggers.....	14
Regular Reports.....	14
Client Referrals and Other Compensation	15
Incoming Referrals.....	15
Referrals Out	15
Custody.....	15
Account Statements.....	15
Performance Reports.....	15
Investment Discretion.....	16
Discretionary Authority for Trading.....	16
Limited Power of Attorney.....	16
Voting Client Securities	16
Proxy Votes	16
Financial Information	17
Financial Condition	17
Business Continuity Plan	17
General	17
Disasters.....	17
Alternate Offices	17
Loss of Key Personnel	17

Information Security Program.....	17
Information Security	17
Privacy Notice	18

Advisory Business

Firm Description

Premier Financial Planning, Inc. (PFPI), founded in 1995 by Constance J. Herrstrom, is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Adviser. (This registration does not imply a certain level of skill or training.)

PFPI provides personal financial planning and investment management to individuals, families and their related entities, trusts, estates, and charitable organizations. PFPI works with clients to define financial objectives and develop realistic strategies. Advice is provided through consultation with the client and may include the following: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, estate planning and/or other issues specific to the client.

The firm's compensation is solely from fees paid directly by clients. The firm does not receive a commission based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted. No referral fees are paid or accepted.

After a plan is completed, PFPI can provide investment supervisory services for clients who require continuous asset management. Assets under the direct management of PFPI are held by independent custodians in the client's name, usually at Charles Schwab and Co. Inc., though others may be used.

We may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the Advisor. Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

The initial meeting is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owner

Constance J. Herrstrom is the 100% stockholder.

Types of Advisory Services

The primary type of advisory service offered by Premier Financial Planning, Inc. (PFPI) is financial planning. PFPI also provides investment supervisory services (i.e., "asset management") and furnishes investment advice, but only as part of an on-going financial planning relationship.

In performing its services, PFPI is not required to verify any information received from the client or from the client's other professionals and it remains each client's responsibility to promptly notify PFPI when there is any change in their financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

On more than an occasional basis, PFPI furnishes advice to clients on matters not involving securities, most specifically, financial planning issues involving cash and tax management, insurance review, education funding, retirement planning, and estate planning.

Financial Planning Services

Initial Financial Plan

Premier Financial Planning, Inc. (PFPI) provides financial planning which may include identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment review and asset allocation planning, education funding, retirement planning, estate planning, charitable goals, or other issues specific to the client. A written evaluation of the client's current situation and their goals is provided to the client. Recommendations are given in each area specifically requested by the client, including an action plan for implementation. This service usually includes three meetings in addition to the introductory meeting.

Investment advice may be provided for the following types of investments: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, and interests in partnerships or any other product deemed to be appropriate for the specific needs of the client.

After the initial financial planning is complete, the client can choose to handle the action plan identified during the planning process themselves or choose to retain PFPI to help implement the plan either for selected actions while handling others themselves or for all actions. Implementation services outside the scope of the financial planning fee can be provided via an hourly-fee arrangement.

Ongoing Financial Planning

Further financial planning issues may be undertaken at a later time due to changes in the client's situation. These may include an update to the initial plan, a periodic investment review, or any other one-time situations that require planning. An estimate of the cost would be negotiated with the client depending on the length of the project.

Investment Management Services

This is not a stand-alone service for it requires an initial financial plan. When managed assets are over \$150,000, this engagement also includes implementation of recommendations that have been accepted and assigned by the client from the initial plan, on-going financial planning updates, unlimited telephone support, quarterly reports, and meetings as required.

The investment section of the client's financial plan has already defined their goals and objectives, risk tolerance, liquidity needs, and choices of assets allocated by asset classes (stocks of various sizes, bonds of various types and quality, both domestically and internationally, inflation/deflation component, real estate, and others). Therefore, the investment section of the client's financial plan becomes the starting point for the development of an Investment Policy Statement (IPS) that defines the framework for how the money can be invested and its parameters.

The basis for PFPI's investment recommendations is the Nobel Prize winning investment strategy called Modern Portfolio Theory. This theory suggests how risk can be estimated and how assets behave relative to one another. In conjunction with Modern Portfolio Theory, we use strategic portfolio positioning since different market cycles require tactical adjustments to achieve a more desirable level of volatility (risk) for the portfolio. The Investment Policy Statement is designed for portfolio positioning over the long run and includes parameters to allow adjustments that conform to the investor client's risk tolerance and market cycles.

When providing investment supervisory services, PFPI primarily allocates investment management assets of its client accounts among no-load or load-waived mutual funds and exchange traded funds usually through a discount broker. PFPI will hold some equity securities, at the client's request. For accounts of a certain size, PFPI will obtain individual bonds, arranged in a laddered format in accordance with the investment objectives of the client. For the investment strategies employed, see section on Investment Strategies.

Although Investment Management is not provided as a stand-alone service, on occasion, members of a client's family or related charitable organization may receive investment management services as part of the client's financial planning objectives.

As of 12/31/2010, PFPI manages approximately \$60,000,000 in assets for approximately 80 clients. Approximately \$ 58,000,000 is managed on a discretionary basis, and \$2,000,000 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented initially in each financial plan. For on-going planning, client goals are clarified in meetings, phone conversations and/or correspondence, which are used to determine the course of action for each individual client. The information is recorded in each client's file and maintained either in hard copy or in electronic files. PFPI works to develop a partnership where the client gains increased understanding and knowledge of the financial concepts that affect them.

We are convinced that personal financial planning is a continual process, not a single event. It is a mutual commitment to this process that will determine whether or not clients reach their financial goals. We believe that a client should be both informed and proactively involved in his or her financial affairs. Therefore, open communication is essential in building a meaningful working relationship.

For those clients opting to use PFPI's on-going investment management supervisory services, an Investment Policy Statement is created that incorporates the risk level of the client, as well as their stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements with PFPI may not be assigned to another company without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Advisory Agreement

A financial plan is designed to help the client with all aspects of financial planning. The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

Prior to engaging Premier Financial Planning, Inc. (PFPI), to provide financial planning services, the client will be required to enter into a formal Financial Advisory Agreement (FAA) with PFPI setting forth the terms and conditions of the engagement, and describing the scope of the services to be provided. As

much as fifty percent (50%) of the total fee could be payable initially as a retainer deposit for work to be completed within a few months, with the balance payable upon completion of the work.

If requested by the client, PFPI may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client is free at all times to accept or reject any financial planning or investment recommendations from PFPI. The client is free to obtain legal, accounting and/or brokerage services to implement any of the recommendations of PFPI. The client retains absolute discretion over all such implementation decisions. Each client has the responsibility to promptly notify PFPI if there is any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the previous recommendations and services.

For up to two months after the delivery of a financial plan, the client has access to PFPI for reasonable contact (defined as one hour in total) for clarification of recommended actions without an additional fee.

When retaining PFPI to handle selected implementation actions or when periodic financial planning is required, future face-to-face meetings and services may be scheduled as necessary and billed separately using the Financial Advisory Agreement. The hourly rate ranges from \$50 to \$350 based on the level of service required. The Financial Advisory Agreement is also used for financial planning updates for clients who want investment supervisory services but have under \$150,000 of assets to manage.

Investment Management Agreement

When opting to use investment supervisory services after the initial financial plan, an Investment Management Agreement (IMA) is executed. For clients who have at least \$150,000 of assets to be managed, this agreement will cover an annual ongoing review of financial planning along with the investment supervisory services.

The investment section of the client's financial plan becomes the starting point for the development of an Investment Policy Statement (IPS). The IPS defines the framework for how the money can be invested and its parameters. The investment section has already defined goals and objectives, risk tolerance, liquidity needs, and choices of assets allocated by asset classes (stocks of various sizes, bonds of various types and quality, both domestically and internationally, inflation/deflation component, real estate, and others).

Most clients choose to have Premier Financial Planning, Inc. (PFPI), manage their assets in order to obtain ongoing in-depth advice. The client pays either a fee based on the investments being managed or a retainer fee.

Although the IMA is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion.

Fees and Compensation

Description

Premier Financial Planning, Inc. (PFPI), bases its fees on a percentage of Assets under Management, hourly charges, fixed fees, and a retainer that is not calculated on Assets under Management or on an hourly estimate.

PFPI charges a fee (i.e., fixed fee and/or hourly) for financial planning services. The fixed fee for a financial plan is predicated upon the facts known at the start of the engagement and is based on the level of service required, issues involved, and financial complexity. Before an agreement is signed, a fee, normally, ranging from \$2,500 to \$7,500 is quoted. After the initial plan, additional planning is charged at an hourly rate (unless it becomes part of the Investment Management Agreement). The scope of work and fee for the service is provided to the client in writing prior to the start of the relationship.

The fee is *negotiable* in that the advisor reserves the right to increase or decrease the rate or amount of the fee with the consent of the client. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

PFPI bases its investment supervisory fees on a percentage of assets under management or uses a retainer. The annual Investment Management Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 1.50% on the first \$150,000;
- 1.00% on the next \$650,000 (from 150,001 to 750,000);
- 0.75% on the next \$750,000 (from 750,001 to 1,500,000); and
- 0.50% on the assets above \$1,500,000.

One fourth of the above fee, calculated on the portfolio value as of the last day of the quarter, is payable at the end of each quarter.

Current client relationships may exist where the fees are higher or lower than the fee schedule above. In some circumstances, a retainer fee is used instead of the schedule above when it is more appropriate to work on a fixed-fee basis.

PFPI, at its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients).

Fee Billing

Investment management fees are billed quarterly in arrears, meaning that PFPI invoices the client after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for the initial financial plan are billed at 50% of the “not to exceed price” in advance, with the balance due upon delivery of the financial plan. Future additional work is billed upon completion with payment in full expected upon invoice presentation.

PFPI reserves the right to increase or decrease the rate or amount of the fee with the consent of the client.

Other Fees

Mutual funds and exchange traded funds generally charge a management fee for their services. The management fee is included in the expense ratio and is disclosed in the fund prospectus. (See Expense Ratio section below for a fuller explanation.)

In addition, custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. For exchange-traded funds, a fee will be charged and will be shown on the statements from the brokerage firm. For mutual funds, the discount brokerage firm may charge a transaction fee for the purchase and sale of some mutual funds but not others. Each family of mutual funds negotiates a contract with the brokerage firm, and the transaction costs may be included in the management fee of the fund or may be charged in addition. In either case, the brokerage firm statement does not show the transaction costs. The brokerage statement will show the purchase and/or sale net (after) the transaction costs.

These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Occasionally, for accounts of a certain size, PFPI will use another broker to buy a security and ask that it be held at the main custodian. This type of transaction is called a “Trade Away” transaction and such a trade will have an additional fee charged by the custodian broker above and beyond any commission charged by the executing broker (generally \$25).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. Exchange-traded funds are index funds and have a lower management fee than their counterpart in an actively managed mutual fund. In either case, the fees paid to the fund companies are in addition to the fees paid by a client to PFPI.

Performance figures quoted by fund companies in various publications are after their fees have been deducted.

Termination of Agreement

The professional relationship with Premier Financial Planning, Inc. (PFPI), may be terminated at will by either party for financial planning and/or ongoing investment management.

For financial planning, the client may terminate the agreement at any time by notifying PFPI in writing and paying the rate for the time spent on the engagement prior to notification of termination. If the client made an advance payment, Premier Financial Planning, Inc. will refund any unearned portion of the advance payment.

PFPI reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in PFPI's judgment, to providing proper financial advice. If the client made an advance payment, PFPI will refund any unearned portion of the advance payment.

For the termination of an Investment Management Agreement, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value on the day of notification is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. Hourly fees may be charged if there was a disproportionate amount of time spent on financial planning during the quarter of termination.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Premier Financial Planning, Inc. (PFPI), does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

Premier Financial Planning, Inc. (PFPI), generally provides investment advice to individuals, families, trusts, estates, or charitable organizations. Client relationships vary in scope and length of service.

Account Minimums

PFPI will accept clients of all sizes for financial planning. Once a plan is complete and the client needs help with investing the assets, if under \$150,000 to be managed, the on-going financial planning is not covered as part of the Investment Management Agreement. For on-going financial planning to be included in the asset-under-management service, the minimum household investment account size is \$150,000. This equates to an annual fee of \$2,250.

Clients with assets below \$150,000 under management may opt to pay the minimum annual fee of \$2,250 if they wish to have on-going financial planning included in their assets-under-management fee.

Premier Financial Planning, Inc. has the discretion to waive the account minimum when the client and the advisor anticipate the client will add additional funds to the accounts within a reasonable time. Other exceptions may apply to employees of PFPI and their relatives, or relatives of existing clients.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include fundamental and technical analysis.

The main sources of information include research materials prepared by others, such as Stock Charts, Lowry's Market Research, Morningstar Principia mutual fund information, Morningstar Principia stock information, as well as research partners with diverse backgrounds; financial newspapers and magazines, annual reports, prospectuses, filings with the SEC; Charles Schwab & Company's Institutional Advisor website, and the World Wide Web. Premier Financial Planning, Inc. (PFPI) pays a quarterly fee to Integrated Asset Management to provide research services.

Other sources of information that PFPI may use are on-and off-site visits with fund and portfolio managers or representatives, conference calls, and industry conferences.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that Premier Financial Planning, Inc. (PFPI), uses broad market passively-managed index and exchange-traded funds as well as actively-managed funds as the core investments, and then add sector exchange-traded funds where there are greater opportunities to make a difference. When appropriate for accounts of a certain size, individual municipal bonds may be used. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment framework is developed and fine-tuned based on broad economic (macro) trends. Depending on the economic environment, asset class weightings can be modified within a range if prevailing trends suggest more relative strength or weakness in a particular investment category. On occasion, we may use hedge positions to provide protection for certain portfolio positions.

In the changing investment environment, when researching and evaluating strategies of selected fund providers and other services that can be provided, PFPI may have access to more specific information pertaining to different investment strategies that may or may not be incorporated in the portfolio design. As opportunities arise, we may utilize other broker/dealers to execute certain transactions.

Other strategies may include long-term purchases, short-term purchases, trading, and short sales (hedges). Mutual funds and exchange-traded funds may use option writing, including covered options, uncovered options or spreading strategies and derivatives.

The investment strategy for a specific client is based upon the objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Portfolio values change every day, but our portfolios are investing for the long-term. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on

existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Premier Financial Planning, Inc. (PFPI) does not participate in any other industry business activities.

Affiliations

Premier Financial Planning, Inc. (PFPI), does not have arrangements with a related person that are material to its advisory business or its clients.

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

Code of Ethics

The employees of Premier Financial Planning, Inc. have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are: putting the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism. Certified Financial Planner (CFP) professionals are also held to a Code of Ethics as outlined by the CFP Board of Standards. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Premier Financial Planning, Inc. (PFPI) and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the PFPI's *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of Premier Financial Planning, Inc. is Constance Herrstrom. She reviews all employee trades each quarter. Her trades are placed at the same time as client trades. These personal trading reviews ensure that the personal trading of employees does not affect the markets and that employees of the firm do not receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, they do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

Premier Financial Planning, Inc. (PFPI) does not have any affiliation with product sales firms. PFPI does not actively direct clients to traditional, full service/commission brokers.

Specific custodian recommendations are made to clients based on their need for such services. For ease of administration, for clients who are putting together a portfolio, PFPI will suggest using a discount broker or custodian, and the client makes the final decision as to this matter.

PFPI recommends custodians based on the proven integrity and financial responsibility of the firm, the best execution of orders at reasonable commission rates, and the quality of client service. Unless the client directs otherwise, PFPI shall generally recommend that investment accounts be maintained at Charles Schwab & Co., Inc. ("Schwab"), although others could be used.

PFPI does not receive fees or commissions from these arrangements, although we may benefit from electronic delivery of client information, electronic trading platforms and other services provided by custodians for the benefit of clients. PFPI may also benefit from other services provided by custodians, such as research, newsletters, occasional continuing education sessions, and/or practice management advice. These benefits are standard in a relationship with these custodians and are not in return for client recommendations or transactions.

Best Execution

Premier Financial Planning, Inc. (PFPI) reviews the execution of trades at the custodian(s) of choice annually. The review is documented in the PFPI's *Compliance Manual*. Trading fees charged by the custodian(s) are also reviewed on an annual basis. We do not receive any portion of the trading fees.

In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of services. These include the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although PFPI will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for the client account transactions.

Soft Dollars

Premier Financial Planning, Inc. (PFPI) receives a software interface credit of about \$800 per year from Charles Schwab & Co., Inc. to access client assets custodied at Schwab. This credit offsets annual maintenance fees for our

portfolio management software. All clients benefit from this credit as it reduces the firm's overall expenses.

The selection of Charles Schwab & Company as a custodian for clients is not affected by this nominal credit.

Order Aggregation

For mutual funds, there is only one price at the end of the day; therefore, trade aggregation does not garner any client benefit. However, for exchange-traded funds or stocks that can be priced throughout the day, when more than one account is trading a particular position, block trades are used to get identical pricing for all clients.

Review of Accounts

Periodic Reviews

For financial planning clients only, after the initial plan, the frequency of review is individually negotiated with each client as their needs dictate.

For those who have signed an Investment Management Agreement for ongoing financial planning and investment supervisory services, PFPI reviews investment accounts throughout the quarter as buys and sells are placed in accordance with the Investment Policy Statement on file developed in consultation with the client. Market conditions dictate the frequency of these reviews. In addition, quarterly investment reports are reviewed by Constance J. Herrstrom, President.

Review Triggers

Account reviews for clients who have an Investment Management Agreement that includes ongoing financial planning and investment supervisory services may be triggered by a client request. These are prompted by changes in a client's own situation, changes in market condition, new information about an investment, changes in tax laws, or other important changes.

Regular Reports

For those who have signed an Investment Management Agreement for ongoing financial planning and supervisory service, clients are furnished with several reports throughout the year. The reports generally consist of quarterly summary letters describing the events, actions and implications on the portfolios and our thoughts on the economy, a statement of holdings from our portfolio accounting software, an asset allocation analysis and

performance reports, updates to financial plan reports, or other reports as needed.

In addition, the client receives monthly statements from the brokerage/custodial firm holding their account, which itemizes all transactions and provides current market value of the assets.

For one-time financial planning clients, reports are generated only if the client requests an update to their financial plan.

Client Referrals and Other Compensation

Incoming Referrals

Premier Financial Planning, Inc. (PFPI) has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

PFPI does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

Premier Financial Planning, Inc. does not have custody of client assets. All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record usually monthly or at least quarterly.

Performance Reports

PFPI's reports are organized to make it easier for clients to compare their investments to their asset allocation, which is contained in their Investment Policy Statement, and performance relative to their financial planning objective. Clients are urged to compare the account statements received directly from their custodians to the report statements provided by PFPI.

Investment Discretion

Discretionary Authority for Trading

Premier Financial Planning, Inc. has both discretionary (managed) and non-discretionary (non-managed) accounts. Most accounts are discretionary and are managed by an Investment Policy Statement (IPS). PFPI accepts discretionary authority to manage securities accounts on behalf of clients. PFPI has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

But this authority has limits. Our Investment Management service requires an Investment Policy Statement that defines the parameters for the movement of monies among the asset classes. The client, by signing the IPS and a Limited Power of Attorney authorizes PFPI to make buys and sells consistent with the parameters contained in these documents. Therefore, discretionary trading authority facilitates placing trades in client accounts on their behalf so that we may promptly implement the investment policy that the client has approved in writing.

Non-managed accounts are held as a courtesy to the client to maintain all investments at one custodian. These non-managed investments are only traded upon the client's request.

Limited Power of Attorney

In order for PFPI to trade on the client's behalf, we require the client to execute a limited power of attorney. This limited power of attorney authorization is included in the custodian's account application. The client signs a limited power of attorney so that PFPI may execute the trades that the client has approved.

Voting Client Securities

Proxy Votes

The custodian of the assets are instructed to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Premier Financial Planning, Inc. (PFPI) does not vote proxies on securities. Clients are expected to vote their own proxies and make all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, and other events pertaining to the client's investment assets.

Financial Information

Financial Condition

Premier Financial Planning, Inc. (PFPI) does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

PFPI does not serve as a custodian for client funds or securities, and does not require prepayment of fees which are more than \$1,200 per client and six months or more in advance. Therefore, a balance sheet is not required.

Business Continuity Plan

General

Premier Financial Planning, Inc. (PFPI) has a business continuity plan documented in its *Disaster Recovery Plan* that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The *Disaster Recovery Plan* covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, Internet outage, railway accident and aircraft accident. Electronic files are backed up weekly and archived offsite.

Alternate Offices

Alternative office space is identified to support ongoing operations in the event the main office is unavailable. It is PFPI's intention to contact all clients within five days of a disaster that dictates moving our office to an alternative location.

Loss of Key Personnel

Premier Financial Planning, Inc. (PFPI) has a Business Continuation Agreement with another financial advisor to support PFPI in the event of Constance Herrstrom's serious disability or death.

Information Security Program

Information Security

Premier Financial Planning, Inc. (PFPI) maintains an information security program to reduce the risk that personal and confidential information may be

breached. We maintain a secure office to ensure that the client's information is not placed at unreasonable risk. PFPI employs a firewall barrier, secure data encryption techniques and authentication procedures in its computer environment. This program is documented in PFPI's *Disaster Recovery Plan*.

Privacy Notice

Premier Financial Planning, Inc. (PFPI) is committed to maintaining the confidentiality, integrity, and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from the client may include information about personal finances, information about the client's health to the extent that it is needed for the financial planning process, information about transactions between the client and third parties, and information from consumer reporting agencies (e.g., credit reports). We use this information to help clients meet their personal financial goals.

With the client's permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom the client has established a relationship. The client may opt out of our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With the client's permission, PFPI shares a limited amount of information about the client with their brokerage firm in order to execute securities transactions on the client's behalf.

PFPI does not provide personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to the client's personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review company records and personal records as permitted by law.

Personally identifiable information about the client will be maintained while they are a client and for the period thereafter for which records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We deliver our *Privacy Notice* to each client annually in writing as required by law.