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Form ADV Part 2A  
July 1, 2012

This brochure provides clients and prospective clients with information about NCM Capital Management, 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 (SEC) or any other state or federal authority. While the firm is an investment adviser registered with the State of New Jersey and other jurisdictions it may serve its clients, registration alone does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Questions relative to the firm, its services, or this ADV Part 2A may be made to the attention of Mr. Nicholas Laverghetta, Chief Compliance Officer, at (201) 529-1429. Additional information about the firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

The firm has amended its March 28, 2012 ADV Part 2A due to its recent conversion filing from an SEC to a state investment adviser pursuant to changes to industry regulation. While this conversion has resulted in an amendment to the firm's advisory brochure, there have been no other material changes.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact our firm at (201) 529-1429.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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### **Important Information**

Throughout this document, NCM Capital Management, LLC shall also be referred to as the “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving of a single *person* as well as two or more *persons*.

***This advisory brochure contains 25 pages and should not be considered complete without all pages.***

## **Item 4 - Advisory Business**

### **Description of the Firm**

NCM Capital Management, LLC provides fee-only financial planning, investment consultation and investment supervisory services that depending on the client's circumstances or specific request may be broad-based or focused on a particular area of interest or need. The firm holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith and performing in a manner believed to be in the best interest of its clients.

Formed in 2009, the firm is an investment adviser that is domiciled and registered in the State of New Jersey. NCM Capital Management, LLC is not a subsidiary of, nor does it control, another industry entity. In addition to its registration with the State of New Jersey, both the firm and its associates may register or meet certain exemptions to registration in other jurisdictions in which investment advisory business is conducted. The firm's chief compliance officer and majority member ("shareholder") is Mr. Nicholas Laverghetta, and further information about Mr. Laverghetta is noted in Item 19 of this brochure.

Approximately 75% of the firm's activities involve providing continuous supervision and management of client assets (defined separately as *investment management* and *wealth management* services); 10% furnishing investment advice through consultations that do not include continuous management of an account (termed *investment consultation*); and the remaining 15% of the firm's effort is oriented toward *financial planning services* involving expense budgeting and savings; education, insurance, charitable and estate planning, among others. The firm does not sponsor nor serve as a portfolio manager for a wrap fee investment program.

As of March 31, 2012, the firm had approximately \$52 million of client assets under its management,<sup>1</sup> and all 160 accounts were maintained under a discretionary account agreement (defined in Item 16).

### **Introductory Review**

A complimentary interview is conducted by a qualified representative of the firm to determine the scope of services to be provided. Prior to or during the initial meeting, the firm's current ADV Part 2A incorporating its Privacy Policy will be given to the client.

Should the client wish to engage NCM Capital Management, LLC for its services, parties must enter into a written agreement, with further discussion and analysis conducted thereafter to ascertain financial need, goals, holdings, etc., as provided by the client.

Financial planning and investment advisory services will be based upon the information disclosed by the client or their legal agent, and incorporate the client's financial situation at the time the plan is presented. In performing its services the firm may, but is not required to, verify any information received from the client or from the client's agents.

### **Financial Planning and Investment Consultation Services**

The firm provides financial planning and investment consultation services relating to various components which may be either broad-based or more narrowly defined as the client may desire.

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<sup>1</sup>The term "assets under management" and rounding to the nearest \$100,000 are as defined by the SEC's 2010 *General Instructions for Part 2 of Form ADV*.

Financial planning services are provided on such subjects as cash flow analysis, retirement capital needs, education funding, estate planning, charitable giving, or other specific needs as indicated by the client. When these services focus only on certain areas of client interest or need, however, the client must understand that their overall financial situation or needs may not be fully addressed due to limitations they have established.

Investment consultation may involve educating the client in the types of investment vehicles available; investment analysis and strategies, asset selection, as well as assisting the client in establishing their own investment account at their selected broker/dealer or custodian. The firm typically utilizes a long term investment perspective, unless specifically requested to the contrary by the client.

The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation made by the firm. Moreover, it remains each client's responsibility to promptly notify NCM Capital Management, LLC if there is a material change in their financial situation or investment objectives for the purpose of evaluating or revising the firm's recommendations or services.

The firm does not provide accounting or legal services. With the client's consent, the firm may work with the client's other advisers (accountants, attorneys, etc.) to assist with coordination and implementation of accepted strategies. The client should be aware that their other advisers may bill them separately for their services, and these fees will be in addition to those of the firm.

Engagements involving financial planning and investment consultation services may be concluded upon delivery of the requested service; however, the client is encouraged to engage the firm in the future. At no time will an engagement for these services span a calendar year period. Unless NCM Capital Management, LLC is engaged for long-term services, pursuant a written agreement, it would be the client's responsibility to reengage these future services under a new or amended engagement.

#### Workshop Presentations

Appropriately trained and registered firm personnel may provide educational workshops on an "as announced" basis for groups desiring general advice on investments and personal finance. Topics may include issues related to wealth management, financial planning, retirement strategies, or various other economic and investment topics.

Such workshops or programs are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one attendee's need, nor does the firm provide individualized investment advice during its general sessions.

#### Investment Management Services

Clients may choose to engage the firm to implement the investment strategies it has recommended through its Investment Management Services platform. When appropriate, an investment policy statement (IPS) or similar document may be developed reflecting the client's investment objectives, policy constraints, tolerance for risk, and reasonable restrictions involving investing in certain securities or types of securities. The IPS will be designed to be specific enough to provide guidance to the firm while concurrently allowing flexibility to respond to changing market conditions. Since the IPS will, to a large extent, be a product of information and data provided by the client, the client shall be responsible for review and final approval of the statement.

NCM Capital Management, LLC may incorporate a blend of passive and active investment strategies and portfolio allocations generally designed for investors who seek long-term, tax efficient growth while attempting to control risk and volatility. The firm's investment strategy and recommended vehicles are further described in Item 8 of this brochure.

NCM Capital Management, LLC will also provide non-discretionary Investment Management Services to clients relative to variable life/annuity products that they may own through a specific issuer or accounts held by their individual employer sponsored retirement plans. The firm either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or retirement plan.

#### Wealth Management Services

The firm will provide clients with its Wealth Management Services; combining Financial Planning with Investment Management Services and provided through either discretionary or non-discretionary management of their investment portfolios and in accordance with the client's stated investment objective(s). This service includes the development of a plan which takes into consideration business planning, investments, insurance, retirement, education, estate planning, and tax and cash flow needs of the client.

#### Firm Services

The firm will use its best judgment and good faith effort in rendering its services to its clients. NCM Capital Management, LLC cannot warrant or guarantee any particular level of account performance, or that an 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 assignees 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 rights clients may have under federal or state securities laws or the rules promulgated pursuant to those laws.

#### **Item 5 - Fees and Compensation**<sup>2</sup>

##### Financial Planning and Investment Consultation Services

Hourly fees for financial planning and incidental investment consulting services are \$150 to \$300 per hour; billed in six-minute increments and a partial increment will be treated as a whole. The number of hours to complete the plan will be estimated and will depend upon the level and scope of those services required.

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<sup>2</sup>NCM Capital Management, LLC reserves the right (but is not obligated) to assess a lower fee to accounts established prior to the date of this brochure and to its associates or related persons' accounts maintained by the firm through its selected custodian.

Alternatively and at the firm's discretion, a fixed fee may also be offered and will be based on the complexity of the client's issues and the anticipated number of hours estimated to provide the requested services; generally ranging from \$500 to \$5,000.

In either form of payment, the firm may require an initial retainer of up to one-half the estimated fee in order to initiate a financial planning or investment consultation project. Fees or project balances for these services are due and payable upon delivery of the plan or advice.

If the client elects to further engage the firm to provide Investment Management Services, certain financial planning fees may be waived at the discretion of a principal of the firm during the initial engagement year.

Services to be provided and the anticipated fee range are detailed in the written client service agreement. Fees for these services are negotiable at the discretion of a firm principal and comparable services may be provided elsewhere potentially for a lower fee.

#### Workshop Presentations

While most of the engagements are *pro bono* in nature, the firm may impose a fee for educational workshops. In the event there is a charge to workshop attendees, the fee will be published in the workshop announcement or invitation, or may be paid by the engagement sponsor. Fees for these events are typically a fixed amount paid at the time of the presentation.

#### Investment Management Services

Accounts we serve under an investment management services agreement will be assessed an annualized asset-based fee that will be calculated based on the reporting period end value. Fees will be billed quarterly, in arrears, as described in Table 1 below.

**Table 1: Investment Management Services**

<b>Assets Under Management</b>	<b>Asset-Based Fee Range*</b>
\$0 - \$499,999	1.00% - 1.50%
\$500,000 - \$999,999	0.90% - 1.40%
\$1,000,000 - \$1,999,999	0.80% - 1.30%
\$2,000,000 - \$4,999,999	0.70% - 1.25%
\$5,000,000 - \$9,999,999	0.60% - 1.20%
\$10,000,000 – Above	Negotiable

#### Wealth Management Services

Accounts we serve under a wealth management services agreement will be assessed an annualized asset-based fee that will be calculated based on the reporting period end value. Fees will be billed quarterly, in arrears, as described in Table 2 on the following page.

**Table 2: Wealth Management Services**

<b>Assets Under Management</b>	<b>Asset-Based Fee Range*</b>
\$0 - \$499,999	1.30% - 1.80%
\$500,000 - \$999,999	1.20% - 1.75%
\$1,000,000 - \$1,999,999	1.00% - 1.65%
\$2,000,000 - \$4,999,999	0.80% - 1.40%
\$5,000,000 - \$9,999,999	0.60% - 1.30%
\$10,000,000 – Above	Negotiable

\*Fee ranges are provided due to the type of holdings and investment strategy employed by the account to meet stated investment objectives. For example, a portfolio employing a “buy-and-hold” (limited trading) strategy while maintaining positions made up entirely of mutual funds would generally be assessed a fee on the lower end of the stated fee range. Another example would be a portfolio requiring additional tactical trading or employing the use of options to hedge client assets would typically be assessed at the higher end of the fee range. The type of investment strategy chosen by the client and advisor will be instrumental in determining the appropriate fee for the scope of services provided.

#### “Householding” Accounts

At its discretion, the firm may aggregate or “household” investment management and wealth management accounts (including multiple accounts) for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member or incompetent person's account. Should, however, investment objectives be substantially different for any two or more household accounts requiring different investment approaches, the firm reserves the right to apply its fee schedule separately to each account.

#### Billing Cycle and Fee Assessments

Annualized asset-based fees for investment management and wealth management services will be billed quarterly, in arrears. Fee payments will generally be assessed within five business days following each calendar billing period.

The account’s first billing cycle will occur once the account is funded and investments allocated, irrespective of a partial period under the firm’s management. A partial period will be assessed a pro-rated fee based upon the numbers of days the firm during the reporting period the firm had been engaged to manage the account.

For purposes of determining account asset value, securities and other instruments traded on a market for which actual transaction prices are publicly reported will be valued at the last reported sale price on the principal market in which they are traded. If there are no sales on such date, then they will be determined by the mean between the *closing bid* and *asked price* on such date. Other readily-marketable securities will be valued using a pricing service or through quotations from one or more dealers. In the absence of a market value, the firm may seek an independent third party opinion or through a good faith determination by a qualified firm associate.

The applicable investment management fees referenced include all fees and charges for the services of the firm and its investment adviser representatives. The client may be required to authorize in writing, through our firm’s advisory agreement and the selected broker/dealer or custodian (collectively,



“service provider”) account opening documents, to deduct advisory fees, applicable transaction charges, etc., from client accounts. All such fees will be clearly noted on client statements, and the firm will concurrently send the client and selected custodian a written notice of the fees to be deducted. The client’s notice will include the total fee assessed, covered time period, calculation formula utilized, and the assets under management on which the fee has been based.

For those accounts held by client's selected brokerage firm or custodian that the firm does not maintain an agreement, clients will be directly billed and fees will be due in full within 15 days of receipt of the firm’s invoice. Clients may incur a one percent monthly charge for overdue accounts plus reasonable collection costs if necessary.

*In all instances, the client bears shared responsibility for verifying the accuracy of fee calculations in their invoice/statement.*

#### Potential for Additional Client Fees

Specific product recommendations made by the firm will usually be for “no-load” (i.e., no commission) products, if available. In some cases, such as with insurance products, there may not be a suitable selection of no-load products available for recommendation, however, neither the firm nor its associates will be paid a commission on the purchase.

Any transactional or custodial fees assessed by the selected service providers 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. Fees paid to the firm for its services are separate from any charges the client may pay for mutual funds, ETFs or other investments of this type. The firm does not receive “trailer” or SEC Rule 12b-1 fees from any investment company.

Fees charged by these issuers are detailed in prospectuses or product descriptions and clients are encouraged to read these documents before investing. The firm and its associates receive none of these described or similar fees or charges.

Further information about our fees in relationship to our business practices are noted in Item 12 of this document.

#### General Information

The client may make additions to and withdrawals from their account at any time, subject to the firm's right to terminate an account. Clients may withdraw account assets on notice to the firm, subject to the usual and customary securities settlement procedures. However, the firm designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

Additions may be in cash or securities provided that the firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. The firm will consult with its clients about the options and ramifications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction or transfer fees, fees may be assessed at the mutual fund level (i.e., contingent deferred sales charges), or result in certain tax ramifications.

### Prepayment of Fees

We reserve the right to require an initial retainer of up to one-half the estimated fee in order to initiate a financial planning or investment consultation project.

### Termination of Services

Either party may terminate the agreement at any time, which will typically be in writing. Should the client verbally notify NCM Capital Management, LLC of the termination and, if in two business days following this notification the firm has not received notice in writing; the firm will make written notice of such termination in its records and will send its own termination notice to the client as a substitute.

If our ADV Part 2A brochure was not delivered to you at least 48 hours prior to entering into the investment advisory contract, then you have the right to terminate the engagement without penalty within five business days after entering into the agreement. Should you terminate the engagement after this period, you will typically be assessed fees on a prorated basis for services incurred up until the date of termination. In the case of our prepaid fees, we will promptly return any unearned amount upon receipt of a written termination notice.

For those clients who utilize our investment management services, our firm will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice. Upon termination, it will be necessary that we inform the custodian of the account that the relationship between the firm and the client has been terminated.

### **Item 6 - 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. NCM Capital Management, LLC also prohibits any affiliated entity or employee to engage in or benefit from side-by-side investment management arrangements, often reflective of managing a hedge fund or other similarly pooled fund.

### **Item 7 - Types of Clients**

The firm provides its services to individual investors, trusts, estates, charitable organizations, foundations, pension and profit sharing plans, and businesses of various scale. Clients are expected to provide an adequate level of information and supporting documentation to the firm throughout the engagement. This will allow the firm to determine the appropriateness of its financial planning or investment strategy for the client or their account; source of funds, or income levels, client or legal agent's authority to act on behalf of the account, among others.

NCM Capital Management, LLC does not require minimum income levels or dollar-value of assets for its services. It does, however, establish a minimum fixed fee rate of \$500 for financial planning and investment consultation engagements.

The firm reserves the right to waive minimum conditions based on unique individual circumstances, special arrangements, pre-existing relationships or as otherwise may be determined by the Chief Compliance Officer. The firm also reserves the right to decline services to any prospective client for any reason.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

### **Method of Analysis**

If the firm is engaged to provide any form of investment advice, the client's current financial situation, needs, goals, objectives and tolerance for risk are initially evaluated. Asset allocation and investment policy decisions are made and discussed with the client to, in the firm's best judgment, meet the client's objectives while minimizing risk exposure.

The firm employs what it believes to be an appropriate blend of fundamental, technical, charting, and cyclical analyses. Fundamental analysis involves using data to evaluate a security's intrinsic value. For example, fundamental analysis of a bond's value could involve evaluating economic factors including interest rates, the current state of the economy, and information about the bond issuer's credit ratings. Fundamental analysis of a stock takes into account revenues, earnings, future growth, return on equity, profit margins and other data to evaluate a company's value and its potential for future growth.

Technical, cyclical and charting analyses may involve studying the historical patterns and trends of securities, markets, or economies as a whole in an effort to determine potential future behaviors. These methods are based upon analyzing statistics generated by market activity, such as past prices and trading volume, among others. By combining these analyses, the firm believes it may better assist the client in determining the appropriate strategy that has been adapted to their requirements and goals.

Research may be drawn from sources including: financial publications; investment analysis and reporting software; inspections of corporate activities; research materials from outside sources; corporate rating services; annual reports, prospectuses and other regulatory filings; company press releases.

### **Investment Strategies**

NCM Capital Management, LLC's portfolios are generally constructed based on the principles of *Modern Portfolio Theory* (efficient markets theory). The result of this process is an allocation believed to produce the highest possible return for a given level of risk.

Portfolios are rebalanced in an attempt to maintain optimal allocation while minimizing tax exposures and trading costs. In certain circumstances, the firm may offer advice on shorter-term investment strategies when requested by the client or for a portfolio "tactical overlay."

Allocations may include one or more investment products: index (passive) and active mutual funds, exchange traded funds (ETFs) or exchange traded notes (ETNs); individual equity and/or debt securities, municipal or government securities; non-correlating assets, such as real estate investment trusts (REITs), commodities, managed futures funds, among others. This is not an all-inclusive list. Existing positions within a client account containing various holdings will be evaluated and maintained when deemed appropriate.

### Risk of Loss

While the firm believes its strategies and investment selections are 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 made 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.

**Risks involving research:** The firm's research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, and the firm is relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves. 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 management of a client account or financial plan.

**Risks involving our analyses:** With respect to our analyses, the following potential risks should be considered -

- **Fundamental Analysis** - The risk of fundamental analysis is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.
- **Charting and Technical Analysis** - The risk of investing based on technical analyses and their supporting charts is that they may not consistently predict a future price movement, or the current price of a security may reflect all known information. Further, a particular change in the market price of a security may follow a random pattern and may not be as predictable as desired.
- **Cyclical Analysis** - An economic cycle may not be as predictable as preferred; fluctuations may occur between long term expansions and contractions. The length of an economic cycle may be difficult to predict with accuracy and therefore the risk of cyclical analyses is the difficulty in predicting economic trends. Consequently, the changing value of securities is affected.

**Risks involving investment strategies:** Whenever employing an efficient markets theory (such as *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 return 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.

Although not a common practice of the firm; those accounts that require the employment of more 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 shorter term investing.

**Risks involving specific investments:** Investment vehicles such as ETFs and indexed funds have the potential to be affected by “active risk” or “tracking error risk,” which might be defined as a deviation from their stated benchmark (index). Since the core of a portfolio may attempt to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a “sample index” that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a holding or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

Additionally, while many ETFs, ETNs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are certain asset classes or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies (that may also be part of an ETF, ETN, or mutual fund portfolio) may be considered “non-qualified” under certain tax code provisions, therefore, the holding’s QDI will be considered if tax-efficiency is an important aspect of the portfolio.

#### **Item 9 - Disciplinary Information**

Neither NCM Capital Management, LLC nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our firm’s advisory business or the integrity of our firm.

#### **Item 10 - Other Financial Industry Activities and Affiliations**

Our policies require our firm and its associates to conduct business activities in a manner that avoid or appropriately mitigate conflicts of interest between the firm, its associates, and our clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest that might reasonably compromise our impartiality or independence.

Neither our firm nor a member of its management is, or has a material relationship with any of the following types of entities:

- broker/dealer, municipal securities dealer, or government securities dealer or broker;
- futures commission merchant, commodity pool operator, or commodity trading adviser;
- another investment adviser (including financial planning firms);
- banking or thrift institution;
- lawyer or law firm;
- accountant or accounting firm;
- insurance company or agency;
- pension consultant;
- real estate broker or dealer;
- sponsor or syndicator of limited partnerships; or

- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).

Upon your request and when appropriate to do so, we may provide referrals to various professionals other in your area, such as an accountant or attorney. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from advisory fees charged by our advisory firm.

NCM Capital Management, LLC is a member of the Garrett Planning Network, Inc., an organization that assists financial planners in fee-only, financial planning practices. The Garrett Planning Network is not, nor believed required to be, a registered financial industry participant. The firm pays an annual membership fee to the Garrett Planning Network for services that include training, compliance and operational support to enhance its ability to provide quality service and advice to the investing public. Garrett Planning Network members must also adhere to ethical guidelines, and meet experiential and education requirements.

Investment adviser representatives of the firm may hold individual membership or serve on boards or committees of professional industry associations such as the Financial Planning Association (FPA); National Association of Personal Financial Advisers (NAPFA), or the Certified Financial Planner Board of Standards, Inc. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements.

#### **Item 11 - 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.

Firm personnel that are CFP® designees or FPA members also adhere to the Certified Financial Planner Board of Standards and Code of Ethics. These principles include:

##### **Principle 1 – Integrity**

An adviser will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage.

Advisers are placed by clients in positions of trust, and the ultimate source of that trust is the adviser’s personal integrity. Allowance can be made for innocent error and legitimate differences of opinion but integrity cannot co-exist with deceit or subordination of one’s principles.

##### **Principle 2 – Objectivity**

An adviser will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which

an adviser functions, an adviser should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

### **Principle 3 – Competence**

Advisers will maintain the necessary knowledge and skill to provide professional services competently.

Competence means attaining and maintaining an adequate level of knowledge and skill, and applying that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisers make a continuing commitment to learning and professional improvement.

### **Principle 4 – Fairness**

Advisers will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests.

Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

### **Principle 5 – Confidentiality**

Advisers will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

### **Principle 6 – Professionalism**

Advisers will act in a manner that demonstrates exemplary professional conduct.

Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisers cooperate with fellow advisers to enhance and maintain the profession's public image and improve the quality of services.

### **Principle 7 – Diligence**

Advisers will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

The firm periodically reviews and amends its Code of Ethics to ensure currency, and all firm access persons are required no less than annually to attest to their understanding and adherence.

NCM Capital Management, LLC will provide a copy of its Code of Ethics to any client or prospective client upon request.

### Privacy Policy Statement

The firm collects non-public personal financial information about its clients from the following sources:

- Information clients or their legal agent provide to complete the engagement;
- Information clients provide in agreements and client-firm documents;
- Information clients provide orally; and
- Information received from third parties, such as banks or custodians, about transactions.

The firm does not disclose non-public personal information about its clients to anyone, except in the following circumstances:

- When required to provide services clients have requested;
- When clients specifically authorize the firm to do so in writing; or
- When permitted or required by law.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of its clients. Firm employees are required to exercise diligence and due care in maintaining and protecting client non-public personal information, must be thoroughly familiar with the firm's privacy policies, and must immediately report any known or suspected privacy breach.

Identifiable information about the client or prospective client will be maintained during the span of the engagement, and for the period thereafter as required by privacy laws. After that time, information may be destroyed.

The firm will notify its clients annually of its privacy policy per federal law and at any time, in advance, if its privacy policy is expected to change.

### Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

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.

Associates are prohibited from taking or providing a loan from a client unless it is an approved financial institution.

The firm recognizes that should it act as the adviser to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of its investment adviser representatives serves in an advisory capacity to one or more of the plan's participants, a potential or implied conflict of interest may occur. The firm may require its employee to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue and with consideration made to offset participant fees.

NCM Capital Management, LLC is able to provide a broad range of services to all of its clients, including financial planning and investment consultation, investment supervisory services, among others; the firm may be paid a fee for some or all of these services. Due to our firm's ability to offer two or more of



these services and possibly receive a fee or commission for each engagement, a potential conflict of interest may exist. Therefore, we note that a client is under no obligation to act on our recommendations and, if they elect to do so, they are under no obligation to complete all of them through our firm or our recommended service providers.

#### Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons (i.e., associates, immediate family, etc.) may buy or sell securities the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related party receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of a client's order, etc.), our policy requires that we restrict or prohibit related parties' transactions in specific securities. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

#### **Item 12 - Brokerage Practices**

##### Recommended Service Providers

NCM Capital Management, LLC does not maintain physical custody of client assets (see Item 15). Client assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank (we term "service providers") whom is frequently assessed for its capabilities to serve as custodian. NCM Capital Management, LLC is not a custodian nor does it have an affiliate that is a custodian.

When engaged to provide investment consultation services, the firm will offer to use the service provider with whom the prospective client's assets are currently maintained. Should the client prefer a new service provider or chooses to engage the firm for investment management services, the firm will suggest the institutional services division of National Financial Services LLC and Fidelity Brokerage Services LLC (collectively "Fidelity") as the qualified custodian. As stated earlier, NCM Capital Management, LLC is independently owned and operated and is not affiliated with Fidelity.

Fidelity will hold assets in an account in client name and will buy and sell securities when our firm instructs them. While our firm does not technically open the account for a client, we assist in doing so. If a client does not wish to place their assets with Fidelity, then our firm may be unable to manage the client account under our investment supervisory services agreement.

The institutional platform services Fidelity provides our firm includes, among others, brokerage, custody, and other related services. Fidelity's institutional platform services assist our firm in managing and administering clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements),
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts,
- provide research, pricing and other market data,
- facilitate payment of fees from its clients' accounts, and

- assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help the firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom we may contract directly.

Fidelity's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to our firm as long as our clients collectively maintain a total of these account asset minimums with Fidelity. Fidelity generally does not charge our firm separately for custody services but will be compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Fidelity is providing our firm with certain brokerage and research products and services that may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from Fidelity benefits us because we do not have to produce or purchase them. We do not pay for Fidelity's services so long as our clients maintain assets in accounts at Fidelity. Beyond that, these services are not contingent upon us committing any specific amount of business to Fidelity in trading commissions or assets in custody. Therefore, it may appear that NCM Capital Management, LLC may have an incentive to select or recommend a particular broker/dealer, such as Fidelity, based on our firm's interest in receiving research or other products or services, rather than on our clients' interest in receiving most favorable execution. This is a potential conflict of interest, however, our firm believes its selection of Fidelity as custodian is in the best interests of its clients. Our selection is primarily supported by the scope, quality, and price of Fidelity's services and not Fidelity's services that benefit only our firm. We have also determined that having Fidelity execute most trades is consistent with our duty to seek "best execution" of client trades (see following section).

Our firm periodically conducts an assessment of any service provider we may recommend, including Fidelity, which may include a review of their range of services, reasonableness of fees, among other items, and in comparison to their industry peers.

#### Client Referrals

All compensation paid to the firm is paid directly by the client and, therefore, the firm does not receive any additional compensation when its clients engage a recommended custodian or other service provider.

#### Best Execution

Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed in the earlier paragraph. We recognize our obligation in seeking "best execution" for our clients, however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, our firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each

transaction. We have determined that having the referenced custodians execute most trades is consistent with our duty to seek "best execution" of your trades.

NCM Capital Management, LLC periodically reviews its policies regarding recommending service providers to our clients in light of our duty to seek "best execution."

#### Directed Brokerage

We do not require or engage in directed brokerage involving client accounts.

A client may direct our firm to use another particular broker-dealer or custodian to execute some or all transactions for an account. In these circumstances, the client will be responsible for negotiating, in advance, the terms and/or arrangements for their account with their own selected service provider.

Our firm will not be obligated to seek better execution services or prices from these other service providers, or able to aggregate client transactions, should we choose to do so, for execution through other custodians with orders for other accounts managed by our firm. As a result, a client under these circumstances may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices, on transactions for their account than would otherwise be the case.

Pursuant to our obligation of best execution, our firm may decline a request to direct brokerage if we believe any directed brokerage arrangement would result in additional operational difficulties or risk to our firm.

#### Trade Aggregation

Transactions for each client will generally be effected independently unless the firm decides to purchase or sell the same securities for several clients at approximately the same time often termed "aggregated" or "batched" orders. The firm does not receive any additional compensation or remuneration as a result of aggregated transactions.

The firm may (but is not obligated to) aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among client accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed.

Within aggregated orders, transactions will generally be averaged as to price and allocated among the clients on a *pro rata* basis on any given day and the firm will attempt to do so in accordance with applicable industry rules. Client accounts where trade aggregation is disallowed or infeasible may be assessed higher transaction costs than those that are batched.

In the event the firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include (in no particular order):

- when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weighting relative to other portfolios with similar mandates;

- allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts, such as that which might occur due to unforeseen changes in an account's assets after the order is placed;
- with respect to sale allocations, allocations may be given to accounts low in cash;
- when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, an account may be excluded from the allocation and transactions may be executed on a *pro rata* basis among the remaining accounts; or
- when a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis, with an eye toward the “randomness” of the process (i.e., not always A-to-Z or vice versa, etc.).

The firm reviews both its trade aggregation procedures and allocation processes on a periodic basis to ensure it remains within stated policies and regulation.

### **Item 13 - Review of Accounts**

#### **Financial Planning and Investment Consultation Services**

Periodic reviews are recommended for those clients receiving incidental financial planning and investment consultation services; and it is the client's responsibility to initiate these sessions.

The review will be completed by Mr. Laverghetta, Chief Compliance Officer and/or the assigned investment adviser representative.

#### **Investment Management Services or Wealth Management Services**

Clients whose accounts are maintained under an Investment Management Services or Wealth Management Services engagement are periodically reviewed throughout the year by Mr. Laverghetta, Chief Compliance Officer and/or the assigned investment adviser representative.

Additional reviews may be triggered by news or research related to a specific holding, a change in the firm's view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector.

Accounts may also be reviewed when being considered for an additional holding or an increase in a current position. Account cash levels above or below that deemed appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

#### **Reports and Frequency**

Whether a client has opened and maintained an investment account on their own or with our firm's assistance, they will receive account statements sent directly from mutual fund companies, transfer

agents, third-party investment managers, custodians or brokerage companies where their investments are held. We urge each client to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm may provide portfolio reports if we are engaged to provide periodic asset allocation or investment advice; however, we do not provide ongoing performance reporting if we are engaged strictly for financial planning or investment consultation engagement.

For our own investment supervisory services accounts, our firm may provide quarterly portfolio statement and position performance summary reports, and annual realized gains/loss reports for taxable accounts. Some of our clients may receive additional reports depending on their specific requirements.

All firm performance reports will be prepared in accordance with appropriate jurisdictional guidance. Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from our firm.

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

The firm does not currently engage in solicitation activities as defined by statute, nor does it pay a direct or indirect fee for referrals.

As earlier stated, NCM Capital Management, LLC and its associates are members of various industry professional organizations. An added benefit these entities may provide to the investing public is the availability of an electronic map on their website that allows interested parties (prospective clients) to search for participant firms (such as the firm) or individual planners within a selected area. These passive website listings provide a means for interested persons to contact a firm or individual planner via electronic mail or telephone number so that the interested person may interview the participant firm or an individual planner. Members of the public may also choose to telephone association support staff to inquire about a firm or individual planner within their area, and would receive the same information. Prospective clients locating a firm or individual planner via any of the noted venues are not actively marketed by these associations, nor do they pay more for their services than another client who may be referred in another fashion, such as a personal referral from another adviser client. Further, the firm does not pay these associations for these prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

#### **Item 15 - Custody**

Client funds and securities will be maintained by unaffiliated, qualified custodians (such as Fidelity); banks, broker/dealers, mutual fund company, or transfer agent; not with or by NCM Capital Management, LLC or any of its associates.

The firm will not accept *or forward* client securities (i.e., stock certificates) erroneously delivered to NCM Capital Management, LLC or its associates.

Policy restricts the firm and its associated persons from acting as trustee for or having full power of attorney over a client account.

At no time will the firm's fees for a client account be collected for its services to be performed more than six months in advance *and* for \$500 or more.

Clients will be provided transaction confirmations and summary account statements sent directly from their selected service provider; not through or by NCM Capital Management, LLC. Typically, these statements are provided on a monthly or quarterly basis, and as transactions occur. Clients are reminded to inform the firm if they do not receive these statements in a timely fashion. For those accounts that elect to receive electronic statements from the selected service provider, they must ensure they maintain a current electronic mail address with that entity. Clients are urged to carefully review statements received from their custodian.

Clients may receive periodic reports from NCM Capital Management, LLC that may summarize account performance. They are urged to compare their account statements received from the assigned service provider (i.e., custodian) with those performance reports they receive from the firm for accuracy.

#### **Item 16 - Investment Discretion**

NCM Capital Management, LLC provides investment management services to its clients via either a *discretionary* or *non-discretionary* account agreement. Typically the firm serves accounts under a discretionary account authority agreement.

Similar to a limited power of attorney, *discretionary authority* allows the firm to implement investment decisions, such as the purchase or sale of a security on behalf of a client account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be granted through the client's execution of both our firm's engagement agreement and the selected custodian's account opening documents. Further, the selected custodian will specifically limit our firm's authority in the account to the placement of trade orders and the deduction of advisory fees.

Should the client desire an account to be managed in a *non-discretionary* manner, thereby restricting execution of any or all transactions to occur following client approval, the firm may require it manage the account under a higher asset-based fee due to the additional service requirements in support of the account. Further, the client is hereby informed that before the firm is able to implement an investment decision on behalf of an account, such as a purchase or sale of a security, the client must grant the firm the authority to do so and the client must make themselves available and keep the firm apprised of their current contact information so that transaction instructions can be efficiently effected on their behalf. By definition and absent client written instruction to the contrary, non-discretionary transactions do not involve a trade's execution price or time.

All account restrictions, limitations, and rescissions will be made in writing by the client and approved in writing by the Chief Compliance Officer. A record will be made and retained per regulation for each of these actions.

#### **Item 17 - Voting Client Securities**

##### **Proxy Voting**

The firm does not vote client proxies nor offers guidance on the voting of 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 not offer guidance on nor have the 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. Clients should contact the issuer or their legal counsel for guidance.

#### Firm's Receipt of Materials

Clients may receive proxies or other similar solicitations sent directly from the issuer, custodian or transfer agent. If the firm receives correspondence for a client relating to the voting of their securities, class action litigation, or other corporate actions, it will typically forward the correspondence to the client or another entity (i.e., client counsel, etc.) if so directed.

### **Item 18 - Financial Information**

#### Balance Sheet

With the exception of our having the ability to withdraw our advisory fees through the services of a qualified, unaffiliated third party (i.e., custodian) and per the client's prior written authorization, our firm will not have custody of client assets. This includes the policy of not collecting fees from a client of \$500 or more for services to be performed six months or more in advance.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

#### Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The firm and its management do not have a financial condition likely to impair our ability to meet our commitment to our clients.

#### Bankruptcy Petitions during the Past 10 Years

The firm and its management have not been the subject of a bankruptcy petition at any time during the past 10 years.

### **Item 19 – Requirements for State-Registered Advisers**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm through its advisory brochure or brochure supplement, as well as their business experience for at least the previous five years.

#### Principal Executive Officer

**Nicholas S. Laverghetta, CFP®** [Born 1970/CRD # 2296013]  
*Managing Member/Majority Shareholder/President/Chief Compliance Officer*

## Educational Background and Business Experience

### Educational Background

Bachelor of Arts in Accounting & Finance, Gettysburg College; Gettysburg, PA  
CERTIFIED FINANCIAL PLANNER™ Professional, CFP®<sup>3</sup>

### Business Experience

NCM Capital Management, LLC - President [2009-Present]  
Brinton Eaton Wealth Advisers - Investment Adviser Representative [2008-2010]  
Fidelity Investments - Financial Representative [2000-2008]

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this section. There are no criminal or civil actions, administrative enforcement proceedings, self regulatory organization enforcement proceedings or any other proceedings applicable to the firm or Mr. Laverghetta.

### Other Business Activities

Mr. Laverghetta is not actively engaged in another *investment-related* business or occupation; he is not registered nor has an application pending to register as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading adviser. Therefore, he does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including that as a registered representative of a broker/dealer, and including distribution or service ("trail") fees from the sale of mutual funds.

There are no other outside business activities to report.

### Additional Compensation

Mr. Laverghetta is not compensated for advisory services involving performance-based fees.

Mr. Laverghetta is not a senior executive of or insider to an issuer of a security; nor does the firm have a material relationship/arrangement with an issuer of securities.

Our firm also prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

### Supervision

Mr. Laverghetta serves in multiple capacities with the firm; such as Managing Member, President, Chief Compliance Officer and Investment Adviser Representative. The firm recognizes that not having all organizational duties segregated may potentially create a conflict of interest; however, the firm employs policies and procedures to ensure appropriate recordkeeping and supervision. Certain functions may be outsourced to assist in these efforts when necessary. Questions relative to the firm, its services, or this ADV Part 2A may be made to the attention of Mr. Laverghetta at (201) 529-1429.



Additional information about the firm, other advisory firms, or associated investment adviser representatives is 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 NCM Capital Management, LLC is 151109; Mr. Laverghetta's CRD # is 2296013.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the New Jersey Bureau of Securities at (866) 446-8378.

### **Business Continuity Plan**

NCM Capital Management, LLC maintains a business continuity plan that is integrated with the entirety of the organization to ensure it appropriately respond to events that pose a significant disruption to operations. A statement concerning our current plan may be found on our website.

<sup>3</sup> The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.