

# K PLUS, INC.

REGISTERED INVESTMENT ADVISER

## BROCHURE

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This brochure provides information about the qualifications and business practices of K Plus, Inc. ("K Plus"). If you have any questions about the contents of this brochure, please contact us at the telephone number or email addresses listed above. 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 K Plus also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

There have been no material changes to K Plus' Form ADV since the last filing.

*Registration as an investment adviser does not imply a certain level of skill or training.*

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## Item 4: Advisory Business

### A. Description of Advisory Firm

K Plus assists its clients to meet the fiduciary and communication needs of 401(k) sponsors. Peter Lang, the founder and CEO of K Plus, has over 40 years of retirement plan experience. He formed K Plus in 1993.

### B. Types of Advisory Services

K Plus provides advice to Plan Sponsors with respect to the design, implementation and maintenance of pension and profit sharing plans. K Plus also provides advice to high net worth individuals. The types of services that K Plus provides are as follows:

- i) **Pension Consulting Services:** K Plus helps find the best 401(k) program for its clients and their employees. K Plus works with insurance companies, banks, brokerage firms, mutual fund companies and third party administrators.
- ii) **Publication of Periodicals or Newsletters:** K Plus provides customized employee newsletters, charts, and market commentary.
- iii) **Educational Seminars/workshops:** K Plus conducts educational seminars utilizing customized PowerPoint presentations and employee handouts.
- iv) **Financial Planning:** K Plus provides comprehensive financial planning and consulting services.

#### i. **Pension Consulting Services:**

K Plus uses historical risk reward analysis to help 401(k) and other retirement plans select superior funds from appropriate investment categories, in compliance with ERISA. K Plus provides an Investment Policy Statement and annual investment monitoring reviews.

#### ii. **Publication of Periodicals or Newsletters:**

K Plus prepares newsletters for distribution to clients and employees of clients.

#### iii. **Educational Seminars/Workshops:**

K Plus develops dynamic investment education seminars that are customized for each plan.

#### **iv. Financial Planning:**

K Plus provides its clients with a broad range of comprehensive financial planning and consulting services (including non-investment related matters). Prior to engaging K Plus to provide financial planning and/or consulting services, the client will be required to enter into a Financial Planning Agreement with K Plus setting forth the terms and conditions of the engagement and describing the scope of the service provided. In performing its services, K Plus shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, K Plus 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(s). The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from K Plus. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify K Plus if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising K Plus's previous recommendations and/or services.

#### **Item 5: No Investment Management**

K Plus does not have discretion over any accounts and therefore does not provide investment management services.

#### **Item 6: Fees and Compensation**

##### **A. Performance-Based Fees and Side-by-Side Management**

K Plus's fee for retirement plans can be performance based. It will vary based upon any increase or decrease in the assets of a client's plan. The customary fee for plans ranges from 0.25% to 0.75% depending on the size of the plan's assets, but this percentage is negotiable. K Plus does not participate in the actual management of any mutual fund or any investment decisions made by any mutual fund.

K Plus may receive income in the form of commissions or expense reimbursement from insurance companies for the servicing of group annuity contracts. When that is the case, K Plus will not receive any compensation directly from the client or the client's benefit plan. The client shall incur, relative to mutual fund purchases, charges imposed directly at the mutual fund level (i.e. fund advisory fees and expenses). Neither K Plus nor any of its employees will receive any commissions or 12b-1 fees in connection with the sale of mutual funds. The investment advisory agreement between K Plus and the client will continue in effect unless terminated by either party by written notice in accordance with the terms and conditions of the Investment Advisory Agreement. K Plus's advisory fee shall be prorated through the date of termination.

## B. Retirement Plan Consulting Fees

K Plus services are available on an à la carte basis. The hourly rate is \$250.

## C. Financial Planning

K Plus will charge a fee (fixed and/or hourly) for providing financial planning services. K Plus's fixed financial planning fees, a percentage of the total assets in the client's portfolio, are negotiable and will depend upon the level and scope of the services required and the professional rendering the service(s). The hourly rate will generally range from \$150.00 to \$200.00.

- At the opening of the account, K Plus, through its designated representative, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
- At least annually, K Plus shall contact the client to determine whether the client's financial situation or investment objectives have changed;
- K Plus shall be reasonably available to consult with the client relative to the status of the account;
- Each client retains ownership of his/her/its account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations);
- K Plus believes that its fee is reasonable in relation to: (1) the advisory services provided under the Investment Advisory Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. Although usually less, K Plus's fee may, on rare occasions, be higher than that charged by other investment advisers offering similar services/programs;
- The mutual funds which K Plus recommends are likely to have differing degrees of risk associated therewith. None of the investments in mutual funds are "risk-free", and certain mutual funds, particularly mutual funds that invest in futures contracts, stock index futures contracts, options on stock index futures contracts, and options on securities and stock indices, have a substantial amount of risk associated therewith;
- In computing the market value of mutual fund shares held in the client's account, the shares will be valued by the custodian, mutual fund company, variable annuity company, or broker-dealer holding such shares; and
- K Plus's clients are advised to promptly notify K Plus if there are ever any changes in their financial situation or investment objectives.

## **Item 7: Types of Clients**

K Plus primarily provides investment advice and financial planning services to the following types of clients:

- ◆ Pension and profit sharing plans
- ◆ High net worth individuals

### **Minimum Account Size**

There is an account minimum for investment supervisory services of \$50,000, which may be waived by K Plus, based on the needs of the client and the complexity of the situation.

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

### **A. Methods of Analysis**

K Plus's mutual fund analysis considers prior track record, portfolio manager's experience, risk analysis, style consistency, and fund expenses.

The main sources of information used by K Plus are Morningstar Principia, financial newspapers and magazines, research materials prepared by others, annual reports, prospectuses, filings with the Securities and Exchange Commission, and Company press releases.

### **B. Investment Strategies**

The investment strategies used to implement any investment advice given to clients include, but are not limited to, an analysis of the past performance of the recommended mutual funds.

### **C. Risk of Loss**

Past performance is not a guarantee of future returns. Investing in securities, and mutual funds, involves a risk of loss that the client should be prepared to bear.

## **Item 9: Disciplinary Information**

There are no administrative, civil or criminal actions pending against K Plus, or its employees.

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

K Plus is a Registered Investment Adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. It is an independent, fee only investment adviser. Neither K Plus nor any of its employees acts as a broker-dealer or registered representative in any transactions. In addition, neither K Plus nor any of its employees have any affiliations with any bank, brokerage firm or insurance company and therefore do not receive commissions or compensation from any third parties. K Plus provides investment services directly to its clients and does not utilize the services of any other investment advisers.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics**

K Plus has adopted a Code of Ethics, a copy of which is available upon request, that requires employees to put the clients' interests ahead of their own.

### **B. Participation or Interest in Client Transactions and Personal Trading**

K Plus does not make transactions for any client or retirement plan.

### **C. Policy on Confidentiality**

K Plus maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by K Plus or any person associated with K Plus as required by Section 204A of the Investment Advisers Act.

K Plus maintains physical, electronic, and procedural safeguards that comply with federal standards to protect its clients' nonpublic personal information ("information"). Through this policy and its underlying procedures, K Plus attempts to secure the confidentiality of customer records and information and protect against anticipated threats or hazards to the security or integrity of customer records and information.

It is the policy of K Plus to restrict access to all current and former clients' information (i.e., information and records pertaining to personal background, investment objectives, financial situation, tax information/returns, investment holdings, account numbers, account balances, etc.) to those employees and affiliated/nonaffiliated entities who need to know that information in order to provide products or services to the client. K Plus may disclose the client's information if



K Plus is (1) previously authorized to disclose the information to individuals and/or entities not affiliated with K Plus, including, but not limited to the client's other professional advisors and/or service providers (i.e., attorney, accountant, insurance agent, broker-dealer, investment adviser, account custodian, etc.); (2) required to do so by judicial or regulatory process; or (3) otherwise permitted to do so in accordance with the parameters of applicable federal and/or state privacy regulations. The disclosure of information contained in any document completed by the client for processing and/or transmittal by K Plus in order to facilitate the commencement/continuation/termination of a business relationship between the client and a nonaffiliated third party service provider (i.e., broker-dealer, investment adviser, account custodian, insurance company, etc.), including information contained in any document completed and/or executed by the client for K Plus (i.e., advisory agreement, client information form, etc.), shall be deemed as having been automatically authorized by the client with respect to the corresponding nonaffiliated third party service provider.

K Plus permits only authorized employees and affiliates who have signed a copy of K Plus's Privacy Policy to have access to client information. Employees violating K Plus's Privacy Policy will be subject to K Plus's disciplinary process. Additionally, whenever K Plus hires other organizations to provide services to K Plus's clients, K Plus will require them to sign confidentiality agreements and/or the Privacy Policy. Should you have any questions regarding the above, please contact K Plus.

#### **D. Policy on Initial Public Offerings**

K Plus does not purchase and/or recommend for purchase IPOs for its clients.

### **Item 12: Brokerage Practices**

None of K Plus' employees are registered with any broker dealer. Therefore, neither K Plus nor any of its employees receive commissions on any sale or 12b-1 trail commissions, with regard to any mutual fund transactions. K Plus does not determine which broker or dealer is to be used for investments.

### **Item 13: Review of Accounts**

All investment supervisory and financial planning clients are encouraged to discuss with K Plus his/hers/their/its investment objectives, needs and goals to keep K Plus informed of any changes regarding the same. All clients are encouraged to meet, at least annually, with K Plus to comprehensively review investment objectives and account performance.

Clients are provided with transaction confirmation notices and summary account statements directly from the broker-dealer/custodian for their accounts.

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

K Plus does not pay fees to financial intermediaries, advisors, planners or individuals who refer their clients to K Plus. If, in the future this policy changes, such fees will only be paid in accordance with all of the requirements of Rule 206(4)-3 of the Advisors Act.

#### **Item 15: Custody**

K Plus does not act as a Custodian for the assets in any client accounts and shall not be liable to any clients for any acts, conduct or omission by their Custodian. K Plus is authorized by the clients to request information about their accounts from the Custodian.

#### **Item 16: Investment Discretion**

K Plus does not exercise investment discretion. The choice of which securities to buy and which broker/dealer to use for investments is the client's decision.

#### **Item 17: Voting Client Securities**

K Plus does not vote client proxies. Clients will receive proxies directly from their custodian or transfer agent. Any questions regarding K Plus's proxy voting policy should be directed to K Plus at (908) 852-6341.

#### **Item 18: Financial Information**

K Plus does not have custody of client's funds or securities. K Plus is not required to include its balance sheet for the most recent year as it does not require or solicit a prepayment of more than \$1,200 in investment management fees per client, six months or more in advance. K Plus has no financial commitments that would impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

## **Item 19: Requirements by State Registered Advisors**

All individuals that give investment advice on behalf of K Plus must have substantive investment-related experience. In addition, all such individuals must attain all required investment-related licenses and/or designations.

### **PETER LANG**

#### **Education:**

- Farleigh Dickinson University, 1970, BS in Business Administration

#### **Business Background:**

- Prudential, 1970-1976, group pension separate account accounting department
- Connecticut General/CIGNA, 1976-1993, group pensions service and sales representative, district manager for New Jersey
- K Plus, Inc., President, 1993 to Present

### **TERRENCE LANG**

#### **Education:**

- The College of New Jersey, 2007, BS in Business Administration
- University of Pennsylvania, 2010, the Wharton School, RPA (Retirement Plans Associate)
- Candidate for CFP (Certified Financial Planner)

#### **Business Background:**

- K Plus, Inc., 2008 to Present