

**Item 1: Cover Page**

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FORM ADV PART 2A

FIRM BROCHURE

March 28, 2013

This brochure provides information about the qualifications and business practices of Motley Fool Financial Planning, LLC. If you have any questions about the contents of this brochure, please contact us by email at help@foolplanning.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.

**Item 2           Material Changes**

This Brochure dated March 27, 2013, replaces the previous Motley Fool Financial Planning brochure, which was filed on March 8, 2013. Items 4 and 13 have been revised to specify that Motley Fool Financial Planning may provide personalized guidance to clients via telephone. .

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**Item 4.****Advisory Business:**

(A) Motley Fool Financial Planning, LLC (“MFFP” or “Motley Fool Financial Planning”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”) since February 12, 2013. MFFP provides investment advice to individuals, including interactive online tools and digital content related to personal financial planning and investing.

MFFP is a wholly-owned subsidiary of The Motley Fool Holdings Inc. (“TMF Holdings”). MFFP has two indirect owners, David H. Gardner and Thomas M. Gardner, who each own 25% or more of TMF Holdings.

(B) Clients are subscribers to the Motley Fool One newsletter service, which includes access to all of the investing newsletters and websites published by The Motley Fool, LLC (“TMF”), which is also a wholly-owned subsidiary of TMF Holdings.

MFFP provides two kinds of nondiscretionary investment advisory services:

- a. Online General Asset Allocation and Specific Equity Security Advice: MFFP provides Clients with general asset allocation targets, allocation among types of equities in a Client’s portfolio, and advice about specific equities. Clients may enter their personal financial and portfolio information into an online questionnaire (the “Questionnaire”), and may provide MFFP with access to holdings information through a third-party account aggregation tool (the “Aggregation Tool”). MFFP’s proprietary online Investment Dashboard will provide information about allocation among asset classes, allocation among types of equity investments (e.g., market capitalization, value versus growth, and sectors) and recommended allocations and transactions for individual securities that may be suitable parts of the equity portion of a Client’s portfolio.
- b. Personalized Answers to Specific Questions: Clients may seek responses to individual questions via email and telephone.

Advice is based upon the Client’s personal situation and goals, as communicated to MFFP through the Questionnaire, the Aggregation Tool and any follow up information provided by the Client in an email or telephone call. MFFP’s recommendations, provided on the Investment Dashboard, are based upon MFFP’s asset allocation models, which may change from time to time, analysis of fundamental data and analysis from third parties, and information published in TMF’s newsletters.

If a Client chooses not to provide all of the information requested or provides inaccurate information at any point, or if the Aggregation Tool is unable to include all of the Client's assets, MFFP's advice may not be fully tailored to that Client's needs.

MFFP does not offer certain types of advice that also may be considered financial planning, such as advice about insurance, tax and estate planning, or saving for retirement, education, or other goals.

- (C) MFFP provides general asset allocation advice and specific advice related to the equity portion of its Clients' portfolios, but it does not provide such specific advice related to other parts of the Clients' portfolios. MFFP tailors its services to each Client's specific financial planning goals and circumstances, as the Client communicates them to MFFP through the Questionnaire and the Aggregation Tool. MFFP does not guarantee or ensure the success of any financial plan

MFFP relies on the information the Client provides, and it does not, and cannot, verify that such information is accurate or complete. Although tax and legal issues are important parts of an individual's financial plan, MFFP does not provide legal or tax advice. Clients who need such advice should consult legal and tax professionals.

- (D) Not applicable.
- (E) As of January 29, 2013, MFFP does not manage any client assets on either a discretionary or nondiscretionary basis.

**Item 5. Fees and Compensation:**

- (A) Clients are subscribers to TMF's Motley Fool One newsletter service. Newsletter subscribers pay a subscription fee to TMF at the then-prevailing rate, then, if they wish to use MFFP's services, they enter into an Investment Advisory Agreement with MFFP, and TMF transfers an investment advisory fee of \$200 to the books of MFFP. MFFP reserves the right, in its sole discretion, to amend or change its fees for its services or any additional services. Advisory fees are not negotiable.
- (B) Clients pay no fee to use MFFP's services, which are provided at no additional cost to subscribers to TMF's Motley Fool One newsletter service, and subscribers' TMF newsletter subscription fee does not change, whether or not they avail themselves of MFFP's advisory services. Clients pay their subscription fee to TMF in advance at their time of subscription, generally for periods of one, two, or three years, but may be offered the opportunity for longer subscriptions at times. Payments are made by credit card (currently American Express, Discover, Master Card, and Visa), and subscriptions automatically renew for consecutive annual periods at the then-prevailing rate, unless terminated by the subscriber.

- (C) MFFP does not offer any brokerage or custodian services. Clients bear any custodian, brokerage, insurance, mutual fund, and other fees related to transactions they choose to execute after receiving advisory services from MFFP. Clients must pay any interest, fees, or penalties that their credit card companies charge them for late payment, as well.
- (D) Clients do not pay MFFP for its services, but they can seek refunds for unused portions of their TMF newsletter service subscriptions by contacting TMF by phone or email. Refunds are pro-rated on a monthly basis. From time to time, TMF may offer extended refund policies, whereby a subscriber may receive a refund even for some of the used portion of a subscription.
- (E) MFFP and its personnel do not accept compensation for the sale of securities or other investment products. Clients who wish to purchase investment products, whether or not MFFP recommends them, must do so through brokers or agents that are not affiliated with MFFP.

**Item 6. Performance-Based Fees and Side-by-Side Management:**

MFFP does not charge performance-based fees.

**Item 7. Types of Clients:**

MFFP's Clients are individuals who subscribe to TMF's Motley Fool One newsletter service. MFFP has no other requirements for opening or maintaining an account, except that a client must use a credit card to subscribe to TMF's Motley Fool One newsletter service.

**Item 8. Methods of Analysis and Risk of Loss:**

- (A) MFFP provides advice about asset allocation and specific securities that varies depending upon each Client's specific financial situation. MFFP uses a proprietary, interactive, algorithmic system, designed by personnel acting on MFFP's behalf, that is based upon the widely-accepted Fama-French Capital Asset Pricing Model. MFFP's algorithm considers factors such as the Client's asset allocation, portfolio holdings, investing period, time to retirement, and need to access assets, along with the Client's risk tolerance and preferences regarding the number of positions in his or her portfolio, as well as other information the Client provides, to characterize the Client's risk profile and the assets that are available for investment.

MFFP then presents an algorithmically-generated online Investment Dashboard that includes (a) an asset allocation that it believes would be suitable for the

Client's needs, (b) an allocation of the equity portion of the Client's portfolio, with consideration for market capitalization, growth versus value, and investment sectors, and (c) a target equity portfolio along with the recommended transactions to create it, drawing from securities recommended in the publications to which the Client has subscribed. MFFP's algorithm and its advice are periodically reviewed by MFFP's President and personnel working on his behalf.

When MFFP's algorithmic system is unable to present a target portfolio that MFFP views as sufficient for the Client's needs, given the Client's circumstances (particularly the Client's assets available for equity investment) and preferences, it will present a portfolio that MFFP believes is as appropriate as practical under the circumstances, along with an explanation of MFFP's opinion of the weakness of the target portfolio.

All investments involve risk. MFFP does not guarantee the results of any of its advice. Significant losses can occur from investing in securities, or by following any investment strategy, including those recommended or applied by MFFP. The financial markets may change, sometimes rapidly and unpredictably, and Clients may not have the ability to avoid or prevent losses.

- (B) Because MFFP only makes specific recommendations regarding the equity portion of its Clients' portfolios, Clients will not be able to rely upon MFFP for specific guidance in other asset classes, which are important parts of investors' portfolios. In the area of equities, MFFP's reliance upon fundamental, business-focused analysis, and its emphasis on long term investing, may not allow it to anticipate short-term market volatility.

MFFP does not recommend frequent trading of securities, in part because frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

- (C) All investments, even government debt, pose risks to investors. MFFP recommends individual equities. Clients should know that over any given time period, the price of stocks may go up and down, quickly or slowly, sometimes surprisingly or inexplicably. Each type of equity that MFFP may recommend involves specific types of risks, most applicably:
  - a. Equity Risk in General. The stock of any company may not perform as well as expected, and may lose value, because of factors related to the company, including adverse developments regarding the company's business, poor management decisions, or changes in the company's industry or popularity of its goods and services. In the event a company becomes insolvent, stock holders will generally have lowest priority among owners of that company's

obligations as to the distribution of the company's assets. Stocks may also be affected by general market and economic factors, even when their companies' respective business fundamentals are unchanged.

- b. **Small and Mid—Capitalization Companies.** The securities of smaller companies may involve greater risks than do those of larger, more established companies, because the small companies may, for example, lack the management experience, financial resources, product diversification, and competitive strength of larger companies, and their trading may be more volatile.
- c. **Foreign and Emerging Market Investments.** Investing in securities of foreign companies involves risks generally not associated with investments in the securities of U.S. companies, including the risks associated with fluctuations in foreign currency exchange rates, unreliable and untimely information about issuers, and political and economic instability. Investing in emerging market countries involves risks in addition to and greater than those generally associated with investing in more developed foreign markets. In many less developed markets, there is less governmental supervision and regulation of business and industry practices, stock exchanges, brokers, and listed companies than there is in more developed markets. The securities markets of certain countries in which MFFP may recommend investment may also be smaller, less liquid, and subject to greater price volatility than those of more developed markets

**Item 9. Disciplinary Information:**

Neither MFFP nor any supervised person has been involved in any legal or disciplinary event that is material to a Client's or prospective Client's evaluations of MFFP's advisory business or the integrity of our management.

**Item 10. Other Financial Industry Activities and Affiliates:**

- (A) Neither MFFP nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- (B) Neither MFFP nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

- (C) MFFP is a wholly-owned subsidiary of TMF Holdings. TMF Holdings also owns TMF and Motley Fool Asset Management, LLC (“MFAM”), which is the investment adviser to the mutual funds of The Motley Fool Funds Trust: the Motley Fool Independence Fund, Motley Fool Great America Fund, and Motley Fool Epic Voyage Fund. MFFP addresses any potential conflict of interest with Clients by assuring that Firm representatives do not have access to nonpublic MFAM information about securities, and by abstaining from recommending that Clients purchase MFAM’s funds (although MFFP may treat a Client’s holdings of MFAM’s funds as assets available for sale to permit purchase of individual equities).
- (D) MFFP does not recommend or select other investment advisers for its clients, and it does not have other business relationships with those advisers that create a material conflict of interest. As part of the TMF Motley Fool One Service, TMF intends to contract with an unaffiliated investment adviser to provide personal finance and non-equity investing advice for subscribers, subject to respective investment advisory agreements between such subscribers and the other firm.

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

In accordance with Rule 204A-1 under the Investment Advisers Act of 1940 (the “Advisers Act”), MFFP has approved and adopted a Code of Ethics (the “Code”). The Code establishes rules of conduct for all of MFFP’s officers and employees and is assigned to govern securities trading by employees and their households.

The Code further sets forth policies and procedures that are reasonably defined to prevent Access Persons, as defined in the Code, from engaging in conduct prohibited by the Advisers Act and establishes reporting requirements for Access Persons.

The Code explains that MFFP and its officers and employees have a fiduciary duty to MFFP’s Clients to place the Clients ahead of their personal interests. The Code is based upon the following principles:

MFFP and its personnel must at all times place the interests of our clients first. All personal securities transactions must be conducted in a manner consistent with the Code and avoid any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility.

Employees must not take any inappropriate advantage of their positions at MFFP. Independence in the process of making investment recommendations must be maintained at all times.

MFFP and its employees must never take unfair advantage of their relationship with any affiliates that are in the publishing or investment business.



More specifically, the Code of Ethics provides that covered persons must:

- 1) Comply with all applicable laws and regulations;
- 2) On an annual and quarterly basis, disclose to our Compliance Officer all holdings in “covered securities,” including:
  - a. debt and equity securities;
  - b. Options on securities, on indices, and on currencies;
  - c. All forms of limited partnership and limited liability company interests, including interests in private investment funds (such as hedge funds), and interests in investment clubs; and
  - d. Foreign unit trusts and foreign mutual funds; and
  - e. ETFs.
- 3) Receive pre-clearance from our Compliance Officer (or his designee) for transactions in covered securities (with limited exceptions).

MFFP will provide a copy of its Code of Ethics to any client or prospective client upon request.

Firm personnel may buy or sell securities that MFFP recommends to Clients, and personnel may have positions in securities that MFFP recommends. Such investment actions by Firm personnel pose potential conflicts of interest in that the personnel may benefit from price movements of recommended securities. Our Chief Compliance Officer monitors the personal securities trading of MFFP’s personnel to monitor for violations of the Code.

Violations of the Code of Conduct may result in sanctions up to and including termination.

**Item 12. Brokerage Practices:**

MFFP does not execute transactions for Clients and it does not recommend or select broker-dealers for Clients. Clients use their own broker-dealers, if any, and MFFP is not involved in Clients’ interactions with the broker-dealers.

MFFP does not receive research or other products or service from broker-dealers or other parties in connection with client securities transactions.

TMF may receive payments from broker-dealers as consideration for advertising in its publications.

MFFP does not recommend, request, or require that a Client direct it to execute transactions through a specified broker-dealer.

**Item 13. Review of Accounts:**

- (A) MFFP does not review Client accounts on a regular or specific schedule. Rather, MFFP collects information through its Questionnaire and the Aggregation Tool and provides its recommendations and insights to a Client when he or she accesses MFFP's website and seeks such review. MFFP does not automatically update the advice it gives a Client unless the Client seeks an update. Recommendations and insights will be based upon the information the Client provides, and such information may not be complete or accurate. MFFP's President and personnel working on his behalf periodically review MFFP's algorithm and its advice.
- (B) MFFP will not automatically update a client's Investment Dashboard or its recommendations to a Client. MFFP will review a Client's account when the Client contacts MFFP to seek guidance or advice.
- (C) MFFP's advice is provided in writing online on the Investing Dashboard and in email. Guidance may also be provided by telephone.

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

MFFP's clients are subscribers to TMF's Motley Fool One newsletter service, and TMF pays MFFP to provide its services to them. MFFP might have an incentive to recommend that Clients invest in funds managed by MFAM; MFFP addresses that conflict by not recommending the purchase of MFAM's funds.

Except as set out above, MFFP does not compensate any person for client referrals.

**Item 15. Custody:**

MFFP does not accept custody of any client funds or securities and does not provide account statements to Clients.

**Item 16. Investment Discretion:**

MFFP does not accept discretionary authority to manage securities accounts on behalf of Clients.

**Item 17. Voting Client Securities:**

MFFP does not have, and does not accept, authority to vote Client securities.

**Item 18. Financial Information:**

- (A) MFFP is not including a balance sheet, because it does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- (B) MFFP is not subject to any financial condition that is reasonably likely to impair its contractual commitments to clients.
- (C) MFFP has not been the subject of a bankruptcy petition at any time during the past ten years.

**Item 19. Requirements for State-Registered Advisers:**

Not applicable.