

Fee-Only Planning Professionals, LLC

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This Brochure provides information about the qualifications and business practices of Fee-Only Planning Professionals, LLC (“Fee-Only”). If you have any questions about the contents of this Brochure, please contact us at (205) 879-5001 or greg@welchgroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Fee-Only Planning Professionals, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Fee-Only Planning Professionals, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to Fee-Only's disclosure statement since its last Annual Amendment filing on February 27, 2013.

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Item 4 Advisory Business

- A. Fee-Only Planning Professionals, LLC (“Fee-Only”) is a limited liability company formed on June 17, 1999 in the State of Alabama. Fee-Only became registered as an Investment Adviser Firm in July 1999. Fee-Only is principally owned by Stewart H. Welch, III, Fee-Only’s Managing Member.
- B. As discussed below, Fee-Only provides its clients (individuals, pension and profit sharing plans, trusts, and business entities, etc.) with portfolio design/management services, and, to the extent specifically requested by a client, financial planning and related consulting services.

PORTFOLIO DESIGN/MANAGEMENT

In the event the client desires, the client can engage Fee-Only to design an investment portfolio and provide ongoing corresponding investment management services on a *fee-only* basis. In the event the client determines to implement investment recommendations through Fee-Only on a *fee-only* basis, Fee-Only’s investment management fee shall generally include any ongoing investment related financial analysis and/or consulting services. In limited situations (i.e. non-investment management clients, and investment management clients that require a disproportionate amount of consulting services), Fee-Only may charge an hourly fee for investment-related consulting services.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent it is specifically requested to do so, Fee-Only may provide its clients with a broad range of financial analysis and consulting services (including non-investment related matters). Fee-Only renders financial analysis and/or consulting services on an hourly rate basis. Prior to engaging Fee-Only to provide financial analysis and/or consulting services, the client will generally be required to enter into a *Financial Advisory Agreement* with Fee-Only setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Fee-Only commencing services. If requested by the client, Fee-Only may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Fee-Only. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify Fee-Only if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Fee-Only’s previous recommendations and/or services.

MISCELLANEOUS

Additional Investment Management Services. Fee-Only may also render discretionary investment management services to clients relative to: (1) variable annuity products that they may own, or (2) their individual employer-sponsored retirement plans. In so doing, Fee-Only either directs the allocation of client assets among the various mutual fund subdivisions which comprise the variable annuity product or the retirement plan based upon the investment objectives of the client. For these services, Fee-Only's management fee is paid quarterly in advance, based upon the market value of the assets on the last day of the previous quarter. Client assets shall be maintained at either the specific insurance company that issued the variable annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

Non-Investment Consulting/Implementation Services. To the extent specifically requested by a client, Fee-Only *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Fee-Only, nor any of its representatives, serves as an attorney, accountant or insurance agent, and no portion of Fee-Only's services should be construed as same. To the extent requested by a client, Fee-Only may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Fee-Only. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Fee-Only if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Fee-Only's previous recommendations and/or services.

Fee Differentials. As indicated below, Fee-Only shall price its services based upon various objective and subjective factors. As a result, Fee-Only's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory and/or consulting services to be rendered. As a result of these factors, the services to be provided by Fee-Only to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

Private Investment Funds. To the extent that Fee-Only is requested to provide investment advice to clients with respect to private investment funds and/or products, the following disclosure is applicable:

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for

investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that Fee-Only references private investment funds owned by the client on any supplemental account reports prepared by Fee-Only, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price.

Client Obligations. In performing its services, Fee-Only 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. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Fee-Only if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Fee-Only's previous recommendations and/or services.

Disclosure Statement. A copy of Fee-Only's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Financial Advisory Agreement*. Any client who has not received a copy of Fee-Only's written Brochure at least 48 hours prior to executing the *Financial Advisory Agreement* shall have five business days subsequent to executing the agreement to terminate Fee-Only's services without penalty.

- C. Fee-Only shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Fee-Only shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Fee-Only's services.
- D. Fee-Only does not participate in a wrap fee program.
- E. As of December 31, 2013, Fee-Only had \$139,975,915 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage Fee-Only to provide discretionary investment advisory services on a *fee-only* basis.

PORTFOLIO DESIGN/MANAGEMENT

In the event the client desires, the client can engage Fee-Only to design an investment portfolio and provide ongoing corresponding investment management services on a negotiable *fee-only* basis. In the event the client determines to implement investment recommendations through Fee-Only on a *fee-only* basis, Fee-Only shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by Fee-Only. The investment management fee charged shall vary

between 0.20% and 1.2% depending upon the market value of assets under management and the specific type of investment management services to be rendered.

Fee-Only's investment management fee is generally inclusive of any ongoing investment related financial analysis and/or consulting services. In limited situations (i.e. non-investment management clients, and investment management clients that require a disproportionate amount of consulting services), Fee-Only may charge an hourly fee for investment-related consulting services.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent it is specifically requested to do so, Fee-Only may provide its clients with a broad range of financial analysis and consulting services (including non-investment related matters). Fee-Only renders financial analysis and/or consulting services on an hourly rate basis of \$250.00 per hour.

- B. Clients may elect to have Fee-Only's advisory fees deducted from their custodial account. Both Fee-Only's *Financial Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Fee-Only's investment advisory fee and to directly remit that management fee to Fee-Only in compliance with regulatory procedures. In the limited event that Fee-Only bills the client directly, payment is due upon receipt of Fee-Only's invoice. Fee-Only shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Fee-Only shall generally recommend that Charles Schwab Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Fee-Only's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Fee-Only's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The *Financial Advisory Agreement* between Fee-Only and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Financial Advisory Agreement*. Upon termination, Fee-Only shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. Neither Fee-Only, nor its representatives, accepts compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Fee-Only, nor any supervised person of Fee-Only, accepts performance-based fees.

Item 7 Types of Clients

Fee-Only's clients shall generally include individuals, business entities, pension and profit sharing plans and trusts. Fee-Only does not generally require an annual minimum fee or asset level for investment advisory services. Fee-Only, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. Fee-Only may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Fee-Only may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Fee-Only) will be profitable or equal any specific performance level(s).

- B. Fee-Only's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Fee-Only must have access to current/new market information. Fee-Only has no control over the dissemination rate of market information; therefore, unbeknownst to Fee-Only, certain analyses may be compiled with outdated market information, severely limiting the value of Fee-Only's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Fee-Only's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, Fee-Only intends to primarily allocate investment management assets of its client accounts among individual fixed income and equity securities and/or various no-load mutual fund classes (including mutual fund subdivisions which comprise a variable annuity product owned by the client), on a discretionary basis in accordance with the investment objectives of the client.

Fee-Only's proprietary mutual fund asset management strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Fee-Only's mutual fund asset management strategies, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to Fee-Only's management of client assets under Fee-Only's mutual fund asset management programs:

1. **Initial Interview** – at the opening of the account, Fee-Only, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. **Individual Treatment** - the account is managed on the basis of the client's financial situation and investment objectives;
3. **Annual Notice** – Annually Fee-Only shall notify the client to advise Fee-Only whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. **Annual Contact** – at least annually, Fee-Only shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account.
5. **Consultation Available** – Fee-Only shall be reasonably available to consult with the client relative to the status of client's account;
6. **Monthly Statement** – the client shall be provided with a Monthly statement containing a description of all activity in the client's account during the preceding period;
7. **Ability to Impose Restrictions** – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Fee-Only not to purchase certain mutual funds or securities;
8. **No Pooling** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. **Separate Account** - a separate account is maintained for the client with the Custodian; and
10. **Ownership** – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Fee-Only believes that its annual investment management 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. However, Fee-Only's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Fee-Only's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** Fee-Only's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

Item 9 Disciplinary Information

Fee-Only has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Fee-Only, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Fee-Only, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C.

Other Investment Adviser. Fee-Only is affiliated with The Welch Group ("Welch"), an SEC registered investment adviser (SEC Filing No.: 801-56254). Stewart H. Welch III, the Managing Member of Fee-Only is a member and owner of *Welch*. Fee-Only may refer certain clients to *Welch* for investment advisory services. Because of Mr. Welch's ownership interest in *Welch*, there is a *conflict of interest*. No client of Fee-Only is required to use the services of *Welch*. Fee-Only's Chief Compliance Officer, Gregory Weyandt, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.

National Advisors Holding, Inc. Fee-Only's Member, Stewart H. Welch, in his individual capacity, is a shareholder of National Advisors Holdings, Inc. ("NAH"), a company that formed a federal trust company, National Advisors Trust Company ("NATC") that is engaged in providing trust services. Currently, Fee-Only has not recommended NATC's services to its clients. In the event that it may do so in the future, a conflict of interest will arise as a result of Mr. Welch's ownership interest in NAH. No client of Fee-Only will be required to use NATC's services. **Fee-Only's Chief Compliance Officer, Gregory Weyandt, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

- D. Fee-Only does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Fee-Only maintains an investment policy relative to personal securities transactions. This investment policy is part of Fee-Only's overall Code of Ethics, which serves to establish a standard of business conduct for all of Fee-Only's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Fee-Only also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Fee-Only or any person associated with Fee-Only.

- B. Neither Fee-Only nor any related person of Fee-Only recommends, buys, or sells for client accounts, securities in which Fee-Only or any related person of Fee-Only has a material financial interest.
- C. Fee-Only and/or representatives of Fee-Only *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Fee-Only and/or representatives of Fee-Only are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Fee-Only did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Fee-Only's clients) and other potentially abusive practices.

Fee-Only has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Fee-Only's "Access Persons." Fee-Only's securities transaction policy requires that an Access Person of Fee-Only must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Fee-Only selects; provided, however that at any time that Fee-Only has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Fee-Only and/or representatives of Fee-Only *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Fee-Only and/or representatives of Fee-Only are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, Fee-Only has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Fee-Only's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Fee-Only recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Fee-

Only to use a specific broker-dealer/custodian), Fee-Only generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Fee-Only to provide investment management services, the client will be required to enter into a formal *Financial Advisory Agreement* with Fee-Only setting forth the terms and conditions under which Fee-Only shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Fee-Only considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Fee-Only, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Fee-Only's clients shall comply with Fee-Only's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Fee-Only determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Fee-Only will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Fee-Only's investment management fee. Fee-Only's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Fee-Only may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Fee-Only to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Fee-Only may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Fee-Only in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Fee-Only in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Fee-Only to manage and further develop its business enterprise.

Fee-Only's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Fee-Only to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Fee-Only's Chief Compliance Officer, Gregory Weyandt, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Fee-Only does not receive referrals from broker-dealers.
3. Fee-Only does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Fee-Only will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Fee-Only. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Fee-Only to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Fee-Only.

Fee-Only's Chief Compliance Officer, Gregory Weyandt, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Fee-Only provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Fee-Only decides to purchase or sell the same securities for several clients at approximately the same time. Fee-Only may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Fee-Only's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Fee-Only shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Fee-Only provides investment supervisory services, account reviews are conducted on an ongoing basis by Fee-Only's Principals and/or representatives. All clients are advised that it remains their responsibility to advise Fee-Only of any changes in their investment objectives and/or financial situation. All clients (in person or telephonically) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Fee-Only on an annual basis.

- B. Fee-Only *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Item 14 Client Referrals and Other Compensation
- A. As referenced in Item 12.A.1 above, Fee-Only may receive an indirect economic benefit from *Schwab*. Fee-Only, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Fee-Only's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Fee-Only to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Fee-Only's Chief Compliance Officer, Gregory Weyandt, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to Fee-Only by either an unaffiliated or an affiliated solicitor, Fee-Only *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Fee-Only's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Fee-Only by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Fee-Only's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Fee-Only and the solicitor, including the compensation to be received by the solicitor from Fee-Only.

Item 15 Custody

Fee-Only shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts.

Please Note: To the extent that Fee-Only provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Fee-Only with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Fee-Only's advisory fee calculation.

Please Also Note: Custody Situations: Fee-Only engages in other practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of

Form ADV, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940.

Fee-Only's Chief Compliance Officer, Gregory Weyandt, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

Item 16 Investment Discretion

The client can determine to engage Fee-Only to provide investment advisory services on a discretionary basis. Prior to Fee-Only assuming discretionary authority over a client's account, the client shall be required to execute a *Financial Advisory Agreement*, naming Fee-Only as the client's attorney and agent in fact, granting Fee-Only full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Fee-Only on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Fee-Only's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Fee-Only's use of margin, etc.).

Item 17 Voting Client Securities

- A. Fee-Only does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Fee-Only to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. Fee-Only does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Fee-Only is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Fee-Only has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Fee-Only's Chief Compliance Officer, Gregory Weyandt, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.