

Item 1 – Cover Page

**Hefty Wealth Partners, Inc.**  
**SEC File # 801-71660**

**ADV Part 2A Appendix 1, Wrap-Fee Firm Brochure**  
**Dated: May 13, 2015**

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Hefty Wealth Partners, Inc. If you have any questions about the contents of this brochure, please contact David Hefty at 260-927-1830 or [david.hefty@heftywealth.com](mailto:david.hefty@heftywealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Hefty Wealth Partners, Inc. is also available on at the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Hefty Wealth Partners, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training

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## **Item 2 – Material Changes**

Since last year's Annual Amendment filing on March 31, 2014, this ADV Part 2A Appendix 1 Wrap-Fee Program Brochure has been materially amended at Item 4 regarding the descriptions and affiliated fees charged for various strategy portfolios. Item 4 has also been materially amended with respect to fee structures available to clients with all Program Fees (defined below) being charged on a tiered fee schedule. Finally, Item 7 has been materially amended to indicate that clients may receive complimentary financial planning modules, depending upon the amount of investment advisory fees paid on an annual basis.

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## Item 4 – Services, Fees and Compensation

### A. **Asset Management Services – Hefty Wealth Portfolios Wrap Fee Program**

Hefty Wealth Partners, Inc. (“Hefty Wealth Partners”) provides asset management services on a discretionary wrap fee basis in accordance with Hefty Wealth Partners’ wrap fee program (the “Program”). Under the Program, Hefty Wealth Partners is able to offer participants discretionary asset management services for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. All prospective Program participants are encouraged to review and ask any questions about both this Wrap Fee Program Brochure before choosing to participate in the Program. Program accounts are established at LPL Financial, a FINRA and SIPC member broker-dealer/custodian (“LPL”). LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for Hefty Wealth Partners’ clients through the Program.

Under the Program, Hefty Wealth Partners provides asset management services specific to the needs of each client. Before providing asset management services, an investment adviser representative will ascertain each client’s investment objective(s). Thereafter, Hefty Wealth Partners will allocate investment assets consistent with the designated investment objective(s). Hefty Wealth Partners primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, no load mutual funds, and/or exchange traded funds (“ETFs”). Once allocated, Hefty Wealth Partners provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

The negotiable annual Program fee is based upon a percentage (%) of the total market value and type of assets placed under Hefty Wealth Partners’ management (generally between 0.75% and 1.75%, subject to the minimum fees disclosed in Item 5 below), to be charged quarterly in advance on a tiered basis as follows:

<u>Market Value of Portfolio</u>	<u>Annual Tiered Fee %</u>
Assets equal to \$100,000 and below	1.75%
Next Assets between \$100,001 and \$250,000	1.50%
Next Assets between \$250,001 and \$500,000	1.15%
Next Assets between \$500,001 and \$750,000	0.90%
Next Assets exceeding \$750,000	0.75%

### **Asset Management Services – Hefty Wealth Portfolios High Net Worth Wrap Fee Program**

For clients who have at least \$1,000,000 under management with Hefty Wealth Partners or who pay an annual fee of \$10,000 as of the most recently completed fiscal year, Hefty Wealth Partners may offer its high net worth service offering on a wrap fee basis (the “High Net Worth Program”). Under the High Net Worth Program, Hefty Wealth Partners is able to offer participants the same discretionary asset management services that are offered under the Program, in addition to the following services:

- Dedicated Wealth Partner
- Dedicated Paraplanner
- Direct access to all members of the High Net Worth team
- Monthly stay in touch calls
- Comprehensive semi-annual reviews
- Weekly eNewsletter
- Exclusive High Net Worth only educational events
- Free Document shredding
- Complementary Legacy for Life® set up and ongoing services
- Complementary advanced estate and charitable planning
- Online and mobile access to your comprehensive plan

- Online and mobile access to your investment accounts
- Full capabilities of Hefty Wealth Portfolios

The negotiable annual High Net Worth Program fee is based upon a percentage (%) of the total market value and type of assets placed under Hefty Wealth Partners' management (generally between 0.50% and 1.00%, subject to the minimum fees disclosed in Item 5 below, to be charged quarterly in advance on a tiered basis, as follows:

<u>Market Value of Portfolio</u>	<u>Annual Tiered Fee %</u>
Total Assets equal to \$1,000,000 and below	1.00%
Total Assets between \$1,000,001 and \$2,500,000	0.75%
Total Assets exceeding \$2,500,000	0.50%

Before engaging Hefty Wealth Partners to provide asset management services under the Program or High Net Worth Program, clients are required to enter into an Asset Management Agreement with Hefty Wealth Partners setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

#### **Asset Management Services – Hefty Wealth Portfolios Institutional Fee Program**

For our institutional clients, Hefty Wealth Partners may offer its institutional service offering on a wrap fee basis (the "Institutional Program"). For those clients, the negotiable annual Institutional Program fee is based upon a percentage (%) of the total market value and type of assets placed under Hefty Wealth Partners' management (generally between 0.25% and 0.60%, subject to the minimum fees disclosed in Item 5 below), to be charged quarterly in advance on a tiered basis, as follows:

<u>Market Value of Portfolio</u>	<u>Annual Tiered Fee %</u>
Total Assets equal to \$1,000,000 and below	0.60%
Next Assets between \$1,000,001 and \$2,500,000	0.40%
Next Assets exceeding \$2,500,000	0.25%

#### **Asset Management Services – Hefty Wealth Strategy Portfolios**

When consistent with a particular client's designated investment objective(s), Hefty Wealth Partners may recommend that clients invest in any one or more of the following Strategy Portfolios, which are selected and managed at the individual client level. Hefty Wealth Partners may also implement "Custom Strategy Portfolios," which are typically comprised of a blend of the holdings contained in one or more of Strategy Portfolios described below, and may also include additional common stocks, individual bonds, options, preferred stocks, ETFs, mutual funds, private or direct placements or annuities.

Each Strategy Portfolio carries an additional fee and/or a minimum investment as fully described below. Hefty Wealth Partners may assign the active discretionary management of the Strategy Portfolio(s) to certain independent investment Manager(s) to be selected by Hefty Wealth Partners (the "Independent Manager(s)"), based upon the stated investment objectives of the client. Hefty Wealth Partners will continue to render ongoing and continuous advisory services to the client relative to the monitoring and review of account performance, client investment objectives, and asset allocation. In recommending the Independent Manager(s), Hefty Wealth Partners will consider: the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

The relative investment philosophies, asset selection process, independent manager selection process (as applicable), general product types and anticipated trading frequency for the Strategy Portfolios are as follows:

**U.S. Focused Strategy Portfolio**

This is a United States concentrated buy-and-hold indexed strategy with no active or tactical investment management. The asset allocation guidelines are driven by Morningstar Ibbotson Asset Allocation models. Hefty Wealth Partners will select Independent Managers utilized for this Strategy Portfolio by seeking passive managers with the highest correlation to each respective asset and style class. The holdings will be comprised of between 3 and 10 mutual funds meeting the following general descriptions: asset preservation; income; growth & income; growth, and aggressive growth. The holdings will be traded as conditions warrant. This strategy may also hold individual bonds, alternative investments, annuities, individual equities and preferred stocks.

**Global Diversified Strategy Portfolio**

This is a tactical investment management strategy executed by overweighting and underweighting asset and style classes as well as geographical regions on an ongoing basis. The tactical process is overlaid with a continuous active management across the same asset and style classes, as well as geographical regions. 50% of the asset allocation guidelines are driven by Morningstar Ibbotson Asset Allocation models; and the other 50% is driven by internal independent research guided at qualitative and quantitative factors. Hefty Wealth Partners will select Independent Managers utilized for this Strategy Portfolio by using qualitative and quantitative screening criteria as compared to internal and external research, in addition to discussions with analysts and managers. The holdings will be comprised of between 8 and 35 mutual funds meeting the following general descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth. The holdings will be traded as conditions warrant. This strategy may also hold individual bonds, alternative investments, annuities, individual equities and preferred stocks.

**Tax Advantaged Strategy Portfolio**

This is a tactical and active fixed income investment management strategy coupled with a passive equity strategy. The asset allocation guidelines are driven by Morningstar Ibbotson Asset Allocation models. Hefty Wealth Partners will select Independent Managers utilized for this Strategy Portfolio by using qualitative and quantitative screening criteria as compared to internal and external research, in addition to discussions with analysts and managers. The holdings will be comprised of between 5 and 20 mutual funds meeting the following general descriptions: fixed income; asset preservation; income; and growth with income. The holdings will be traded as conditions warrant. This strategy may also hold individual bonds, alternative investments, annuities, individual equities and preferred stocks.

**Quantitative Strategy Portfolio**

This “non-emotional” investment management strategy is purely data driven as it relates to relative risk and various other quantitative factors. Asset allocation is comprised of large capitalization holdings in the all equity strategy, which can be coupled with bonds in the 60/40 strategy. In addition, U.S. Treasuries can be owned in the FLEX option. Hefty Wealth Partners will internally manage this strategy focusing upon relative returns, risk, correlations and various coefficients. The holdings will be comprised of equities (stocks) and ETFs meeting the following general descriptions: quant equity; quant equity FLEX and quant 60/40. The holdings will be traded on a quarterly basis. This strategy may also hold individual bonds, alternative investments, annuities, and preferred stocks.

**Fundamental Equity Strategy Portfolio**

This “non-emotional” investment management strategy is driven and constructed based upon balance sheet fundamentals. The asset allocation guidelines are comprised of large and mid capitalization on a non-FLEX option, and US Treasuries can be owned in the FLEX option. Hefty Wealth Partners will internally manage this strategy focused on profitability, liquidity, activity, and solvency ratios. The holdings will be comprised of approximately 16 equities (stocks) meeting the following general descriptions: fundamental equity; fundamental equity FLEX and fundamental equity balanced. The holdings will be traded on a quarterly basis. This strategy may also hold individual bonds, alternative investments, annuities, and preferred stocks.

### **Global Equity Income Strategy Portfolio**

This investment management strategy is focused upon quality and long-term sustainability of balance sheet strength relative to market fundamentals. The asset allocation guidelines are comprised of large capitalization on the individual equities and blended geographic and capitalization exposure on the ETFs. Hefty Wealth Partners will select Independent Managers utilized for this Strategy Portfolio by using rigorous qualitative and quantitative screening criteria that encompasses global dividend paying equities. The holdings will be comprised of approximately 10 US equity income equities (stocks) and 4 ETFs. The fixed income portion of the portfolios will be comprised of municipal bond ETFs. The general descriptions are global equity income aggressive growth, global equity income growth and global equity income balanced. The holdings will be traded every 366 days. This strategy may also hold individual bonds, alternative investments, annuities, and preferred stocks.

### **Alpha Driven Strategy Portfolio**

This investment management strategy is based on a combination of quantitative and qualitative criteria aimed at relative risk, correlations, various coefficients, sector analysis, balance sheet strengths and overall market capitalization. The asset allocation guidelines are driven by quarterly data and vary between large, medium, and small capitalization style classes. Hefty Wealth Partners will internally manage this strategy incorporating fundamental, quantitative, and passive strategies. The holdings will be comprised of between 20 and 35 equities (stocks) and ETFs meeting the following general descriptions: ADS core aggressive growth; ADS core growth; and ADS core growth & income. The holdings will be traded quarterly. This strategy may also hold individual bonds, alternative investments, annuities, and preferred stocks.

### **(Small Account Solution) SAS Active Strategy Portfolio**

This is a buy-and-hold active strategy. The asset allocation guidelines will match the client's investment objective. Hefty Wealth Partners will select one independent manager per strategy Portfolio using qualitative and quantitative screening criteria as compared to internal and external research, in addition to discussions with analysts and managers. The holdings will be comprised of one mutual fund per strategy portfolio meeting the following general descriptions: asset preservation; income; growth & income; growth; and aggressive growth. The holdings will be traded as conditions warrant.

In addition to the fees stated above, clients who select the Hefty Wealth Strategy Portfolios will pay an additional non-negotiable quarterly strategy fee based upon the percentage (%) of Portfolio Strategy assets under management, and are also subject to the following minimum investment requirements as follows:

<u>Strategy Portfolio</u>	<u>Strategy Fee</u>	<u>Minimum Required Investment</u>
*SAS Active	\$0 + 0.05%	\$1,000
U.S. Focused	\$50 + 0.05%	\$15,000
Global Diversified	\$100 + 0.10%	\$30,000
Tax Advantaged	\$100 + 0.10%	\$30,000
Quantitative	\$500 + 0.25%	\$100,000
Fundamental Equity	\$500 + 0.25%	\$100,000
Global Equity Income	\$500 + 0.25%	\$100,000
Alpha Driven	\$750 + 0.25%	\$250,000

\* SAS Active has a maximum investment amount of \$15,000.

Strategy fees for Custom Strategies are assessed on a case by case basis and range from \$0 - \$1,000 + 0.10% - 0.25%, with a minimum required investment of \$100,000.

**Please Note:** Hefty Wealth Partners will screen client accounts invested in the Hefty Wealth Strategy Portfolios, and will automatically reallocate investment assets to other strategies matching the same investment objective as follows: SAS Active accounts with over \$20,000 will be transferred to an Active Strategy; and Tactical accounts that are valued below \$30,000 are moved to an Active Strategy.

**Fee Calculation:** The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter the “Act”).

**Fee Payment:** Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees are prorated for accounts opened during the quarter. An additional fee for the current quarter will be assessed if assets are deposited after the beginning of the quarter, prorated based on the number of calendar days remaining in the quarter during which the service will be in effect.

**Termination of Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

- B. Participation in the Program, the High Net Worth Program and/or the Institutional Program (collectively, the “Programs”) may cost more or less than purchasing such services separately. The fee charged by Hefty Wealth Partners for participation in the Programs may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged by Hefty Wealth Partners, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if Hefty Wealth Partners were to negotiate transaction fees and seek best price and execution of transactions for the client's account. **Conflict of Interest.** Because Program transaction fees and/or commissions are being paid by Hefty Wealth Partners to the account custodian/broker-dealer, Hefty Wealth Partners could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. **Hefty Wealth Partners' Chief Compliance Officer, David Hefty, remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create.**

- C. The Programs' wrap fees do not include certain charges and administrative fees, including, but not limited to, transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than LPL, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depositary Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts). Such fees and expenses are in addition to the Programs' wrap fee.
- D. Hefty Wealth Partners' related persons who recommend the Programs to clients do not receive compensation as a result of a client's participation in the Programs.

## Item 5 – Account Requirements and Types of Clients

Hefty Wealth Partners' clients generally include individuals, high net worth individuals, charitable organizations and business entities. For the Program and the Institutional Program, Hefty Wealth Partners generally requires a \$100,000 minimum asset level. For the High Net Worth Program Hefty Wealth Partners generally requires a minimum quarterly fee of \$2,500. Please note that the combined minimum fee will never exceed 3% of assets under Hefty Wealth Partners' management. The minimum investment amounts for the respective Hefty Wealth Strategy Portfolios range between \$1,000 and \$250,000, as set forth in Item 4 above. Hefty Wealth Partners, in its sole discretion, may reduce the minimum asset level and/or minimum quarterly 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 6 – Portfolio Manager Selection and Evaluation

- A. Under the Program, Hefty Wealth Partners does not utilize independent portfolio managers that are not associated with Hefty Wealth Partners. Hefty Wealth Partners will provide the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Therefore, conflicts of interest present in other wrap-fee programs that make both affiliated and unaffiliated portfolio managers available do not exist in this Program.
- B. Hefty Wealth Partners acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by Hefty Wealth Partners, a potential conflict of interest arises in that Hefty Wealth Partners may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by Hefty Wealth Partners as a result of the client's participation in the Program may be more than what Hefty Wealth Partners would receive if the client paid separately for investment advice, brokerage and other services..

**Please Note:** When managing a client's account on a wrap fee basis, Hefty Wealth Partners shall receive as payment for its asset management services, the balance of the wrap fee after all other costs (including account transaction fees) incorporated into the wrap fee have been deducted. **Accordingly, Hefty Wealth Partners has a conflict of interest because it could have an economic incentive to maximize its compensation by seeking to minimize the number of transactions/total costs in the client's account. Hefty Wealth Partners' Chief Compliance Officer, David Hefty, remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create**

- C. As discussed below, Hefty Wealth Partners also offers to its clients financial planning and consulting services:

### **Financial Planning and Consulting Services**

Financial planning and consulting helps clients to identify long-term financial goals intended to be achieved through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. Hefty Wealth Partners provides holistic financial planning and consulting services, which focus upon a client's overall financial situation. Before engaging Hefty Wealth Partners to provide financial planning or consulting services, clients may be required to enter into a Financial Planning and Consulting Agreement with Hefty Wealth Partners setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Hefty Wealth Partners commencing services. If requested by the client, Hefty Wealth Partners may recommend the services of other professionals for implementation purposes, including Hefty Wealth Partners' representatives in their individual capacities as registered representatives of LPL. 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 Hefty Wealth Partners.

**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:** Each client is advised that it remains the client's responsibility to promptly notify Hefty Wealth Partners if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising Hefty Wealth Partners' previous recommendations and/or services.

Hefty Wealth Partners offers two basic forms of financial planning and consulting services: "Legacy for Life® Services;" and "Stand-Alone Financial Consulting Services."

#### Legacy for Life® Services

Hefty Wealth Partners provides holistic financial planning and/or estate planning services to individual clients through its Legacy for Life® Program in which financial plans are updated as often as daily; but no less frequently than weekly, by downloading the client's various investment accounts into Hefty Wealth Partners' financial planning software. Depending on the scope of the engagement, areas covered through Legacy for Life® may include, but are not necessarily limited to: retirement planning, major purchase planning, education planning, estate planning, small business planning, risk management planning, corporate services, and consulting for non-for-profit organizations.

To initiate the Legacy for Life® engagement, Hefty Wealth Partners will meet with the client to determine the scope of services and financial planning topics to be covered. Once defined and agreed upon, the client and Hefty Wealth Partners will enter into a Legacy for Life® - Financial Planning Agreement. Hefty Wealth Partners will then prepare the client's base financial plan, which typically takes between 20 and 30 hours to develop, and which includes 2 or 3 meetings with the client spanning between 90 and 120 minutes each. Once established, financial plans are reviewed at least quarterly to make sure circumstances have not changed and the plan is still appropriate based upon the client's individual investment goals.

Hefty Wealth Partners may charge a negotiable flat fee for the preparation of the initial base plan, generally between \$3,500 and \$15,000, depending upon: the client's financial situation, complexity of services rendered and the scope of the topics covered in the plan. Hefty Wealth Partners may also waive this fee entirely with respect to any client whose advisory fees exceed \$3,500 per year. The initial base plan fee will be discussed with the client and incorporated into the Legacy for Life® - Financial Planning Agreement, which must be executed before Hefty Wealth Partners commences Legacy for Life® services. The initial base plan fee is due from the client upon conclusion of the third-phase meeting during which the initial findings, recommendations and initial base plan are presented to the client.

Once the initial base plan fee is paid, Hefty Wealth Partners does not charge for on-going Legacy for Life® services to clients who maintain at least \$220,000 under management through the Program. All other clients are charged an annual flat fee of \$1,200 to \$3,500 for the on-going Legacy for Life® services, which are pro-rated and billed semi-annually, in advance.

In addition to the base services above, additional planning modules are provided or available for extra cost, depending on the annual revenue of the client. In particular:

- Clients who pay less than \$3,500 in annual Program fees to Hefty Wealth Partners may receive one complimentary planning module each year that they remain a client, to be delivered at each subsequent annual review.
- Clients who pay more than \$3,500 but less than \$10,000 in annual Program fees to Hefty Wealth Partners may receive two complimentary planning modules within 12 months of the delivery of their base plan. In addition, those clients will receive one complimentary planning

module each year that they remain a client, to be delivered at each subsequent annual review.

- Clients who pay more than \$10,000 in annual Program fees to Hefty Wealth Partners, and who are enrolled in Hefty Wealth Partners' High Net Worth services may receive four complimentary planning modules within 24 months of the delivery of their base plan. In addition, those clients may receive one complimentary planning module each year that they remain a client, to be delivered at each subsequent annual review.

Clients also have the option to purchase additional modules at any time for as part of Stand-Alone Financial Consulting services as described immediately below.

#### Stand-Alone Financial Consulting Services

Hefty Wealth Partners may also provide financial planning and consulting services on a one-time-only basis. Topics covered as part of these services may include any particular issue of concern to the client as agreed to between the Client and Hefty Wealth Partners, which generally include retirement planning, major purchase planning, education planning, estate planning, small business planning, risk management planning, corporate services, consulting for non-for-profit organizations and estate settlement.

Hefty Wealth Partners shall provide initial base financial planning/consultation services to clients maintaining less than \$220,000 under management. Hefty Wealth Partners generally charges an hourly fee of \$150, billed in 15 minute increments, for stand-alone financial consulting services in excess of the initial base plan. This fee may be reduced or waived in Hefty Wealth Partners' sole discretion. This fee will be discussed with the client and incorporated into a Financial Consulting Services Agreement, which must be executed before Hefty Wealth Partners commences the services. The fee is due from the client within 30 days of the client's receipt of Hefty Wealth Partners' invoice. Plans provided to clients receiving financial planning/consulting services on a limited scope basis shall be reviewed only as part of the client's year end Annual Review.

#### Tailored Advisory Services (ADV Part 2A, Item 4C)

Hefty Wealth Partners provides asset management services specific to the needs of each client. Before providing asset management services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Hefty Wealth Partners will allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Hefty Wealth Partners' services.

#### Advisory Business (ADV Part 2A, Item 4D)

Hefty Wealth Partners only provides asset management services on a discretionary wrap fee basis. If a client determines to engage Hefty Wealth Partners on a wrap fee basis the client will pay a single fee for bundled services (i.e. asset management, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. When managing a client's account on a wrap fee basis, Hefty Wealth Partners shall receive as payment for its asset management services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted.

#### Miscellaneous Disclosures

Non-Investment Consulting/Implementation Services. To the extent requested by the client, Hefty Wealth Partners may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Hefty Wealth Partners, nor any of its representatives, serves as an attorney or accountant, and no portion of Hefty Wealth Partners' services should be construed as same. To the extent requested by a client, Hefty Wealth Partners may recommend the services of other professionals for certain non-investment and/or implementation purposes (i.e. attorneys, accountants, insurance, etc.), including certain of Hefty Wealth Partners' representatives in their separate licensed capacities as registered representatives of LPL as discussed in item 10C below. 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 Hefty Wealth Partners. 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.

#### Trade Error Policy

Hefty Wealth Partners has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Hefty Wealth Partners to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Hefty Wealth Partners if the error was caused by our Firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. Hefty Wealth Partners may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons). Hefty Wealth Partners and its supervised persons will never retain any portion of any gains made as a result of trade error corrections or profit in any way from trade errors. If the gain does not remain in the account and LPL is the custodian, LPL as the broker/dealer, will maintain gains that may result from correcting a trade error and in some instances may use such gains to offset overall losses LPL incurs from trading errors.

Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Hefty Wealth Partners may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Hefty Wealth Partners' advisory fee. Please Further Note: When the account is holding cash positions, those cash positions will be subject to the same fee schedule as set forth above for fixed income. Hefty Wealth Partners' Chief Compliance Officer, David Hefty, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.

Retirement Plan Rollovers-No Obligation/Conflict of Interest. A client leaving an employer typically has four options (and may engage in a combination of these options): (i) leave the money in his/her former employer's plan, if permitted, (ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an IRA, or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Hefty Wealth Partners may recommend an investor roll over plan assets to an Individual Retirement Account ("IRA") managed by Hefty Wealth Partners. As a result Hefty Wealth Partners and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his/her former employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Hefty Wealth Partners (unless clients engage Hefty Wealth Partners to monitor and/or manage the account while maintained at his/her employer). Hefty Wealth Partners has an economic incentive to encourage an investor to roll plan assets into an IRA that Hefty Wealth Partners will manage or to engage Hefty Wealth Partners to monitor and/or manage the account while maintained at the client's employer. There are various factors that Hefty Wealth Partners may consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus Hefty Wealth Partners, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. **Hefty Wealth Partners' Chief**

**Compliance Officer, David Hefty, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

Use of Mutual Funds. Most mutual funds are available directly to the public. Thus, a client or prospective client can obtain many of the mutual funds that may be recommended and/or utilized by Hefty Wealth Partners independent of engaging Hefty Wealth Partners as an investment advisor. However, if a client or prospective client determines to do so, he/she/it will not receive the benefit Hefty Wealth Partners' initial and ongoing investment advisory services.

eMoney Advisor Platform. Hefty Wealth Partners may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view his/her/its complete asset allocation, including those assets that Hefty Wealth Partners does not manage (the "Excluded Assets"). Hefty Wealth Partners shall not be held responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets shall be exclusively responsible for such investment performance. The client may, however be able to engage Hefty Wealth Partners to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Asset Management Agreement between Hefty Wealth Partners and the client. In addition, Hefty Wealth Partners shall not be held responsible for any adverse results if the client engages in financial planning or other functions available on the eMoney platform without Hefty Wealth Partners' assistance or oversight.

Client Obligations. In performing its services, Hefty Wealth Partners 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 Hefty Wealth Partners if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Hefty Wealth Partners' previous recommendations and/or services.

Disclosure Statement. A copy of Hefty Wealth Partners' written Brochure as set forth on Part 2A, Part 2A Appendix 1 and Part 2B of Form ADV (as applicable) shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

Performance-Based Fees and Side-By-Side Management (ADV Part 2A, Item 6)

Neither Hefty Wealth Partners, nor any supervised person of Hefty Wealth Partners accepts performance passed fees.

Methods of Analysis, Investment Strategies and Risk of Loss (ADV Part 2A, Item 8A)

Hefty Wealth Partners' primary method of security analysis is a blend of fundamental and technical analysis. Each form of analysis is described below:

Fundamental Analysis

This method attempts to measure a security's intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price to determine what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

#### Technical Analysis

This method attempts to measure a security's value by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Hefty Wealth Partners uses the following investment strategies when implementing investment advice given to clients:

#### Long Term Purchases

This refers to investments that are purchased with the intention of being held for at least one year.

#### Short Term Purchases

This refers to investments that are purchased with the intention of being sold within one year.

#### Option Writing

Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time. Option writing includes covered options, uncovered options, or spreading strategies.

**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 Hefty Wealth Partners) will be profitable or equal any specific performance level(s).

#### Voting Client Securities (ADV Part 2A, Item 17)

Hefty Wealth Partners 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. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Hefty Wealth Partners to discuss any questions they may have with a particular solicitation.

### **Item 7 – Client Information Provided to Portfolio Managers**

Because only representatives of Hefty Wealth Partners serve as portfolio managers, those representatives or their assistants are responsible for gathering all information provided by clients. Hefty Wealth Partners' representatives will interview and work with clients to gather all information needed relative to their investment objectives and needs in order to provide management services through Program. Clients are reminded to contact their representative whenever there are changes to their financial situation that will impact or materially influence the way Hefty Wealth Partners manages accounts.

### **Item 8 – Client Contact with Portfolio Managers**

Because only Hefty Wealth Partners representatives serve as portfolio managers, there are no restrictions placed on clients' ability to contact and consult with their portfolio managers. It is the policy of Hefty Wealth Partners to provide an "open channel" of communication between representatives and their clients. Clients are encouraged to contact their representative whenever they have questions about the management of their account.

## Item 9 – Additional Information

### A.

#### Disciplinary Information (ADV Part 2A, Item 9)

Hefty Wealth Partners has not been the subject of any disciplinary actions.

#### Other Financial Industry Activities and Affiliations (ADV Part 2A, Item 10)

Certain of Hefty Wealth Partners' management persons are registered representatives of LPL.

Neither Hefty Wealth Partners, 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.

#### Licensed Insurance Agents

Certain of Hefty Wealth Partners' representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage those individuals, in an individual capacity, to effect insurance transactions on a commission basis.

**Conflict of Interest:** The recommendation by Hefty Wealth Partners' representatives, that a client purchase an insurance commission product presents a **material conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Hefty Wealth Partners' representatives. Clients are reminded that they may purchase insurance products recommended by Hefty Wealth Partners through other, non-affiliated insurance agents. Hefty Wealth Partners' Chief Compliance Officer, David Hefty, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.

#### Broker/Dealer

Certain of Hefty Wealth Partners' representatives are registered representatives of LPL, a registered broker/dealer, member SIPC/FINRA. Clients can choose to engage representatives Hefty Wealth Partners, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Conflict of Interest:** The recommendation by Hefty Wealth Partners' representatives that a client purchase a securities commission product presents a **material conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any securities commission products from Hefty Wealth Partners' representatives. Clients are reminded that they may purchase securities commission products through other, non-affiliated registered representatives. Hefty Wealth Partners' Chief Compliance Officer, David Hefty, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.

Hefty Wealth Partners does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

### B.

#### Code of Ethics, Participation in Client Transactions and Personal Trading (ADV Part 2A, Item 11)

Hefty Wealth Partners maintains an investment policy relative to personal securities transactions. This investment policy is part of Hefty Wealth Partners' overall Code of Ethics, which serves to establish a standard of business conduct for all of Hefty Wealth Partners' 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, Hefty Wealth Partners also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Hefty Wealth Partners or any person associated with Hefty Wealth Partners.

Neither Hefty Wealth Partners nor any related person of Hefty Wealth Partners recommends, buys, or sells for client accounts, securities in which Hefty Wealth Partners or any related person of Hefty Wealth Partners has a material financial interest.

Hefty Wealth Partners and/or representatives of Hefty Wealth Partners may buy or sell securities that are also recommended to clients. This practice may create a situation where Hefty Wealth Partners and/or representatives of Hefty Wealth Partners 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 Hefty Wealth Partners 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 Hefty Wealth Partners’ clients) and other potentially abusive practices.

Hefty Wealth Partners has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Hefty Wealth Partners’ “Access Persons”. Hefty Wealth Partners’ securities transaction policy requires that Access Person of Hefty Wealth Partners must provide the Chief Compliance Officer or his/her designee with a written report of the 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 Hefty Wealth Partners selects; provided, however that at any time that Hefty Wealth Partners has only one Access Person, he or she shall not be required to submit any securities report described above.

Hefty Wealth Partners and/or representatives of Hefty Wealth Partners may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Hefty Wealth Partners and/or representatives of Hefty Wealth Partners 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, Hefty Wealth Partners has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Hefty Wealth Partners’ Access Persons.

#### Review of Accounts (ADV Part 2A, Item 13)

For those clients who engage in the Program, Hefty Wealth Partners’ representatives conduct account reviews on an ongoing basis. All clients are advised that it remains their responsibility to advise Hefty Wealth Partners of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Hefty Wealth Partners on an annual basis.

Hefty Wealth Partners 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.

During any month that there is activity in a Hefty Wealth Portfolios managed account (and no less frequently than quarterly); the client receives an account statement, from LPL, showing account activity as well as positions held in the account at month end. Additionally, the client receives a confirmation of each transaction that occurs within the account unless the transaction is the result of a systematic purchase, redemption or exchange. The client will also receive from LPL a detailed quarterly report showing performance, positions, and activity. All account data and statements are

also available on-line through the account view portal through LPL. In addition, Hefty Wealth Partners may provide newsletters covering general financial planning and investment topics.

Client Referrals and Other Compensation (ADV Part 2A, Item 14)

Hefty Wealth Partners may receive an indirect economic benefit, support services and/or products from LPL or other broker dealers. Hefty Wealth Partners' clients do not pay more for investment transactions effected and/or assets maintained at LPL as a result of this arrangement. There is no corresponding commitment made by Hefty Wealth Partners to LPL 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.

**Hefty Wealth Partners' Chief Compliance Officer, David Hefty, 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.**

Hefty Wealth Partners does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Financial Information (ADV Part 2A, Item 18)

Hefty Wealth Partners does not solicit fees of more than \$1,200, per client, six months or more in advance.

Hefty Wealth Partners 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.

Hefty Wealth Partners has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Hefty Wealth Partners' Chief Compliance Officer, David Hefty, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**