



## PART 2A OF FORM ADV: FIRM BROCHURE



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March 30, 2016

This Brochure provides information about the qualifications and business practices of LifePlan Financial Group, Inc., the Adviser. If you have any questions about the contents of this Brochure, please contact us at (937) 449-0345 or [typhillippi@lifeplanfg.com](mailto:typhillippi@lifeplanfg.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 Adviser is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Adviser is 121376.

Adviser is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## ITEM 2. MATERIAL CHANGES

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure filed March 25, 2015.

Changes Made in this Brochure:

- Item 4, has been substantially revised to add the description of our Elite Service Program and to reflect the termination of the Strategic Planning Service and Wealth Accumulator Service, effective April 1, 2016. Clients already in the Strategic Planning Service as of March 31, 2016, will be transitioned to our Portfolio Navigation Service; Clients already in the Wealth Accumulator Service as of March 31, 2016, will be transitioned to our Portfolio Navigation (Annual) Service.

All existing clients will maintain their current fee schedules, and will receive the services they currently receive under their existing Program. New clients in the Portfolio Navigation Program will be subject to the Fee Schedule shown below.

Item 4 has also been revised with respect to the management and rebalancing of the portfolios.

- Clients who were formerly in the legacy programs: Wealth Navigation Program, the Portfolio Navigation Elite Program, and the LifePlanning Premier Program, have also been transitioned to the Portfolio Navigation or Portfolio Navigation (Annual) Service, according to account size, effective April 1, 2016. They will also maintain their current fee schedules and will receive the services reflected in this Brochure, which is an enhancement of the services they currently receive.
- Item 5 has been revised to add information regarding the fees for the Elite Service Program and to revise the Fee Schedule for the Portfolio Navigation Service and Portfolio Navigation (Annual) Service, for new clients added to the Programs beginning April 1, 2016, as follows:

### **Portfolio Navigation and Portfolio Navigation (Annual) Service**

#### **Fee Schedule – New Clients April 1, 2016**

<b>Assets From</b>	<b>Assets To</b>	<b>Annual Fee %</b>
\$ 1	\$ 250,000**	1.25%
\$ 250,001	\$1,000,000	1.00%
\$1,000,001	\$3,000,000	0.75%
\$3,000,001	\$5,000,000	0.50%
\$5,000,001	>	0.25%

**\*\*A minimum of \$250,001 of assets under management is required for the Portfolio Navigation Service; accounts with assets up to \$250,000 participate in Portfolio Navigation (Annual) Service.**

- Item 7 has been revised to reflect the minimum annual fee is \$1,000 for Clients participating in the Portfolio Navigation (Annual) Service.
- Items 8, 12, 13, 15, and 16 have also been substantially revised to add information regarding the Elite Service Program and to remove information regarding the Strategic Planning Service and Wealth Accumulator Service.

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## ITEM 4. ADVISORY BUSINESS

LifePlan Financial Group, Inc. (“LifePlan”) is an SEC-registered investment Advisor with its principal place of business located in Ohio. LifePlan began conducting business in 1989. Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Dana Lee Hypes, CEO
- Tyrone Conway Phillippi, President

LifePlan offers the following advisory services to our clients:

	Portfolio Navigation Service**	Life Transition Service
<b>Investments</b>		
Detailed Portfolio Analysis	Enhanced	Included
Asset Allocation Design	Enhanced	Basic
Fee-Only Implementation	Included	N/A
Fee-Only Selection & Mgt.	Included	N/A
Investment Policy Statement	Enhanced	N/A
Investment Co. Statements	Monthly	N/A
Reporting & Monitoring	Quarterly	N/A
Portfolio Web Access	Custodian & LPFG Report	N/A
<b>Financial Planning</b>		
Goals & Objectives Review	Included	Included
Financial Foundation Assess.	Included	Included
Current Reality Base Plan	Enhanced	N/A
Financial Plan Type	Goals^	Scenarios
Financial Plan Update	Annual^	As Needed
Action Plan Monitoring	Quarterly^	Interactive
Family Meeting Sessions	\$300/hr.^	Included
<b>Meetings</b>		
Meetings at LifePlan/yr.	1^	As Needed
Teleconferences/yr.	3^	As Needed
Outside Advisors Meeting	\$300/hr.^	As Needed
<b>Fees</b>		
Scenario Planning Fee	Hourly^	Retainer
Goal Planning Fee	Included	N/A
Portfolio Management Fee	% of	N/A
Billing Frequency	Portfolio Quarterly	Scheduled Quarterly

\*\* Requires at least \$250,001; accounts with less than \$250,001 participate in **Portfolio Navigation (Annual) Service**, which is generally the same, **except** Clients receive only an annual LifePlan portfolio reports, Action Plans are monitored annually, and only 1 meeting or teleconference is included.

<sup>^</sup> Former Strategic Planning clients receive: scenario-based financial plans; plans are updated as needed; action plans are monitored interactively; and family planning meetings are included; 2 meetings at LifePlan, 2 teleconferences, and outside advisor meetings are included; and scenarios fee planning is based on retainer.

## **PORTFOLIO MANAGEMENT**

### **PORTFOLIO NAVIGATION SERVICE**

LifePlan provides continuous advice regarding the investment of client assets based on a client's individual needs. Through personal discussions in which the client's goals and objectives are established. During our data-gathering process, we determine each account's particular investment time horizons, objectives, risk tolerance, and liquidity needs, among other factors (all the "Suitability Information"). As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Through this process, we develop the account's investment policy which will be used to create and manage the portfolio.

We manage advisory accounts on a discretionary or non-discretionary basis. In a discretionary account, LifePlan will manage the account, buying and selling investments according to the investment policy, without prior approval of the client. Portfolio management is guided by the account's investment policy, and its Suitability Information, including its stated investment objective (i.e., maximum capital appreciation, growth, income, or growth and income), and tax considerations.

As more fully explained below, we manage portfolios using two different strategies based on the client's service preference. The first strategy is the Tactical strategy, which is based on general investment models, differentiated by portfolio risk. This strategy is purely discretionary. Account portfolios will be invested and re-invested according to the particular investment model designated for the account, as adjusted and modified by the LifePlan investment team. The second strategy is the Core strategy, in which the account is managed according to a custom-designed model that only pertains to the particular account. The Core strategy can be either discretionary or non-discretionary and trade decisions are made at the client level based on the portfolio allocation. Recommendations or trading implementation are generated in order to bring a portfolio back into balance with the current investment policy statement.

### **TACTICAL PORTFOLIO MANAGEMENT STRATEGY**

Through the Tactical Portfolio Management strategy, we will manage a portfolio on a fully discretionary basis. We begin the process by reviewing an account's financial resources, goals, time horizon, and risk tolerance to determine a recommended portfolio. The Tactical portfolio balances risk and reward in a way consistent with those factors. To provide additional diversification, multiple positions may be held within some asset classes as determined by our Investment Team.

All investment positions shall use Exchange-Traded Funds (ETFs) and money markets as the investment vehicles. ETFs provide diversification and liquidity, can be traded intra-day, and do not have a minimum holding period. Trading fees may be charged by TD Ameritrade for certain ETF issues. The specific ETFs to be used are selected by the LifePlan Investment Team based on factors such as style purity, expense ratio, average daily trading volume, internal tax structure, and whether trading fees apply. ETFs used may change at any time by the decision of the Investment Team, without notice.

To provide responsiveness to changing market conditions, ETF positions within a given asset class will rotate as determined by the LifePlan Investment Team. The Team will make rotation decisions based on fundamental analysis, technical analysis, and the relative strength of the ETFs within a given asset class. Types of rotation may include, but are not limited to, style (ex. Growth vs. Value), sector (ex. of the S&P 500 index), credit quality (ex. high yield vs. U.S. Gov't bonds), issuer (ex. corporate vs. government issue), or duration (ex. short-term vs. long-term), and geographic (ex. EAFE vs. region-specific). Therefore, the total portfolio weighting in cash-type

investments and exposure to equity or bond markets may vary significantly. The LifePlan Investment Team may adjust or suspend any rotation suggested by the relative strength measurements that is not confirmed in their professional judgment by either fundamental or technical analysis of the relevant market(s).

As an additional risk management tool, the LifePlan Investment Team will rebalance the portfolio to its current recommended asset allocation percentages, as it determines appropriate from time to time. Portfolio rebalancing shall not apply to tactical cash included in an asset class. Therefore, significant cash exposure due to tactical rotation in single or multiple asset classes will not result in a need to rebalance.

The client may exclude certain accounts or assets from the active tactical management of LifePlan, for tax, sentimental, or other reasons. Those excluded items shall be determined jointly by LifePlan and the client, and listed on the client's Investment Policy Statement Addendum of Excluded Assets/Accounts.

Accounts not held at TD Ameritrade, due to limited investment options, minimum investment holding periods, short-term trading restrictions, unavailability of exchanged-traded funds, etc., may not be managed by LifePlan on an active, tactical basis. However, LifePlan will provide advice and structure any accounts outside of TD Ameritrade to approximate the overall client allocation. This will be done on a "best-efforts" basis LifePlan is provided the appropriate access to the account to complete the requested and approved tasks or trades. Due to the nature of, and various platforms used to manage assets held away from TD Ameritrade – LifePlan cannot be responsible for time-sensitive trading or other actions in these accounts. Ultimately, it is the client's responsibility to confirm the actions discussed and approved.

## **CORE PORTFOLIO MANAGEMENT STRATEGY**

Through the Core Portfolio Management Strategy, we will review an account's financial resources, goals, time horizon, and risk tolerance to determine a recommended portfolio. The portfolio balances risk and reward in a way consistent with those factors. To provide additional diversification, multiple positions may be held within some asset classes as determined by the LifePlan Investment Team.

All investment positions shall use Mutual Funds, Exchange-Traded Funds (ETFs), Stock or other alternatives, as appropriate, as acceptable investment vehicles. Recommended investment positions will seek to provide diversification. Trading fees may be charged by TD Ameritrade for certain implementation options. The specific recommendations to be used are selected by the LifePlan Investment Team based on factors such as style purity, expense ratio, average daily trading volume, internal tax structure, and whether trading fees apply. Recommendations may change at any time by the decision of the Investment Team and approval by the client on a best effort basis.

The Investment Team will rebalance the account (or recommend rebalancing, for non-discretionary accounts) based on asset class composition and take into account additions and withdrawals from the portfolio. The Firm will notify Client that rebalance recommendations are available for review on a quarterly basis. The upper and lower limits for each asset class shall be + or – 20% of each asset class target. Clients may request, from time to time, that their account maintain a minimum cash balance that will not be rebalanced according to their regular portfolio allocation.

The client may exclude certain accounts or assets from rebalancing, for tax, sentimental, or other reasons. Those excluded items shall be determined jointly by LifePlan and the client, and listed on the client's Investment Policy Statement Addendum of Excluded Assets/Accounts.

Accounts not held at TD Ameritrade, due to limited investment options, minimum investment holding periods, short-term trading restrictions, unavailability of certain securities, etc., may not be rebalanced by LifePlan on a quarterly basis. However, LifePlan will provide advice and structure any accounts outside of TD Ameritrade to

approximate the overall client allocation. This will be done on a “best-efforts” basis if LifePlan is provided appropriate access to the account to complete the requested and approved tasks or trades. Due to the nature of, and various platforms used to manage assets held away from TD Ameritrade – LifePlan cannot be responsible for time-sensitive trading or other actions in these accounts, and it is the client’s responsibility to ensure the timely execution of transactions in these accounts. These accounts are unlikely to obtain best execution of their securities transactions and will likely incur higher costs or obtain less favorable prices, or both, as compared to accounts held at TD Ameritrade.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

We provide advice regarding a broad range of securities to assist our clients in meeting their financial goals and objectives. These securities include:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance or annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities or commodities
- Interests in partnerships investing in real estate, oil and gas interests, or other businesses

The list of securities for which offer advice is considerably broader than the types of securities we typically recommend for our client accounts. See additional information in Item 4.

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Not all types of investments are available in a fee-only implementation and other advisors who can offer these types of investments may be utilized for implementation. Our firm does not participate in commissions with any other advisors that may charge for their implementation.

## **FINANCIAL PLANNING**

### ***PORTFOLIO NAVIGATION SERVICE***

### ***LIFE TRANSITION SERVICE***

We provide financial planning services. Financial planning is an evaluation of a client’s current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law. However, we do not draft legal documents. LifePlan recommend that clients use the services of a qualified estate planning or elder law attorney for implementation.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or financial advisor. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning. Typically the financial plan is presented to the client within four months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## **CONSULTING SERVICES**

Clients can also receive advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

### ***PORTFOLIO 2<sup>ND</sup> OPINION & INITIAL REVIEW***

The Portfolio 2<sup>nd</sup> Opinion & Initial Review is a review of your investment portfolio that will provide you with answers to address your basic investment portfolio concerns.

Our firm provides advice to a client regarding their investment portfolio based on the information obtained from the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we review a client's asset allocation; discuss possible implementation plans and discuss the fiduciary details regarding their current accounts. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, current and past advisors, as well as, family composition and background.



Implementation of any recommendations is not included in this review. This review is informational in nature and does not constitute an ongoing relationship with LifePlan. There is no fee for this initial informational meeting.

### **PORTFOLIO 2<sup>ND</sup> OPINION SERVICE**

The Portfolio 2<sup>nd</sup> Opinion Service is a detailed analysis of your investment portfolio that will provide you with answers to address your investment portfolio concerns.

Our firm provides advice to a client regarding their investment portfolio based on the information obtained from the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop an appropriate asset allocation, implementation plan and a detailed fiduciary review of all their accounts. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, current and past advisors, as well as, family composition and background.

Implementation of any recommendations is not included in this service. This service is informational in nature and does not constitute an ongoing relationship with LifePlan.

This analysis fee is billed at 0.25% of the portfolio based on assets reviewed in the analysis. The minimum analysis fee for this service is **\$1,000**.

If a client has a larger portfolio consisting of numerous accounts and registrations that may have a large amount of details to review, LifePlan reserves the right to increase the fee to account for the additional work that would be required to complete the analysis. This additional fee, if necessary, would be communicated prior to any work being done, or as soon as possible once all data has been provided for analysis. The client will always have the ability to accept and approve any increases prior to inception of the analysis.

The client may be offered an option to continue with LifePlan after the analysis is complete and join the investment supervisory services listed above and detailed below. If the client chooses to implement and have LifePlan monitor their investments and/or financial planning, their 2nd Opinion fee will be credited toward the new service they have chosen.

### **ELITE SERVICE PROGRAM**

Through the Elite Service Program, we offer our clients access to and advice regarding the Betterment Institutional Service, which is part of the Wrap Fee Program (the "Betterment Program") sponsored by Betterment LLC, an SEC-registered investment adviser (referred to as "Betterment Adviser"). Betterment Adviser is affiliated with MTG, LLC dba Betterment Securities (referred to "Betterment Broker"), an SEC-registered broker-dealer, and member of SIPC and the Financial Industry Regulatory Authority ("FINRA"). LifePlan is not affiliated with Betterment Adviser nor Betterment Broker.

#### **Overview of LifePlan's Role in Betterment Program**

As explained in more detail below and in the client's separate advisory agreement with LifePlan (the "Advisory Agreement"), in general, the Elite Service Program includes only investment advice, and does not include the placement of brokerage orders (either discretionary or non-discretionary) or the execution of client transactions. LifePlan's role with respect to the Betterment Program account will be limited to assisting the client in establishing accounts with Betterment Adviser and Betterment Securities, identifying the Suitability Information (as described below) for the account, and assisting the client in developing the initial Portfolio and Allocation, as discussed below. Once the initial Portfolio and Allocation have been selected, LifePlan will continue to assist the client by answering general questions regarding the account, periodically discussing the

Portfolio and Allocation with the client to ensure it continues to meet the client's needs, and recommending revisions to the Portfolio or Allocation in response to changes in the Suitability Information of which LifePlan is notified.

### ***Overview of Betterment Adviser's Role in Betterment Program***

The selection of the securities that will be available for the Portfolios, the monitoring of the account and rebalancing according to established account parameters, and the reinvestment of investment dividends, among other key investment functions, are all functions for which Betterment Adviser is responsible on an ongoing basis. LifePlan does not supervise Betterment Adviser's or Betterment Securities' performance of their responsibilities.

### ***Initial Client Meeting***

Clients will initially meet with their LifePlan Representative, who will obtain information regarding the client's personal and financial situation, and the investment objective, tolerance for risk, liquidity needs, and investment time horizon for the account that will be managed through the Elite Service Program (all referred to as the "Suitability Information"), as well as any reasonable investment restrictions the client wishes to impose.

Utilizing the online tools and investments available through the Betterment's online platform (the "Website"), the Representative will work with the client to select a portfolio (the "Portfolio") representing an "Allocation" among equity and fixed income exchange-traded funds ("ETFs"), that are suitable for the account in view of the account's investment objective, liquidity needs, investment time horizon, risk tolerance, and any reasonable investment restrictions imposed by the client. The Portfolio selection and Allocation will be based on the research and recommendations provided by Betterment Adviser. The Representative will work with the client to match the Portfolio and Allocation to the account's needs.

LifePlan will not have discretion with respect to the assets invested in the client's Betterment Program account; and LifePlan will not be responsible for making any of the purchases or sales of securities in the Betterment Program account or selecting or removing the ETFs that are available through the Betterment Program. The Betterment Website provides self-help tools to help clients understand their risks, access information related to transactions, and review their account's performance.

### ***Advisory Agreements and Custodial Account***

In addition to the Advisory Agreement with LifePlan, Clients who desire to participate in the Betterment Program will enter into an advisory agreement with Betterment Adviser, and a brokerage agreement with Betterment Broker, which will maintain the account's assets and provide brokerage services. We refer to Betterment Broker as the "Custodian" because it will serve as the qualified custodian of the client's assets.

### ***Betterment Discretion Over the Account; Authority to Rebalance and to Liquidate Securities***

In the Betterment Adviser advisory agreement, client will grant Betterment Adviser full discretion to select the investments, to designate the strategies, and to buy, sell, or otherwise invest the assets of the account, all without prior notice or consent of the client. Betterment Adviser will periodically rebalanced account (within certain "drift" parameters) to maintain their designated Allocation. Betterment Adviser's portfolio management services also include a dividend reinvestment plan whereby dividends from client investments are used to purchase additional investments in accordance with the account's Allocation. Betterment requires clients to agree to have their accounts automatically rebalanced and dividends automatically reinvested.

Clients also grant Betterment Adviser authority to liquidate sufficient assets to pay the advisory fee, program fees, or any costs or expenses of the Betterment Program, when necessary; and authority to carry out related actions that the Betterment Adviser deems necessary or appropriate to fulfill these responsibilities.

### ***Types of Investments***

In general, the Portfolios consist of varying proportions of fixed income and equity ETFs selected by Betterment Advisers for the Betterment Program. ETFs are a type of investment company that aims to achieve the same return as a particular market index. They can be either open-end companies or unit investment trusts. ETFs are not considered to be, and are not permitted to call themselves, mutual funds. ETFs differ from mutual funds and unit investment trusts because shares issued by ETFs are bought and sold by investors on a secondary market. Unlike mutual funds, retail investors generally cannot tender their shares directly to the ETF for redemption because shares of ETFs are redeemable from the fund only in very large blocks (blocks of 50,000 shares, for example).

### ***Deposit Cash or Cash Equivalents***

Generally, the client is expected to deliver only cash or cash equivalents to the Custodian. With our consent, client may transfer securities to the Custodian, but the securities will be liquidated to cash as soon as reasonably practical. Client may not transfer or deposit to the account any securities that are not publicly traded or that cannot be promptly sold. Client will grant us, Betterment Adviser, and the Custodian the authority, in our respective discretion, to liquidate securities transferred into the account.

### ***Evaluate All Costs of Our Program***

When evaluating the overall costs and benefits of the Elite Service Program, clients should consider not just our Advisory Fees, but also the Betterment advisory fees (which includes the cost of the purchases and sales of securities for the client's Betterment Program account), and the ETF Expenses. Clients should consider carefully all of the direct and indirect fees and expenses of our services and the investment products we recommend to fully understand the total costs and assess the value of our services.

### ***Account Billing Administration Fees***

As one of its services, Betterment Adviser will perform account billing administration, whereby it will act as a billing service provider, to calculate and deduct from the client's account our Advisory Fee together with the advisory fee owed to it through the Betterment Program, and pays the applicable parties. The client account will not be charged separately for this service Betterment Adviser performs for our benefit; however, if Betterment Adviser did not provide this service, it is possible that the fees the client paid might be lower.

## **INFORMATION ABOUT WRAP FEE PROGRAMS**

The Betterment Program is a "wrap fee" program. The Client receives the Form ADV Part 2A Appendix 1 Wrap Fee Brochure prepared by Betterment Adviser, which is the sponsor under the program. Because LifePlan is not compensated for sponsoring, organizing, or administering the Betterment Program, it is not a sponsor of the Betterment Program. Wrap fee programs have important differences from traditional investment advisory arrangements.

In a traditional investment advisory arrangement, the investment adviser provides investment advisory services for managing the client's account, and then charges the client an advisory fee that is based on a percentage of the account's assets (referred to as an "asset-based fee"). When the investment adviser places trade orders with a broker-dealer to invest the account's assets, the account pays brokerage commissions for the broker's services in executing the trade plus related costs (all referred to as "transaction-based costs").

By contrast, in a wrap fee program, the client pays a single fee (the "wrap fee") that includes both the advisory services of the account's investment adviser and the brokerage services of the account's broker, and may also include custodial services of the account's custodian. The wrap fee is based on a percentage of the account's assets. In the Betterment Program, the combined total wrap fee is the combination of the Advisory Fee payable to LifePlan and the Wrap Fee payable to Betterment Adviser through the Betterment Program, which are described above.

Although wrap fee programs can be beneficial for some clients, they are not appropriate for everyone. Some clients may pay higher overall costs in a wrap program than in a traditional program where they pay separately for investment advisory services and brokerage costs. The benefits of a wrap fee arrangement depend on a number of factors, most particularly the amount of the wrap fee, the number and frequency of account trades, and the types of securities the account will trade.

Wrap fee programs calculate their fees based, in part, on certain assumptions regarding their expected brokerage commissions and other transaction costs. Clients who choose strategies with modest levels of trading would likely not incur sufficient transaction costs (if they paid commissions out-of-pocket) to justify the higher fees charged in a wrap fee program.

For example, a traditional program that emphasized the use of “no-transaction fee” mutual funds, for example, would incur very low transaction costs. Similarly, clients who do not expect their account to trade frequently or who have a relatively small number of trades each year may find a wrap fee arrangement to be more costly than paying the separate costs of brokerage commissions and fees for investment advice.

A wrap fee arrangement is more likely to be beneficial for accounts that expect relatively frequent trading, such as where the account intends to pursue an active trading strategy using securities for which the transaction costs are relatively higher. In that case, the single wrap fee may cost less than the combined investment advisory fees and brokerage commissions that would be charged in a traditional arrangement.

Clients are cautioned to review the information regarding the cost of the wrap fee (the combination of the LifePlan Advisory Fee and the Betterment Wrap Fee), the anticipated level of trading anticipated for their account, the approximate transaction costs and advisory fees they might incur in a traditional arrangement, among the other matters discussed in this Brochure, to understand the costs and factors they should consider when deciding whether to participate in (or to continue to participate in) the Betterment Program.

No assumption should be made that any particular fee arrangement, such as a wrap fee arrangement or a portfolio management service of any nature will provide better returns than any other fee arrangement, service, or investment strategy.

Fees paid by clients in the Elite Service Program and Betterment Program may be more or less than fees charged for advisory, custodial or brokerage services offered separately, depending on the nature, size and frequency of account transactions, and other services.

Depending upon, among other things, the size of the account, changes in value over time, ability to negotiate fees or commissions, and the number of transactions, the amount of the wrap fee compensation may be more than what a Representative would receive if the client participated in other programs, or if the client paid separately for investment advice, brokerage and other services. Therefore, while wrap account compensation cannot be determined in advance, the Representative may have an incentive to recommend the Betterment Program over other programs or services.

Further, clients should consider that the wrap fee arrangement creates a disincentive for Betterment Adviser and Betterment Broker to trade Betterment Program accounts because the execution costs of each trade will reduce the potential profit from the Wrap Fee. A wrap program sponsor may have an incentive to limit referrals to or outright exclude from its program portfolio managers that trade actively.

## **AMOUNT OF MANAGED ASSETS**

***As of December 31, 2015, LifePlan managed \$251,825,815 of client assets on a discretionary basis plus \$6,227,517 of client assets on a non-discretionary basis.***

## ITEM 5. FEES AND COMPENSATION

### **PORTFOLIO NAVIGATION SERVICE**

The Portfolio Navigation Service fee consists of a portfolio management fee. The minimum annual fee for this service is \$2,500; provided, the minimum annual fee is \$1,000 for Clients participating in the Portfolio Navigation (Annual) Service.

#### **PORTFOLIO MANAGEMENT FEES**

The annualized fee for this service will be charged as a percentage of assets under management. This includes assets held outside of LifePlan that are being reported and advised on, according to the following schedule:

**Portfolio Navigation and Portfolio Navigation (Annual) Service  
Fee Schedule – New Clients January 1, 2016**

<b>Assets From</b>	<b>Assets To</b>	<b>Annual Fee %</b>
\$ 1	\$ 250,000**	1.25%
\$ 250,001	\$1,000,000	1.00%
\$1,000,001	\$3,000,000	0.75%
\$3,000,001	\$5,000,000	0.50%
\$5,000,001	>	0.25%

**\*\*A minimum of \$250,001 of assets under management is required for this service; accounts with assets up to \$250,000 participate in Portfolio Navigation (Annual) Service, which is generally the same as the Portfolio Navigation Service, except Clients receive only annual reports provided by LifePlan, Action Plans are monitored annually, and there is only 1 included meeting or teleconference.**

This account size(s) may be negotiable under certain circumstances. LifePlan may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

#### **FINANCIAL REVIEW FEES**

A goal based financial plan assessment is included in the portfolio management fee, but detailed financial plan reporting and scenario planning are covered under a more detailed financial plan engagement. The service does not cover limited meetings with other client professional advisors. If the client needs additional meeting time for the year it will be billed at the hourly rate of \$300. This will be agreed upon by both LifePlan and the client before additional fees are billed.

**Example:** A Portfolio Navigation client with a \$2,000,000 portfolio will be billed a quarterly fee of **\$4,375**.

Portfolio management fee ( $\$1,000,000 \times 1.00\%$ ) + ( $\$1,000,000 \times 0.75\%$ ) =  $\$10,000 + \$7,500 = \$17,500$   
Total annual fee = \$17,500 or Quarterly fee = \$4,375.

The service fees listed above for the Portfolio Navigation Service begin on the date of the Client Service Agreement and are billed quarterly (calendar quarter basis), in advance, based upon the percentage of the total market value of the client's investable assets under management at the end of each quarter. The first quarter fee will be pro-rated and based upon the remaining days in the calendar quarter from the date of the Client Service Agreement to the end of the quarter. The first quarter fee calculation will be based on investable asset values retrieved either through initial discovery or the values listed in the initial asset allocation analysis.

## CONSULTING SERVICES FEES

LifePlan's Consulting Services fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract or letter of engagement with any client.

### PORTFOLIO 2<sup>ND</sup> OPINION SERVICE

The Portfolio 2<sup>nd</sup> Opinion Service fee consists of an analysis fee. **The minimum analysis fee for this service is \$1,000.**

This analysis fee is billed at 0.25% of the portfolio based on assets reviewed in the analysis. This includes all portfolio assets regardless of where they are held or managed. An initial fee of **50% is due with engagement** letter signing, and the remainder will be due upon completion of the analysis.

**Example:** A Portfolio 2<sup>nd</sup> Opinion Service client with a \$1,000,000 portfolio will be billed a fee of \$2,500.

Analysis fee \$1,000 up front,  $(\$1,000,000 \times 0.25\%) = \$2,500$  less up front (\$1,000) = \$1,500 due at completion

The client may be offered an option to continue with LifePlan after the analysis is complete and join the investment supervisory service listed above. If the client chooses to implement and have LifePlan monitor their investments and/or financial planning, their 2<sup>nd</sup> Opinion fee will be credited toward their new service.

### LIFE TRANSITION SERVICE

The Life Transition Service fee consists of an **annual retainer fee**. The fee is **\$7,500 per year and does not include investment management services**. An initial amount of **\$1,875.00 is due to start the process** and the remainder will be billed in **equal installments of \$1,875 on days 90, 180 and 270** following the start date. Quarterly installments of \$1,875 will continue on the one year anniversary until the client has successfully transitioned and agrees that the service is no longer necessary.

**Example:** A Life Transition Service client will be billed a fee of **\$7,500**.

Analysis fee = \$1,875 up front, \$1,875 on day 90, \$1,875 on day 180, and \$1,875 on day 270

If the client requires management of their portfolio during the transition service they can elect the Portfolio Navigation Service.

If the client's needs exceed or continue to exceed normal meeting criteria, LifePlan reserves the right to inform the client that any additional meeting time for the year will be billed at the hourly rate of \$300. This will be agreed upon by both LifePlan and the client before additional fees are billed.

### ELITE SERVICE PROGRAM

#### ELITE SERVICE PROGRAM FEES

The annualized fees payable to LifePlan for the Elite Service Program and to Betterment for the Betterment Program will be charged as a percentage of assets under management according to the following schedule:

Assets From	Assets To	Annual Fee Rate LifePlan	Annual Fee Rate Betterment
\$1	\$250,000	1.00%	0.25%

**A minimum of \$10,000 of assets under management is required for the Elite Service Program and is generally only offered to Clients with portfolios of \$250,000 or less.** These minimum and maximum account sizes may be negotiable under certain circumstances. We reserve the right to change the fee arrangement for accounts over \$250,000. The client's Advisory Agreement will contain the actual amount of the client's Advisory Fee Rate(s), any other separately negotiated terms, such as separately negotiated minimum or maximum account sizes, the applicable Asset Tiers (if any). The client's advisory agreement with Betterment Advisory will contain the terms applicable to the client's relationship with Betterment Advisory and the Betterment Program; and the client's agreement with Betterment Broker will contain the terms applicable to the client's relationship with Betterment Broker with respect to brokerage services and the custody of account assets.

#### ***Payment of Fees***

The fee is calculated as a prorated amount of a client's average daily balance over a calendar quarter, calculated at or around the end of each quarter. The fee is not charged on the basis of a share of capital gains upon or capital appreciation of the Funds (as defined below) or any portion of the assets of an advisory client. In certain circumstances disclosed in the advisory agreement, Betterment reserves the right to charge client for special requests or other irregular services. Betterment will automatically debit the prorated amounts of the LifePlan Advisory Fee and the Betterment fees from the client's account on a quarterly basis in arrears.

#### ***Changes In Fee Calculation And Billing Procedures***

Clients should be aware that Betterment Adviser will act as collection agent for our Advisory Fees and we intend to work with it, to the extent we believe reasonable, to coordinate our fee billing, calculation, and collection procedures so that they are consistent with the procedures used by Betterment Adviser in the Betterment Program. Consequently, in our discretion, we may change the billing and valuation periods and assumptions for calculating Advisory Fees from those described above or in the client's Advisory Agreement, as we determine appropriate so that they reasonably reflect the procedures used by Betterment Adviser. However, such changes will not cause the Advisory Fee Rate to exceed the maximum stated in the Fee Schedule, unless we provide Client with at least 30 days' prior notice of such changes.

#### ***Deduction of Fees from Custodial Account***

In general, Betterment Advisory will be responsible for administering the Betterment Program, which includes the calculation and payment of advisory fees payable to LifePlan pursuant to the LifePlan Advisory Agreement. The client agrees that the Custodian may deduct from the client's account at Betterment Broker, and pay directly to LifePlan, the advisory fees payable to LifePlan pursuant to the LifePlan Advisory Agreement without any notice or consent of the client. The amount of the Advisory Fee deducted by the Custodian will be reflected on the Custodian's regular statements to the client.

#### ***Fees In Advance & Refunds***

In general, Advisory Fees for the Elite Service Program are payable quarterly in arrears.

### ***OTHER CONSULTING***

LifePlan's hourly consulting services are provided to potential clients who desire an evaluation and a recommendation that exceeds the discovery process conducted in our initial consultations. This service is utilized when a client desires assistance with a specific issue or problem and they require assistance from a professional to help solve.

This consulting only service is provided at an hourly rate that is in effect at the time of the engagement. A written estimate will be provided to the client. The hourly estimate includes the time needed to evaluate, to create a recommendation or recommendations, if applicable, and to present the findings to the client. The current hourly rate in effect as of 1/1/2014 is \$300.

## GENERAL INFORMATION

**Limited Negotiability of Advisory Fees:** Although LifePlan has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the Advisor and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

**Termination of the Advisory Relationship:** An Advisory Agreement may be terminated by the client or us at any time upon written notice to the other, as provided in the Advisory Agreement. The final report due for period of termination will be prepared and the client's final report will sent out after the current report period is complete or funds are removed from managed accounts. If client terminates the Advisory Agreement within five business days of the effective date of the Advisory Agreement, Client shall receive a full refund of any prepaid Advisory Fees (refunds of Betterment Adviser's advisory fees is controlled by the client's agreement with Betterment Adviser). If the Advisory Agreement is terminated more than five business days after the effective date, any prepaid Advisory Fees shall be prorated based on the number of days the Advisory Agreement was in effect during such quarter and the unused portion shall be refunded to Client within 30 days; any earned but unpaid Advisory Fees owed to us will be immediately due and payable upon termination.

After an Advisory Agreement has been terminated: client will be charged commissions, sales charges, and transaction, clearance, settlement, and custodial charges, at prevailing rates, by us and any executing or carrying broker-dealer; client will be responsible for monitoring all transactions and assets; and we shall not have any obligation to monitor or make recommendations with respect to the account or those assets.

### ***Risk of Liquidations to Pay Fees***

The Custodian will be authorized to deduct the Advisory Fees directly from the client's account, without notice to the client. If sufficient cash is not available in the account to pay these fees when due, the Custodian will liquidate securities selected by the Custodian or us without prior notice to the client. The client may be charged an early redemption fee. If the liquidated securities have declined in value, the client will realize a loss and lose the opportunity for future appreciation of the securities.

**Mutual Fund Fees:** All fees paid to LifePlan for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or EFTs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.



**ETF Expenses:** ETF's deduct from their assets the internal management fees, operating costs, and investment expenses they incur to operate the fund. These internal expenses generally include recordkeeping fees, and transfer and sub-transfer agent fees, among others. Like mutual funds, ETFs could charge so-called "12b-1 Fees" to pay for costs related to distribution of shares and servicing of shareholders. However, ETFs rarely actually charge these fees. All of these costs represent indirect expenses that are charged to the fund's shareholders.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to LifePlan's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**ERISA Accounts:** LifePlan is deemed to be a fiduciary to advisory clients that are invested in employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, LifePlan may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

***Purchases of Similar Products and Services from Other Firms***

Clients can generally purchase similar investment products or services through other firms that are not affiliated with us. Our Advisory Fees and the other costs of our program are likely higher than amounts charged by other advisers or financial firms for similar services and who may provide better performance or lower risk.

If a client chooses to purchase investments directly or through another intermediary, the client will not receive the benefit of the services we provide in determining which investment products or services may be appropriate in view of the client's financial situation, investment objectives, risk tolerance, and liquidity needs.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

LifePlan does not charge performance-based fees.

## **ITEM 7. TYPES OF CLIENTS**

LifePlan provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above

See Item 5 for the minimum annual fees for the Portfolio Navigation Service and Life Transition Service. We have also established initial minimum account size requirements for the Portfolio Navigation Service, as described in Item 4.

## ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

### **PORTFOLIO NAVIGATION SERVICE**

#### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or management of client assets. We may not use all methods of analysis in each service offered, as some methods are more applicable to different types of management.

**Charting/Relative Strength.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse. Relative strength seeks to look at different time periods to compare performances and determine where securities or assets are trending. This analysis cannot predict future performance of markets or prevent losses from occurring in any portfolio.

**Fundamental Analysis.** Fundamental analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors -- including the overall economy, industry conditions, and the financial condition of a specific company or underlying market (e.g., a specific currency or commodity). This analysis is aimed at determining if a company or market is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). We supplement this analysis with qualitative analysis, as described below.

We use fundamental analysis to select the markets in which we invest (e.g., stocks, bonds, currencies, commodities, real estate) and to select the specific securities within each market to purchase. Since fundamental analysis does not attempt to anticipate market movements, the timing of purchases and sales is determined primarily through the use of technical and cyclical analysis, as described below.

The potential risk inherent in fundamental analysis is that the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security. While this risk is reduced somewhat by the use of technical and cyclical analysis, such risk cannot be entirely eliminated.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company or market. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement. This risk is reduced somewhat by our use of fundamental and qualitative analysis to select stocks or other markets in which to invest, but this risk cannot be entirely eliminated.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. We address the market movement issues through the use of regular interval rebalance actions.

**Mutual Fund or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. We may not use all strategies listed in each service offered, as some strategies are more appropriate for different types of management.

**Long-term purchases.** When utilizing this strategy, we purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Trading.** We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We may do this in an attempt to take advantage of predictions of brief price swings.

**Short sales.** We may borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit. This is not an investment strategy we currently use; however, we reserve the ability to use it in response to appropriate market conditions.

**Margin transactions.** We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. This is not an investment strategy we currently use; however, we reserve the ability to use it in response to appropriate market conditions. Custodians provide check-writing privileges which often require margin accounts.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

This is not an investment strategy we currently use; however, we reserve the ability to use it in response to appropriate market conditions.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

#### **ELITE SERVICE PROGRAM**

In the Elite Service Program, we rely on the research and performance information provided by Betterment Adviser through its online website in reaching our decisions to recommend it and the Betterment Program to our clients, and in developing recommendations for our client Portfolios. We do not independently verify, nor are we aware of any third-party reviews that verify, the information that Betterment Adviser makes available through its online website that we use in reaching our decisions.

We do not audit, verify, or guarantee the accuracy, completeness, or methods of calculation of any historic or future performance or other information provided by Betterment Adviser. There can be no assurance that the performance information from Betterment Adviser, or other source is or will be calculated on any uniform or consistent basis, or has been or will be calculated according to or based on any industry or other standards.

### **ITEM 9. DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

### **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

### **ITEM 11. CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

LifePlan and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

LifePlan's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our clients and prospective clients. You may request our Code of Ethics by email at [typhillippi@lifeplanfg.com](mailto:typhillippi@lifeplanfg.com) or by calling us at (937) 438-8000.

LifePlan and individuals associated with our firm are prohibited from engaging in principal transactions and agency-cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a security which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may knowingly purchase or sell any security (other than a mutual fund or other security not considered to be a reportable security under our Code of Ethics) immediately prior to a transaction(s) being immediately implemented for an advisory account.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating accounts will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, in addition to the policies described above, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
4. We maintain records of the reportable securities holdings for our firm and its access persons. These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
5. We have established procedures for the maintenance of all required books and records.
6. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## ITEM 12. BROKERAGE PRACTICES

### **PORTFOLIO NAVIGATION SERVICE**

#### ***Recommending Custodians and Brokers***

Client assets must be maintained in an account maintained with a “qualified custodian.” LifePlan requires a custodian which is a broker-dealer or affiliated with a broker-dealer. LifePlan requires clients to use TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), or other custodian acceptable to LifePlan, in LifePlan’s sole discretion. TD Ameritrade is an independent broker-dealer not affiliated with the Adviser. TD Ameritrade is referred to as “Custodian.”

Custodian will hold client assets in a brokerage account and buy and sell securities when LifePlan instructs. While LifePlan requires TD Ameritrade as custodian/broker, client will ultimately decide whether to do so by entering into an account agreement directly with the Custodian to open the custodial account. LifePlan does not open the custodial account for the client. If a Client does not wish to place their assets with TD Ameritrade, LifePlan will not manage the Client’s account. Not all advisers require Clients to use a particular custodian acceptable to the adviser. Even though client’s account is maintained at a particular custodian, LifePlan will have discretion to use other brokers to execute trades for the client’s account, as described below; however, clients should understand that based on the types of securities comprising account portfolios and the additional costs of trading with other brokers, it is unlikely that trading with other brokers will occur.

**How LifePlan Selects Brokers and Custodians.** LifePlan seeks a custodian which is a broker and which will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. LifePlan considers a wide range of factors, including the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear and settle trades (buy and sell securities for client’s account);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (mutual funds, exchange traded funds, etc.);
- availability of investment research and tools that assist LifePlan in making investment decisions;
- quality of services;
- competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- their prior service to LifePlan and its other clients; and
- availability of other products and services that benefit LifePlan, as discussed below (see “Products and Services Available to Us from Custodian”).

**Client Custody and Brokerage Costs.** TD Ameritrade generally does not charge clients separately for custody services, but is compensated by charging client accounts commissions or other fees on trades that the Custodian executes or that settle into the account maintained with the Custodian. The Custodian charges the client a flat dollar amount as a “prime broker” or “trade away” fee for each trade LifePlan has executed by a different broker-dealer but where the securities bought or the sales proceeds are deposited (settled) into the client’s account with the Custodian. These fees are in addition to the commissions or other compensation the

client pays the executing broker-dealer. Because of this, in order to minimize client trading costs, LifePlan has the Custodian execute most trades for the client's account.

**Products and Services Available to Us from Custodian.** LifePlan participates in the institutional advisor programs offered by TD Ameritrade. Through these programs, TD Ameritrade offer to independent investment advisors various services not generally available to retail investors, including custody of securities, trade execution, clearance and settlement, and access to mutual funds otherwise only available to institutional investors. TD Ameritrade also make available various support services. Some of those services help us manage or administer our Clients' accounts while others help us manage and grow our business. Custodian's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a minimum amount of client assets in accounts with the Custodian.

**Services that Benefit Clients.** Custodian's brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the Custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment, and access to mutual funds with no transaction fees and to certain institutional money managers which may result in lower Client expenses. These services generally benefit Clients and their accounts.

**Services that May Not Directly Benefit Clients.** Some of the useful benefits and services made available by the Custodian through their institutional programs may benefit LifePlan but may not benefit all or any Client accounts. When LifePlan selects or recommends TD Ameritrade, LifePlan may take into consideration whether the Custodian provides LifePlan with such benefits and services. Clients pay the Custodian trading fees to execute transactions. These products and services assist LifePlan in managing and administering Client accounts. They include investment research-related products and tools, both the Custodian's own and that of third parties. LifePlan may use this research to service all or some substantial number of Clients' accounts, including accounts not maintained at the particular Custodian. In addition to investment research, the Custodians also make available software and other technology that:

- provide access to Client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution, including access to a trading desk serving LifePlan's Clients;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the aggregated trade orders to multiple client accounts;
- provide pricing and other market data;
- facilitate deduction of Advisory Fees directly from Clients' accounts;
- access to an electronic communications network for Client order entry and account information;
- assist with back-office functions, recordkeeping and Client reporting.

**Services that Generally Benefit Only LifePlan.** The Custodian also offers certain services intended to help LifePlan manage and further develop its business enterprise. These services include:

- educational conferences and events;
- technology, compliance, marketing, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Custodian may provide some of these services directly, or in other cases, will arrange for third-party vendors to provide the services to LifePlan. They may also discount or waive fees for some of these services or pay all or a



part of a third party's fees. A Custodian may also provide LifePlan with other benefits such as occasional business entertainment of LifePlan personnel.

**Brokerage Services Do Not Benefit Specific Accounts.** LifePlan does not attempt to put a dollar value on the useful benefits and services each account receives from the Custodian, nor does it attempt to allocate or use the economic benefits and services received from Custodian for the benefit of the accounts maintained with that Custodian, or attempt to use any particular item to service all accounts. Some of the products and services made available by Custodian may benefit LifePlan but may not benefit all or any of LifePlan's Client accounts. The benefits and services LifePlan receives from Custodian are used to help LifePlan to fulfill its overall Client obligations.

**LifePlan Interest in the Custodian's Services.** The availability of these services from the Custodian provides an economic benefit to LifePlan because it does not have to produce or purchase them.

### ***Best Execution***

As a fiduciary, LifePlan has an obligation to seek to obtain best execution of advisory Clients' transactions under the circumstances of the particular transaction. LifePlan seeks to execute Client transactions in such a manner that the Client's total cost or proceeds in each transaction is the most favorable under the circumstances. LifePlan has evaluated the full range of brokerage services offered by Custodian and considers it to have low transaction fees, good execution capabilities and financial stability, compared to comparable brokers that offer institutional advisory platforms for the types of securities that LifePlan uses in its strategies. If a Client establishes a brokerage/custodial account with Custodian, LifePlan will place all orders pursuant to its investment determinations on behalf of Client's portfolio through the Custodian. While LifePlan believes the commissions and fees charged by TD Ameritrade are competitive, transactions may not always be executed at the lowest available commission rate.

### ***Soft Dollars***

LifePlan generally does not engage in formal soft dollar arrangements where LifePlan commits to direct portfolio brokerage commissions to a broker-dealer in return for specified brokerage or research services that LifePlan may use in making investment decisions for its Clients. However, LifePlan does receive the useful benefits and services described above received from the Custodian.

Section 28(e) of the Securities Exchange Act of 1934 provides that an advisor does not breach fiduciary duties under state or federal law solely by causing its Clients' accounts to pay brokerage commissions in excess of the amount another broker-dealer would have charged if the adviser determines in good faith that the commissions are reasonable in relation to the value of brokerage and research services received. It is LifePlan's policy to operate within the safe harbor of Section 28(e).

These services are not contingent upon LifePlan committing any specific amount of business to a Custodian in trading commissions. LifePlan has an incentive to recommend that Clients maintain their accounts with TD Ameritrade based on LifePlan's interest in receiving the services described above that benefit LifePlan's business rather than based on the interest of its clients in receiving the best value for custody services and the most favorable execution of their brokerage transactions. The availability of these useful services creates a financial incentive for LifePlan to recommend the Custodian for Client accounts so LifePlan can continue to receive these services and avoid paying for them separately at LifePlan's own expense. Our interests conflict with our Clients' interests in obtaining the lowest possible execution costs. This is a conflict of interest. LifePlan believes, however, that its recommendation and selection of TD Ameritrade as Custodian and broker is in the best interests of its clients, based on the scope, quality and price of TD Ameritrade's services (see "How We Select Brokers/Custodians") and not Custodian's services that benefit only LifePlan.

Although we strive to address this conflict in a manner consistent with our fiduciary duty, and we disclose this conflict to our clients, our judgment may be affected such that our efforts may not be entirely successful. To help mitigate this conflict, we have adopted procedures to analyze periodically the services and programs provided by or available through our brokers, to evaluate the usefulness of these services in relation to the costs of the services, and to assess the overall quality of the services.

#### ***Lower Costs Available for Similar Services***

We offer no assurance that the commissions or investment expenses Clients will incur by using TD Ameritrade as their custodian and broker will be as low as the commissions or investment expenses charged by other firms for similar services. It is likely that lower costs may be available for similar services from other advisers, brokers or custodians, and by paying lower costs, Clients could significantly improve their long-term performance.

#### ***Order Aggregation***

LifePlan may aggregate orders for the purchase or sale of securities on behalf of the accounts it manages. Proprietary accounts of our firm and its supervised persons (employees) may participate in block orders on the same basis as Clients. The ability to have orders aggregated into a “block order” with other Clients can offer economic benefits, including the potential for volume discounts on their orders, timelier execution, a reduction of adverse market effects that can occur from separate, competing orders, and mutual sharing of transaction costs. For accounts that purchase individual securities, such as stocks or bonds, the broker may be able to negotiate price improvements for block orders.

Block orders are typically placed through an “average price account” or similar account such that transactions for accounts participating in the order are averaged as to price (which will be NAV for all mutual fund securities), and the securities purchased or net proceeds received are allocated pro rata among the accounts in proportion to their respective orders placed that trading day. For mutual fund orders, if no economic benefit is received from the use of block orders, they will not be used.

Typically, partial fills will be allocated among accounts in proportion to the total orders participating in the block, unless we determine that another method of allocation is equitable (such as an alphabetical rotation, rotation based on the Clients of a particular Representative, or other method). Exceptions may be granted or allowed due to varying cash availability, divergent investment objectives, existing concentrations, tax considerations, performance relative to a benchmark, performance relative to other accounts in the same strategy or portfolio, or a desire to avoid “odd lots” (an amount of a security that is less than the normal unit of trading for that security).

#### ***Trade Errors***

It is LifePlan’s policy for Clients to be made whole following a trade error. If a trade error results in a loss, LifePlan will make the Client whole and absorb the loss. If a trade error results in a gain, the Client shall generally keep the gain. The Custodians may have a policy where an adviser is not required to reimburse trade errors resulting in a loss below a de minimis amount (e.g., \$100). In such circumstances, the Custodian will absorb the loss and there is no financial impact to the Client. Likewise, if a trade error results in a gain less than a de minimis amount (e.g., \$100), the Custodian will keep the gain or donate it to charity. In all other circumstances, trade errors will be corrected as described above.

### ***ELITE SERVICE PROGRAM***

#### ***BROKERS FOR THE ACCOUNT***

Betterment Broker will act as broker and qualified custodian for the account, and will execute purchase and sale orders for the account, provide transaction confirmations, account statements, and maintain custody of client cash and securities. Brokerage will be handled on the basis of “directed brokerage subject to most

favorable execution.” Betterment Adviser requires client to direct Betterment Adviser to place all brokerage orders through Betterment Broker as a requirement of the Betterment Program.

As a result, Betterment Adviser will not have discretion to place trade orders with other brokers with which it might be able to negotiate lower transaction costs or better prices. Consequently, as a result of directing brokerage to Betterment Broker, the client will not receive the benefit of reduced transaction costs or better prices that may result if Betterment Adviser had discretion to negotiate the terms of the orders, such as commissions, volume discounts, or seek price improvement from other broker-dealers.

Clients should understand that the direction to place orders with a broker-dealer may result in Betterment Adviser not achieving most favorable execution of the client’s transactions. This practice may cost the client more money than if Betterment Adviser had discretion to select the broker-dealer. A disparity may arise such that clients who direct brokerage may pay higher overall transaction costs and receive less favorable prices than clients who do not direct brokerage.

There is an inherent conflict of interest by Betterment Adviser placing brokerage orders through its affiliated broker-dealer. There is the potential for the broker not to obtain the most favorable prices or charge higher than necessary commissions or other fees to execute trades, which will result in the client paying more or receiving lower proceeds for brokerage services. In its Wrap Fee Brochure, Betterment Adviser asserts that Betterment Securities’ procedures are designed to make every attempt to obtain the best execution possible, although there can be no assurance that it will be obtained. LifePlan does not receive the trade information necessary to monitor the best execution of Betterment Adviser. Clients should consider the risks of not receiving best execution when evaluating whether to participate in the Elite Service Program and Betterment Program.

#### ***Betterment Adviser Aggregate Trading***

According to Betterment Adviser’s Wrap Fee Brochure, as part of the brokerage services provided by Betterment Securities to Betterment Adviser, Betterment Securities effects aggregated block transactions involving multiple Betterment Accounts. These transactions are not subject to any mark-ups, mark-downs, or dealer spreads. In conducting these transactions, they state that no client is favored over any other client and each client that participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order. Clients should consult the Betterment Adviser Wrap Fee Brochure for further information. Client should be aware that if orders for the account are not aggregated with other orders into block orders, client will not receive the benefits of timelier or better execution, or volume discounts that might be obtained by accounts whose orders are aggregated. LifePlan does not supervise trading by Betterment Adviser or Betterment Securities to evaluate whether they have engaged in block trading, as represented in their Wrap Fee Brochure.

#### ***Services Available to Us via Betterment Institutional***

Through the Betterment Institutional platform, Betterment Adviser and Betterment Securities may make available to LifePlan various support services which may not be available to Betterment’s retail customers. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Betterment Institutional’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Betterment Institutional’s support services:

- **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment Institutional makes available to us products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts, for example:

- Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
- Provide access to client account data (such as duplicate trade confirmations and account statements).
- Provide pricing and other market data.
- Assist with back-office functions, recordkeeping, and client reporting.
- **SERVICES THAT GENERALLY BENEFIT ONLY US.** By using Betterment Institutional, we may be offered other services intended to help us manage and further develop our business enterprise. These services may include:
  - Opportunities to attend educational conferences and events.
  - Consulting on technology, compliance, legal, and business needs.
  - Publications and conferences on practice management and business succession.

### ***Our Interest in Betterment Broker's Services***

The availability of these services from Betterment Institutional benefits us because we do not have to produce or purchase them (or purchase them at full price). These services may be contingent upon us committing a certain amount of business to Betterment Broker in assets in custody. We may have an incentive to recommend that you maintain your account with Betterment Broker, based on our interest in receiving Betterment Institutional and Betterment Broker's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our general recommendation of the Betterment Program and Betterment Broker as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the overall scope and quality of the Betterment Program and not Betterment Institutional or Betterment Broker's services that benefit only us or by information regarding Betterment Broker's achieving best execution.

## **ITEM 13. REVIEW OF ACCOUNTS**

### **PORTFOLIO MANAGEMENT**

#### ***PORTFOLIO NAVIGATION SERVICE***

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually, but most are reviewed quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

- Tyrone C. Phillippi, CFP® - President
- Christopher J. Buck, CFP® - Vice President
- Joshua M. Johnson, CFP® - Relationship Manager
- Nicholas M. Stebner, CFP® - Financial Planner
- Joshua L. Styracula, CFP® - Financial Planner
- Kameron T. Smith - Financial Planner

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealers and custodians, we provide quarterly or annual reports summarizing account

performance, balances and holdings, based on service selected by each client, as described in Item 4; provided, the Portfolio Navigation (Annual) Service Clients typically only receive reports provided by the Custodian.

## **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically full update plans or assessment reviews will be conducted for clients annually.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional ongoing reports will be provided using the online planning portal.

## **CONSULTING SERVICES**

### ***PORTFOLIO 2<sup>ND</sup> OPINION SERVICE***

### ***LIFE TRANSITION SERVICE***

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory engagement.

### ***ELITE SERVICE PROGRAM***

**REVIEWS:** Elite Service Program account investments are reviewed periodically by the Representative assigned to the account. The Representative also conducts periodic evaluations of the portfolio for consistency with investment objectives and restrictions, and with the account's stated objectives and strategy.

More frequent reviews can be triggered if the client notifies the Representative of changes in the client's financial situation, large withdrawals or significant deposits, or changes in the account investment objectives, liquidity needs, or risk tolerance. The Investment Committee (or a manager of the Firm) will be responsible for overseeing all reviews.

**REPORTS:** As a condition of participating in the Betterment Program, the client consents to receiving electronically from the Custodian quarterly account statements. The statements will be provided through the Betterment Website through which the Betterment Program and the client's Program Account are established, accessed, and managed ([www.betterment.com](http://www.betterment.com) and [www.bettermentinstitutional.com](http://www.bettermentinstitutional.com)), and client will authorize the Custodian to send copies of any statements or confirmations of transactions to us and the client's Representative, along with an indication that information has been made available to the client. The client will grant us unrestricted access to the account information. Betterment Adviser may also agree in its separate advisory agreement with the client to provide online reports that detail account holdings, transactions, and performance, and market commentary, as specifically stated in the terms and conditions of the separate agreements with the client. LifePlan does not generally provide client reports.

## ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

### CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

### OTHER COMPENSATION

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Specifically, the benefits include access to a contact management system at a discounted cost to the Advisor. The access to this system, Salesforce, is the result of the Advisor's participation in a beta testing group to help TD Ameritrade design and improve the system so that TD Ameritrade could offer the system to other advisors going forward. Advisor's related persons spent numerous hours and consulted with industry experts to assist TD Ameritrade in this project without monetary compensation for their time and services. The contact management system, provided by TD Ameritrade will allow Advisor to replace its existing system and utilize the Salesforce system going forward with future enhancements to bring new efficiencies to the Advisor's practice.

Advisor considers a number of factors in selecting brokers and custodians at which to locate (or recommend the location of) its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided.

Advisor may receive discounts on succession planning, practice valuation and Equity management services from third-party vendors through Advisor's participation in the TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, Advisor may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of an unaffiliated Advisor and there is no employee or agency relationship between TD Ameritrade and Advisor. TD Ameritrade has established the TD Ameritrade Institutional Equity Management program as a means of assisting independent unaffiliated Advisors to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services to clients.

Advisor's participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. Advisor may encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, Advisor may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Advisor's participation in the TD Ameritrade Institutional Equity Management Program does not relieve the Advisor of the duty to seek best execution of trades for client accounts.

As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

## **ITEM 15. CUSTODY**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from the Custodian which maintains client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

### ***Deduction of Fees from Elite Service Program Custodial Account***

In general, Betterment Advisory will be responsible for administering the Betterment Program, which includes the calculation and payment of Advisory Fee payable to LifePlan pursuant to the LifePlan Advisory Agreement. The client agrees that the Custodian may deduct from the client's account at Betterment Broker, and pay directly to LifePlan, the Advisory Fees payable to LifePlan pursuant to the LifePlan Advisory Agreement without any notice or consent of the client. The amount of the Advisory Fee deducted by the Custodian will be reflected on the Custodian's regular statements to the client. It is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

## ITEM 16. INVESTMENT DISCRETION

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

### ***Elite Service Program - Discretion Over Account Investments***

In the advisory agreement for the Betterment Program, Client will grant Betterment Adviser full discretion to manage the account without prior notice or consent of the client. Betterment Adviser is solely responsible for placing all orders for the purchases, sales, and redemptions in connection with investment of the Betterment Program account assets: full discretionary authority to select and change the ETFs, and invest and rebalance the account consistent with maintaining the account's allocation; to liquidate sufficient assets to pay the Advisory Fees, Betterment Adviser advisory fees, or any costs or expenses of the Betterment Program; and to carry out the actions necessary or proper to fulfilling its responsibilities under the Betterment Program.

## ITEM 17. VOTING CLIENT SECURITIES

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, 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 are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## ITEM 18. FINANCIAL INFORMATION

LifePlan has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

LifePlan has not been the subject of a bankruptcy petition at any time during the past ten years.