

Financial Planning and Information  
Services, Inc.  
115 Fourth Street, De Pere, WI 54115  
(920) 336 – 0863  
February 1, 2017

This Brochure provides information about the qualifications and business practices of Financial Planning and Information Services, Inc. If you have any questions about the contents of this Brochure, please contact us at (920) 336 -0863 or [rwempe@thefinplangroup.com](mailto:rwempe@thefinplangroup.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.

Financial Planning and Information Services, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Financial Planning and Information Services, Inc. (CRD No. 113110) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This brochure, dated February 1, 2017, represents Financial Planning and Information Services, Inc. annual updated amendment to its previously published brochure dated February 25, 2016.

Since the filing of our last updated amendment, dated February 25, 2016, no material changes have occurred.

Currently, our Brochure may be requested by contacting Ryan Wempe, Vice President and Chief Compliance Officer at (920) 336-0863 or [rwempe@thefinplangroup.com](mailto:rwempe@thefinplangroup.com).

Additional information about Financial Planning and Information Services, Inc. (CRD No. 113110) is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Financial Planning and Information Services, Inc. who are registered, or are required to be registered, as investment adviser representatives of Financial Planning and Information Services, Inc.

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#### **Item 4 – Advisory Business.**

Description of the firm. Financial Planning and Information Services, Inc. (firm) is a fee-only investment adviser and financial planning firm registered with the Securities and Exchange Commission. The firm was incorporated in Wisconsin in 1986. The principal owners, directors and officers of the firm include Lonnie L. Mishler, CFP®; Ryan B. Wempe, CFP®; Daniel J. Budinger, CFP®; and Rachel D. Brown, CFP®.

Services provided to clients. The firm helps clients manage investments and assists them with a variety of financial planning issues, e.g., cash flow, insurance, investments, retirement planning, college funding, and estate planning, among others. When clients require more sophisticated planning for taxes, estates, and other issues, we will refer them to professional providers of these services, and/or work with their existing specialists. The firm does not sell products or accept commissions. Our advice is tailored to each individual based on the information they provide us about their goals, their family, and their financial assets. Clients are free to follow, or disregard, any advice we provide.

Types of investments. Financial Planning and Information Services, Inc. uses primarily no-load mutual funds, and exchange-traded-index funds for investments. In addition, clients may wish to hold investments in individual stocks, annuities, corporate bonds, government bonds, and other investment vehicles. The firm's investment criteria include: 1.) diversification, 2.) low on-going costs and expense ratios, 3.) reasonable risk measures, 4.) good dividend or interest income, 5.) no commissions or sales charges and 6.) low transaction fees, among others. Clients are informed of any changes in their investments and are given an opportunity to prevent any investment from occurring and/or provide additional instructions. Financial Planning and Information Services, Inc. does not participate in any Wrap Fee Programs.

Classification of client types and services. The firm provides two types of advisory services to clients, 1.) fee-for-service advice and 2.) asset management services.

Fee-for-service clients pay an hourly fee for services. The firm may assist these clients with opening accounts with a brokerage custodian, but it does not provide continuous and regular supervisory or management services. The firm provides advice on an intermittent or periodic basis upon request from these clients. These services are generally provided to clients who started with a fee-for-service arrangement prior to January 1, 2000. Other instances may arise where ongoing asset management services are not desired, nor beneficial to the client, e.g., the client has a single question regarding an investment vehicle or financial planning topic.

Asset management clients usually receive a quarterly update with a portfolio

analysis, various written reports and recommendations from our firm. If a client portfolio total is less than \$150,000, the firm may provide updates and portfolio reviews on a semi-annual or annual basis instead of quarterly updates. There is no minimum investment required to become a client. Asset management clients are charged a fee based on the size of the investment account(s) being managed. Additional services may be included under our asset management program; e.g. retirement planning analysis, tax planning analysis, etc.

New client routine. Upon request, a prospective client is provided an information package containing a Data Survey Form, a blank contract, Brochure and Brochure Supplement, Code of Ethics, Privacy Policy, and other information about the firm's staff and services. After receiving a completed Data Survey Form and a signed contract, the firm staff prepares a variety of reports and projections to discuss with the client during a subsequent meeting. The firm also assists in the consolidation of accounts, if appropriate, with a brokerage custodian. The initial data gathering and analysis will normally involve 4-8 hours. Other time may be required to research questions, evaluate investments the client already holds, and address other concerns.

Subsequent updates and meetings. Fee-for-service clients will typically contact the firm and request a meeting to discuss their portfolios and other personal financial issues. The portfolio holdings will be analyzed to consider the current value of each investment vehicle listed in the firm's records for the client, and to evaluate the suitability of the investment. Recommendations are discussed and, after receiving permission from the client, the changes are implemented.

Asset management clients will automatically receive, by mail, a portfolio update and recommendations on a pre-determined basis, typically every quarter. Asset management clients are invited to arrange a meeting at any point in time. There are no limitations on the number or duration of meetings. A letter is sent with each update that suggests changes in the portfolio and typically closes with an indication that the firm will proceed with the changes unless the client contacts the firm shortly.

#### **Item 5 - Fees and Compensation.**

All fees are subject to negotiation.

The specific manner in which fees are charged by Financial Planning and Information Services, Inc. is established in a client's written agreement with Financial Planning and Information Services, Inc. Financial Planning and Information Services, Inc. will generally bill its fees on a quarterly basis. Clients will be billed in arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Financial Planning and Information Services, Inc. to directly debit fees from client accounts. Management fees shall not be prorated for each

capital contribution and/or withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

#### Fee-for Service Clients.

As described above, these clients pay an hourly fee for services rendered on their behalf. The current hourly fee is \$225.00. Bills are usually prepared and mailed after the client question is resolved, or after the update or recommendations are completed. The bill for fee-for-service clients will usually require a signature and/or other confirmation from the client to proceed with any implementation of our recommendations.

#### Asset Management Clients.

An annual fee for asset management services is based on the following schedule of charges:

Total assets under management	% of assets (per annum)
Less than \$200,000	1.00%
\$200,001 to \$600,000	0.80%
\$600,001 to \$4.0 million	0.60%

Fees are negotiable for accounts in excess of \$4.0 million.

A new client is charged an initial fee based on the total assets under management when they become a client. As the client's assets increase the asset management fees may be subject to a tiered fee based on our asset management services fee schedule. For example, a client with \$500,000 under management would initially be charged an annual fee of 0.8% on the total. If the portfolio grows to \$650,000, an annual asset management fee of 0.8% would be charged on \$600,000 and a fee of 0.6% would be charged for \$50,000.

An invoice is sent with each portfolio update and analysis. The fee is determined by multiplying the portfolio total at the time of the update by the appropriate prorated annual asset management fee. For example, a quarterly update for a \$300,000 portfolio will be billed at the rate of 0.2% of this portfolio value. The quarterly 0.2% (0.002 as a decimal) fee equals one-fourth the annual 0.8% (0.008) fee for a portfolio of this size. The quarterly bill would be \$600 ( $\$300,000 \times 0.002$ ).

As of December 31, 2016 the discretionary assets under management totaled approximately \$431,000,000. This is calculated by adding up the value of client assets under management for the 4<sup>th</sup> quarter portfolio review process which occurs

between October 1<sup>st</sup> and December 31<sup>st</sup> each year. In addition, portfolio values for asset management clients who are reviewed semi-annually (generally less than \$100,000 under management) would also be included in the asset management total stated above; however, this is a rather small portion of our business. The firm does not have any non-discretionary assets under management that receive continuous and regular supervision.

Financial Planning and Information Services, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Financial Planning and Information Services, Inc.'s fee, and Financial Planning and Information Services, Inc. shall not receive any portion of these commissions, fees, and costs.

#### **Item 6. Performance-Based Fees**

Financial Planning and Information Services, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7. Types of Clients**

Financial Planning and Information Services, Inc. provides portfolio management services to primarily individuals and high net worth individuals. Occasionally, services may also be provided to corporate pension and profit-sharing plans, charitable institutions, and foundations.

#### **Item 8. Methods of analysis, investment strategies, and risk of loss.**

Portfolio management goals and processes. A portfolio will be rebalanced to achieve a *target mix* of equity-oriented investments, e.g., stock funds, and fixed-income investments, e.g., bond funds, bank accounts. The firm will also recommend *targets for various investment style categories*. Investment style categories address the types of stocks or bonds held by a mutual fund or other investment vehicle. For equity investments (stocks), the style categories incorporate company size and the value vs. growth orientation of the typical stock held in the fund. For example, a large cap growth fund will hold primarily large company stocks of firms that pay few dividends and that emphasize increasing the size of their firm and its product

offerings. Investment style categories for fixed-income investments incorporate the maturity (short, intermediate, or long term) of the individual fund holdings and the quality of the issues (low, medium, or high). For example, a US treasury bill would be categorized as a high quality, short term holding.

Other categories may be used, such as international funds holding foreign investments and specialized funds, e.g., industrial materials, energy, real estate and others.

The equity vs. fixed-income targets for an individual client are based on a variety of factors, such as, risk tolerance, age, portfolio size, goals, and time horizon, among others. The rebalancing process will typically involve returning to our target mix. If stocks fall during a particular quarter, the firm will recommend buying stock oriented investments. If the stock market moves higher during a quarter, the recommendation will be to sell sufficient stock holdings to return to our target.

Targets for investment style categories are established based on the investment committee's analysis of risk, current economic conditions, diversification, and expected returns.

The rebalancing process will combine tactical changes, e.g. selling a part of investments that have prospered, and strategic changes, e.g. increasing investment exposure to investment categories expected to do well in the future.

Returning to a pre-determined target for equities vs. fixed-income holdings, and targets for the desired investment style categories provides an opportunity to "buy low, sell high." Increasing exposure to foreign investments based upon an expectation that foreign markets will do better than domestic markets, for example, is a strategic move based on our beliefs, knowledge, and experience.

Risk of Loss. Investing in securities involves risk of loss that clients should be prepared to bear. Although we manage your portfolio with strategies and in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Regardless of the methods of analysis or strategies suggested for your particular investment goals, you should carefully consider these risks, as they all bear risks.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding



any legal or disciplinary events that would be material to your evaluation of Financial Planning and Information Services, Inc. or the integrity of Financial Planning and Information Services, Inc.'s management. Financial Planning and Information Services, Inc. has no information applicable to this Item.

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

Registered investment advisers are required to disclose any relationships or arrangements with financial industry firms, or individuals, which may create a conflict of interest. No management person, or related person, has such arrangements and no known conflicts of interest exist.

#### **Item 11 – Code of Ethics**

Financial Planning and Information Services, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Financial Planning and Information Services, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Financial Planning and Information Services, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Financial Planning and Information Services, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Financial Planning and Information Services, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Financial Planning and Information Services, Inc.'s employees and persons associated with Financial Planning and Information Services, Inc. are required to follow Financial Planning and Information Services, Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Financial Planning and Information Services, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Financial Planning and Information Services, Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Financial Planning and Information Services, Inc. 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of

Financial Planning and Information Services, Inc.'s clients.

In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Financial Planning and Information Services, Inc. and its clients. If a conflict does exist, owners of Financial Planning and Information Services, Inc. will analyze the situation and appropriate steps will be implemented. This may include disciplinary action for the employee in violation.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Financial Planning and Information Services, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Financial Planning and Information Services, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Financial Planning and Information Services, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Ryan Wempe, Chief Compliance Officer.

It is Financial Planning and Information Services, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Financial Planning and Information Services, Inc. will also not cross trade between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account.

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

The firm is not affiliated with any broker/dealer firm. The firm will generally recommend that assets be consolidated in accounts with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC (“TD Ameritrade”), the custodian we currently prefer to use. TD Ameritrade was selected due to the large number of mutual fund options that were both no-load and no-transaction-fee funds. TD Ameritrade also exhibits superior “best execution” practices that mean they tend to get better than average prices on the sale, or purchase, of stocks. The firm also benefits from being able to access account information, and implement transactions, via the internet. It is also helpful to have the majority of accounts with a single custodian to simplify record keeping, backing up data, and working with the brokerage staff. TD Ameritrade, Inc. is a discount broker with trading commissions and other fees among the lowest in the industry. Our firm is not employed by TD Ameritrade, Inc. and receives no monetary compensation from the brokerage firm. In limited circumstances, other brokerage firms may be recommended.

In suggesting a broker to clients, the firm seeks to select those brokerage firms that will provide the best services at the lowest commission rates possible. The reasonableness of best execution is based on several factors including the broker's ability to provide professional services, competitive commission rates, the reputation of the firm and its principals, reliability and financial responsibility and other considerations. TD Ameritrade, Inc. is asked, from time to time, to provide a report on its efforts to provide best execution for all orders.

The firm may receive research products and services from the brokerage custodian that includes economic surveys, data, financial publications, and computer software and services. These products and services permit us to effect securities transactions and perform functions incidental to transaction executions. The firm will generally use such products and services to provide lawful and appropriate assistance to the staff in performing investment decision-making responsibilities for all clients.

The following is a list of products, services, or other benefits we receive as a result of our relationship with TD Ameritrade:

1. Reduced or waived registration fees for attendance at TD Ameritrade sponsored conferences and events.
2. Reduced subscription costs for products offered by vendors involved in the TD Ameritrade VEO Open Access, e.g., Morningstar®, MoneyTree Software, iRebal, Redtail CRM, LazerApp, Docusign, among others.
3. Free use of the Veo platform developed by TD Ameritrade to facilitate trading, account management, and other transactions.
4. Various print publications and other educational opportunities, such as webcasts.

Financial Planning and Information Services, Inc. does not receive any “soft dollars” that serve as credits to buy services or benefits. The assistance we receive from TD Ameritrade is provided to any investment advisory firm that uses this custodian and is commonly provided by competitors. Nevertheless, these benefits will impact our decision to use TD Ameritrade as a custodian and may result in higher costs for some client transactions.

For most new clients, brokerage accounts are established with TD Ameritrade, Inc. and existing accounts are moved, and consolidated in the new account(s). Clients may utilize the brokerage firm of their choice, however, and have no obligation to purchase or sell securities through a broker the firm recommends.

### **Item 13 – Review of Accounts**

As explained in Item 8, the firm established various targets for each client based on a variety of factors, such as, risk tolerance, age, portfolio size, goals, and time horizon, among others. The rebalancing process will typically involve returning to our target mix. If stocks fall during a particular quarter, the firm will likely recommend buying stock oriented investments. If the stock market moves higher during a quarter, the recommendation will be to sell sufficient stock holdings to return to our target.

As explained in Item 4, most accounts and portfolios are rebalanced every quarter. If portfolios totals fall below \$100,000, we may rebalance the portfolios on a semi-annual or annual basis. The rebalancing process involves the preparation of at least two written reports and a list of recommendations. One written report is our *Portfolio Analysis* that shows our listing of investment vehicles as either equity or fixed income investments. The total for each category is used as the basis to recommend changes in the total portfolio distribution.

Another report is an *Investment Style Grid* that shows the distribution of equity investment vehicles based on their investment style orientation. The grid shows the intersections of company size, value vs. growth characteristics, and specialized portfolio orientations, if appropriate.

Our typical written letter will discuss current economic and market conditions. Also included in the letter is a discussion of the client’s portfolio gain or loss in dollar terms, and a list of recommended changes. The letter usually closes with a phrase similar to the following...”unless we hear from you shortly, the recommendations listed above will be implemented”.

The review of accounts is conducted by members of the firm’s investment committee comprised of experienced investment professionals and Certified Financial Planner™ certificants. The firm’s staff will assist in compiling the data and preparing the recommendations, but a member of the investment committee

reviews every letter.

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

Financial Planning and Information Services, Inc. does not compensate any person who is not an employee for client referrals. The firm does not receive any compensation or economic benefit from anyone other than clients for providing investment advisory services.

#### **Item 15 – Custody**

Any investment advisor having custody or access to customer funds or securities must comply with certain rules and regulations designed to protect the clients' assets. Rule 206(4)-2 of the Investment Advisers Act of 1940 details strict requirements governing investment advisors that have "custody" over client securities or funds. Financial Planning and Information Services, Inc. meets the definition of having custody due to the following circumstances:

- Financial Planning and Information Services, Inc. directly debits fees from client accounts.

Financial Planning and Information Services, Inc. does not have physical custody of any client funds and/or securities. Client funds and securities will be held with a bank, broker dealer, or other independent qualified custodian. You will receive account statements from the independent, qualified custodian holding your funds at least quarterly. The account statement from your custodian will indicate the amount of advisory fees deducted from your account(s) each billing cycle. Clients should carefully review statements received from the custodian. Financial Planning and Information Services, Inc. also sends quarterly invoices detailing the manner and amount of advisory fees to all clients. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

Before Financial Planning and Information Services, Inc. can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a limited power of attorney, and/or trading authorization forms. By choosing to do so, you grant the firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Clients may impose limitations on discretionary authority for investing in certain

securities or types of securities (such as a product type, specific companies, specific sectors, etc.), as well as other limitations as expressed by the client. Limitations on discretionary authority are required to be provided to the IAR in writing.

When selecting securities and determining amounts, Financial Planning and Information Services, Inc. observes the investment goals, limitations and restrictions of the clients for which it advises. For registered investment companies, Financial Planning and Information Services, Inc.'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Financial Planning and Information Services, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Financial Planning and Information Services, Inc. may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Financial Planning and Information Services, Inc.'s financial condition. Financial Planning and Information Services, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. In addition, our firm does not require or solicit the payment of \$1,200 or more, six or more months in advance.