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This brochure provides information about the qualifications and business practices of RPH Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at 570-992-1675 or [bob@rphfinancial.com](mailto:bob@rphfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

RPH Financial Services, Inc. is a SEC registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about RPH Financial is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may look up RPH Financial Services, Inc. using the unique identifying number, CRD #298683.

## **Item 2. Material Changes**

In this Item of RPH Financial Service, Inc.'s (RPH or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment, dated March 30, 2018.

- We have updated Item 4, 5, 10, 12 and 14 to disclose that Robert Hanlon and Jennifer O'Hara are no longer Registered Representatives with SA Stone Wealth Management.
- We have updated our Privacy Policy and we are including it as part of our Firm Brochure.
- We have added Retirement Services. Updates have been made to Items 4 and 5.
- Our state of incorporation changed from New Jersey to Pennsylvania which prompted a new registration/CRD Number with the Securities and Exchange Commission. We have updated Item 1 to disclose the Firm's new CRD Number.

Our complete Form ADV Part 2 may be requested by contacting Robert P. Hanlon, Jr., President, at 570-992-1675 or bob@rphfinancial.com.

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#### **Item 4. Advisory Business**

RPH Financial Services, Inc. (“RPH or the Firm”) was founded by Robert P. Hanlon, Jr., in 1990. In 1998, RPH registered as an investment adviser. The sole owner of the Firm is Robert P. Hanlon, Jr., President. RPH offers a variety of investment advisory services to its clients. RPH filed a new request for registration with the Securities and Exchange Commission in August 2018, to change the state of incorporation from New Jersey to Pennsylvania.

##### **Financial Planning**

RPH offers individual financial planning services. The Firm provides individualized investment advice to clients based upon the client's specific needs. Through personal consultations, RPH gathers specific financial data to develop a client's personalized profile, which includes a client's investment objectives, current financial position, risk profile, investment time horizon, tax situation and liquidity needs. RPH does not limit its investment recommendations to any specific type of product or security. Since different types of investments typically involve different types of risk, the Firm conducts a risk analysis of the client and his/her overall portfolio, before recommending a certain investment. In general, the Firm utilizes equity investments in individual stocks, mutual funds, and exchange traded funds. RPH also provides recommendations on fixed income investments, including individual bond positions, bond mutual funds, certificates of deposit, and fixed income exchange traded funds. RPH reviews the client's personalized profile and based upon this review, develops a financial plan that is presented to the client.

Clients have continuous access to this financial plan, and changes can be made to the plan as mutually agreed upon between the client and RPH. In addition to the financial plan, in most cases RPH may develop a specific Investment Policy Statement (“IPS”) to establish a clear understanding between the client and RPH. The IPS will discuss the investment goals and objectives of client, and the management policies applicable to the client's portfolio. The IPS will assert a specific course of action with regard to the management of the client's portfolio and will make recommendations for other services RPH may provide to the client. RPH and the client will review the IPS on a regular basis, and changes will be made as necessary. The client is obligated to inform RPH of any changes in his or her investment goals and objectives or financial situation.

In most cases, development of a financial plan and IPS for a client will lead to additional services being provided to the client. Such services typically involve the development of an asset allocation model and asset management services provided as part of the wrap program described below. Clients also have the option of retaining RPH annually, to provide continuous financial planning services. Such on-going financial planning services include consultation on

the client's existing internet-based financial plan, recommendations for 401k or other retirement account allocations, and other areas of financial or estate planning.

#### Envestnet Private Wealth Management Wrap Program

Through a relationship with Envestnet Asset Management, Inc. ("Envestnet"), RPH sponsors a wrap fee program that are part of Envestnet's Private Wealth Management Program (the "Program"). In this relationship, RPH acts as the investment advisor recommending an appropriate asset allocation for the client and Envestnet acts as the "Platform Manager" for the Program. RPH and Envestnet are not affiliated other than through jointly providing services to the Program. Envestnet operates the technology platform on which the Program functions and renders investment advice to RPH and the client, including recommending specific investment managers or investment products.

The Program consists of the following options:

- Separately Managed Accounts Program (SMA)
- Multi-Manager Account Program (MMA)
- Unified Managed Account Program (UMA)
- Alternative Solutions
- Advisor Directed Models
- Third Party Wrap Strategists and Investment Models
- Mutual Fund Wrap Program
- ETF Solutions
- PMC Select Portfolios

The services provided by RPH and Envestnet in connection with the Program, include:

- Recommendations on suitable style allocations
- Identification of appropriate managers and investment vehicles suitable to the client's goals
- Evaluation of asset managers and investment vehicles meeting style and allocation criteria
- Engagement of selected asset managers and investment vehicles on behalf of the client
- Ongoing monitoring of individual asset manager's performance and management

- Review of client accounts to ensure adherence to policy guidelines and asset allocation
- Recommendations for account rebalancing, if necessary
- Online and paper reporting of client account(s) performance and progress
- Fully integrated back office support systems, including custody, trade execution, and confirmation and statement generation, either through independent sources or through Portfolio Brokerage Services, Inc., Envestnet's affiliated broker/dealer.

For a more detailed description of the Program, clients should refer to the separate wrap brochure (Form ADV Part 2A, Appendix 1) provided by RPH.

### Retirement Plan Services

RPH offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

### Fiduciary Consulting Services

RPH provides the following Fiduciary Retirement Plan Consulting Services:

- Investment Policy Statement Preparation. RPH will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Non-Discretionary Investment Advice. RPH will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- Investment Selection Services. RPH will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Investment Due Diligence Review. RPH will provide you with periodic due diligence reviews of the Plan's reports, investment options and recommendations.
- Investment Monitoring. RPH will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and RPH will make recommendations to maintain or remove and replace investment options.

- Default Investment Alternative Advice. RPH will provide you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) (“QDIA”), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. You will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- Individualized Participant Advice. Upon request, RPH will provide one-on-one advice to Plan participants regarding their individual situations.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and RPH does not serve as administrator or trustee of the plan. RPH does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

RPH acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 (“ERISA”) for purposes of providing non-discretionary investment advice only. RPH will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause RPH to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, RPH (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client’s retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client’s retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client’s retirement plan or the interpretation of Client’s retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of Client’s retirement plan as defined in ERISA.

### **Fiduciary Management Services**

RPH provides clients with the following Fiduciary Retirement Plan Management Services:

- Discretionary Management Services. RPH will provide you with continuous and ongoing supervision over the designated retirement plan assets. RPH will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with you. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.
- Discretionary Investment Selection Services. RPH will monitor the investment options of the Plan and add or remove investment options for the Plan. RPH will have discretionary authority to make all decisions regarding the investment options that will be made available to Plan participants.
- Default Investment Alternative Management. RPH will develop and actively manage qualified default investment alternative(s) (“QDIA”), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election.

If you elect to utilize any of RPH’s Fiduciary Management Services, then RPH will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and RPH hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

### **Non-Fiduciary Services**

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

RPH provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. RPH will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. RPH’s assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise



agreed upon. Plan participants are responsible for implementing transactions in their own accounts.

- Participant Enrollment. RPH will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. RPH will assist you with the establishment of a qualified plan by working with you and a selected Third-Party Administrator. If you have not already selected a Third-Party Administrator, we shall assist you with the review and selection of a Third-Party Administrator for the Plan.
- Due Diligence Review. RPH will provide you with periodic due diligence reviews of your Plan's fees and expenses and your Plan's service providers.
- Fiduciary File Set-up. RPH will help you establish a "fiduciary file" for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. RPH will provide you benchmarking services and will provide analysis concerning the operations of the Plan.

We can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, RPH cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is

an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

RPH will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

#### General Information Related to Investment Recommendations

RPH provides advice related to insurance products and may also provide advice on other non-securities topics such as wills, estate planning, charitable donations, mortgages, employment contracts and other business or financial planning topics. In some cases, RPH may recommend the purchase or sale of derivative products, including options contracts.

#### Assets Under Management

As of December 31, 2018, RPH manages \$150,909,599 in assets. All assets are managed on a discretionary basis.

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

#### Financial Planning

For financial planning clients, RPH will charge fees based on an hourly rate of \$300 - \$400 per hour, or on a flat-fee basis depending on the complexity of the financial plan. Flat fee charges will vary depending on the level of detail and complexity of the plan but will

generally not exceed \$6,000. All clients will be subject to a minimum financial planning fee of \$3,500, which may be waived at the sole discretion of RPH. If a client is currently receiving asset management services from RPH for an asset management fee, RPH does not charge a fee for financial planning services. The financial planning fee will be waived for family members of RPH.

A payment of \$1,000 is due at the time a financial planning agreement is executed, with the balance due upon completion of the plan. Clients may cancel a financial planning agreement within five business days for a full refund. If a client cancels a financial planning agreement following the fifth business day the client will be entitled to a pro-rata refund and RPH may retain up to 50% of the fee paid.

In the years following the development of the initial financial plan, financial planning clients will incur an annual retainer fee of \$1,200. The retainer fee will entitle clients to continued support, including timely telephone and e-mail responses to address issues pertaining to investment planning and reallocation of 401(k) investments, readdressing retirement planning, modifications to option strategies due to AMT, concerns about estate planning, leasing, financing, college planning, investment or vacation properties, evaluating compensation packages, assessing corporate benefit changes through a client's employer including long term incentive choices, and much more.

#### Envestnet Private Wealth Management Program

For clients choosing to participate in the asset allocation programs offered through Envestnet (the "Program(s)"), RPH charges wrap fees as a percentage of assets under management. Clients in the Programs pay a program fee (each, a "Program Fee") from which Envestnet pays the sub-managers and the account administration fee (which generally includes charges for custody, brokerage and account reporting). The Program Fee also includes RPH's advisory fee, asset management services comprised of client profiling, strategic asset allocation, style allocation, research and evaluation of investment managers, ongoing monitoring of manager and account performance, asset manager hiring and termination, account rebalancing, account reporting, and other operational and administrative services.

The maximum annual fee charged to the client will be 2.0%. The fee charged is negotiable based on the client's program selection through Envestnet (MMA, SMA, UMA, Advisor Directed, Mutual Fund Choice, FSP), the type of client, the complexity of the client's situation, the composition of the client's Account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

Long-term clients and family members may have originally received a lower rate for services and are allowed to remain at this rate.

The fee charged depends on manager(s) selected. Fees are calculated on a per account basis. Mutual funds, ETFs and alternative investments charge their own fees for investing the pool of assets in the respective investment vehicle. These fees are in addition to and separate from the management fee charged by RPH and Envestnet. Please see the prospectus or related disclosure document for information regarding these fees.

Envestnet, its affiliates or the custodian will receive 12b-1 fees from mutual funds in which Clients invest. RPH or the client will not receive a portion of any distribution or Rule 12b-1 fees earned by Envestnet or any other party.

Program Fees are billed on a quarterly basis, in advance based upon the market value of the Household Assets, on the last day of the previous quarter, as valued by the custodian. The asset-based fee for the initial quarter shall be calculated on a pro rata basis commencing on the day the Household Assets are initially designated to us for Discretionary Asset Management Services. The Program Fee will vary with the amount of assets under management and the particular investment styles and investment options chosen or recommended. Clients may receive comparable services from other sources for fees that are lower or higher than those charged by Envestnet.

If there is insufficient cash in the Accounts at the time the Program Fee is to be debited from the Accounts, the client understands and acknowledges that Platform Manager or Sub-Managers may sell an amount of Program Assets to generate sufficient cash to pay the Program Fee. This may create a taxable gain or tax loss for the Client. If Program Assets are illiquid and Platform Manager or a designated Sub-Manager determines that the sale of Program Assets to pay the Program Fee is not feasible, Platform Manager will send the client an invoice for the Program Fee for the quarter. For reporting only accounts or any other account that necessitates it, another designated Client account will be billed for the Program Fee. The Client agrees to pay this invoice within ten (10) days of receipt.

The specific Program fee schedule is disclosed to clients in the Wrap Brochure. The fee charged depends on manager(s) selected. Fees are calculated on a per account basis. Mutual funds, ETFs and alternative investments charge their own fees for investing the pool of assets in the respective investment vehicle. Please see the prospectus or related disclosure document for information regarding these fees.

Envestnet, its affiliates or the custodian will receive 12b-1 fees from mutual funds in which Clients invest. RPH or the client will not receive a portion of any distribution or Rule 12b-1 fees earned by Envestnet or any other party.

### Retirement Plan Services

For retirement plan sponsor clients, RPH will charge an annual fee that is calculated as a percentage of the value of plan assets. This fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested, the representative providing the services and the potential for additional deposits.

If RPH charges an annual fee based upon the value of the plan assets, we charge an annual fee of 2%.

For individual participants, we do not charge a fee for our services.

For retirement plan sponsors and participants, fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Fee will be directly deducted from clients' accounts. Clients are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to RPH. We will provide the custodian with a fee notification statement.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

RPH does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against [my][our] stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### General Information Regarding Fees and Account Termination

While RPH has established a specific fee schedule for the Programs, the Firm may negotiate fees under certain, limited circumstances, at its sole discretion. Factors considered when determining whether a different fee will be negotiated include, among other things, the complexity of the client's financial situation, related accounts under management, portfolio style, and other services provided to the client

In addition to advisory fees, clients will be subject to custodial and account fees charged by account custodians or broker/dealers with whom clients establish accounts. Such additional fees may include, but are not limited to, transaction charges, IRA fees and other account

administrative fees, if applicable. In cases where shares of mutual funds or exchange traded funds are included in clients' portfolios, clients will also be subject to fees and expenses charged directly by the mutual fund or exchange traded fund company. Such fees may include, but are not limited to, management fees, fund expenses, distribution fees, and 12b-1 fees. Clients should refer to the applicable product prospectus for a complete discussion of the fees and charges associated with the product.

If Assets are deposited into an Account after the inception of a quarter that in aggregate, exceed \$10,000, the Advisory Fee payable with respect to the Assets will be prorated based on the number of days remaining in the quarter. Clients may withdraw Assets from the Account after providing us with notice. All withdrawals are subject to customary securities settlement procedures. For partial withdrawals in an excess of \$10,000, in aggregate within a period, Advisory Fees will be adjusted, and any unearned Advisory Fee will be refunded to the client as early as the preceding month-end.

If an engagement is terminated after more than five business days, clients will be assessed fees on a pro-rata basis. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

#### Compensation – Insurance Agent

If RPH's clients purchase insurance products from investment adviser representatives ("IAR") of RPH, clients will pay a normal and customary insurance commission for the purchase of the product. In these cases, the IAR will receive a commission, as an insurance agent, generally based upon a percentage of the premiums paid. Such insurance commission is paid directly to the IAR from the issuer of the insurance product.

Receipt of these payments presents a conflict of interest in that the IAR has an incentive to recommend certain investments for which he/she will receive additional payment. RPH and the IAR endeavor at all times to recommend only those investments that meet clients' needs and objectives, regardless of the potential for receiving additional payment. In cases where additional compensation will be received, such payment will be disclosed to clients prior to the transaction being placed. Clients may choose not to implement any recommendations made by the IAR.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

RPH does not charge performance-based fees. No portion of the asset-based fee is calculated on the performance of the Account.

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

RPH provides investment advisory services to individuals, high-net worth individuals, non-profit trade organizations, and trusts.

RPH typically requires a minimum account size of \$1,000,000. Clients opting to participate in the Envestnet Programs may have to meet specific Program minimums as described in the Wrap Brochure. Household accounts may be aggregated to meet these minimums and such minimums may be waived at RPH's sole discretion.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

RPH uses various methods of analysis in formulating the investment advice offered on behalf of the Firm. For financial planning clients, RPH takes a holistic approach to evaluate an overall financial plan, portfolio strategy and asset allocation that meets a client's needs and objectives. Rather than focusing on specific investments, RPH identifies an appropriate ratio of securities, fixed income investments, non-securities investments and cash, to build a financial plan that is suitable for a client's investment needs, objectives and risk tolerance. RPH typically does not recommend frequent and short-term trading strategies for its clients.

RPH conducts its research on the investments it recommends using publicly available performance information. RPH utilizes the expertise and experience of Envestnet to evaluate the experience and track record of product managers and determine whether a manager has demonstrated the ability to manage assets under varying economic situations.

On an annual basis RPH reviews asset class allocation for each client and will adjust as necessary. RPH reviews manager performance at least once per year and the RPH investment committee will provide written recommendation if any changes are necessary.

If a manager is replaced, capital gain impact is considered and reviewed with client. Investment manager's minimums may restrict ability to change at one point in time.

If a client needs to deposit or withdraw monies from their Envestnet portfolio, taxes are a secondary consideration. RPH has an internal policy that no more than 5% of the client's working capital is invested or withdrawn whenever possible.

When a manager is removed from the Investment Process and cannot be replaced immediately, within 5 years we will automatically purge any remaining position from the platform.

Every manager (whether approved by Envestnet or not) is analyzed with its respective performance data and statistics. Whenever possible our process places an emphasis towards performance over a 5-year time frame. The managers who rank at the top 15% of 5yr performance are tested against each other using various criteria.

While a manager may have demonstrated a certain level of success in past economic times, he or she may not be able to replicate that success in future markets. Past performance is not a guarantee of future results. In addition, just because a manager may have invested in a certain manner in past years, such manager may deviate from his/her strategy in future years. To mitigate this risk, RPH attempts to select investments from companies with proven track records that have demonstrated a consistent level of performance and success. RPH also relies on an assumption that the rating agencies it uses to evaluate investments are providing accurate and unbiased analysis.

RPH uses investment management strategies that it feels best meet its clients' needs and objectives. Such strategies typically include long-term investment strategies of holding investments for a year or longer. While this strategy typically meets the needs and objectives of clients, long-term investment strategies may include the risk of not taking advantage of short-term gains that could be profitable to a client.

In addition, all securities investments involve risk and clients may lose all or part of their investment. Clients who elect to invest in securities must be willing to bear this risk. For this reason, RPH takes extra care to determine an appropriate risk tolerance of its clients. Investment recommendations are always made with this risk tolerance in mind.

For the Envestnet Programs, Envestnet's research team has responsibility for asset manager and investment vehicle evaluation. RPH uses this evaluation in addition to its own analysis of asset managers and investment vehicle evaluation to construct client portfolios and develop client asset allocations.

For asset allocation and portfolio construction, RPH uses demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. RPH uses Envestnet's proprietary analytical tools and commercially available optimization software applications to develop its asset allocation strategies. Factors used as inputs in the asset allocation process include historical rates of risk and return on various asset classes, correlation across asset classes, and risk premiums, among others.

## **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 RPH or the integrity of RPH's management. RPH has no reportable information applicable to this Item.



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

RPH is not registered as a broker-dealer, a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

### ***Insurance Agent***

Some investment adviser representatives (“IARs”) are licensed as insurance agents. If clients purchase insurance products through an IAR, he/she will receive separate, yet customary compensation in the form of an insurance commission.

While RPH and IARs always endeavor to put clients’ interests first and foremost, clients should be aware that the receipt of additional compensation itself creates a conflict of interest when making insurance recommendations. To address the conflict of interest, IAR makes certain to disclose to clients, any fees or compensation associated with recommended insurance products. Clients are provided with applicable product offering materials that discuss the fees associated with the applicable product. Clients are also asked to sign applicable disclosure documents and applications that point out important product features and fees. IAR makes product recommendations that he/she feels are in the client’s best interest and are based on the specific needs and objectives of the client, not the compensation potential of the product.

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

RPH has adopted a Code of Ethics to promote the principles of honesty and integrity in its business practices, and to maintain RPH’s reputation as a Firm that operates with the highest level of professionalism. RPH recognizes its fiduciary responsibilities to its clients, and its duty to place clients’ interests first and foremost. In connection with this duty, all employees of RPH are subject to the Firm’s Code of Ethics and are required to acknowledge their understanding of its terms. A copy of the RPH Code of Ethics will be provided to any client or prospective client upon request.

RPH’s Code of Ethics establishes procedures for employees to report personal securities transactions and personal securities holdings. The Code sets forth procedures for management review of these reports. In some cases, RPH’s owners, officers or employees (“employees”) may be required to obtain pre-approval for certain personal securities transactions or refrain from certain transactions altogether. RPH’s Code of Ethics also sets forth the obligation of all RPH employees to comply with applicable state and federal securities laws, and the duty to cooperate in any investigation or inquiry conducted on or by

RPH. Finally, RPH's Code of Ethics establishes procedures for the reporting of any potential violation of the Firm's Code.

RPH or its employees may buy or sell securities that are the same or different than those they recommend to clients. While buying or selling the same security as a client would be incidental, it can represent a conflict of interest, which would be fully disclosed to the client. RPH or its owners, officers and employees may not sell securities from their accounts directly to a client, nor may they purchase securities directly from a client. RPH, its owners, officers and employees are prohibited from trading on material nonpublic information. RPH does not trade ahead of clients, but instead puts clients' interests first. Employees may not purchase or sell any security prior to a transaction being implemented for an advisory client, unless the timing of such transaction was done without the employee's knowledge of a client's transaction. RPH endeavors to ensure that the personal trading activities of its owners, officers and employees do not interfere with the decision-making process for client investment recommendations. RPH also endeavors to ensure that the personal trading activities of its owners, officers and employees do not interfere with the implementation of investment recommendations made to clients.

RPH prohibits its owners, officers, and employees from participating in any principal transactions, where securities are purchased directly from, or sold directly to a client. RPH also prohibits its owners, officers and employees from purchasing shares in initial public offerings or private placement offerings, unless express written permission is provided in advance, by the Firm's Chief Compliance Officer. RPH, its owners, officers and employees, do not recommend to clients that they buy or sell securities in which a person associated with RPH has a material financial interest.

## **Item 12. Brokerage Practices**

RPH does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

RPH recommends broker/dealers to clients. However, RPH will not receive client referrals from broker/dealers when recommending such broker/dealers. Clients are free to implement investment recommendations at broker-dealers of their choice; however, if clients choose to implement transactions at firms other than those recommended by RPH, Mr. Hanlon may be unable to provide investment advisory services for those assets.

Currently, we require the use of Pershing as your qualified custodian. For Financial Planning clients, RPH recommends that clients execute recommended advisory transactions through Pershing also.

While no client is required to select Pershing for execution and custodial services, RPH may be unable to provide investment advisory services to clients who elect to use other firms. RPH does not have discretionary authority to select broker/dealers for clients. However, the Firm routinely recommends that clients utilize the custodial services offered by Pershing, unlike other advisors who may permit clients to direct brokerage.

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest.

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used custodian, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Quality of execution for custodians will be reviewed through trade journal evaluations.

Investment advisory services offered by RPH may cost a client more or less than similar investment advisory services offered by another firm, or by purchasing similar services separately.

Clients that participate in the Envestnet Programs are required to grant full discretionary investment authority to Envestnet and to RPH. A more complete discussion of Envestnet's discretionary authority is included in the Wrap Brochure.

Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity. RPH does not aggregate or block trades. As a result, clients purchasing securities around the same time may receive a lower or higher price than other clients. As to transaction costs, trades enacted on the Pershing platform are charged transaction fees at the account level, therefore there would be no transaction cost benefit to block trading versus trading each account separately.

### **Item 13. Review of Accounts**

Accounts are reviewed regularly by RPH's President Robert P. Hanlon, Jr., in the context of the client's stated investment needs and objectives. RPH's President or his delegate meets with clients at least annually, to determine whether the client's portfolio continues to meet the client's investment objectives, risk tolerance, and RPH's standards of performance.

Changes in a client's financial situation or investment objectives, or significant economic, political or market changes may result in more frequent account reviews.

Financial planning clients receive direct access to a financial plan, which is available as long as the client relationship exists. Clients may receive an Investment Policy Statement created as part of the financial planning process.

For clients that participate in the Envestnet Programs, reviews are conducted by Robert Hanlon or his delegate to ensure conformity to investment policy guidelines, established asset allocation strategies and the stated needs of and objectives of the individual client.

Reviews are conducted at least annually and as market conditions warrant. Clients will receive periodic statements from the custodian providing a detailed list of holdings with valuations and account activity. Clients will not receive confirmations of all securities transactions from the clearing firm unless the client specifically requests to receive them. Confirmations are available for viewing on the Envestnet website, to which clients receive access. In addition, the client will receive a quarterly electronic statement from Envestnet showing the allocation of the assets in the account as well as the performance of the account during the previous quarter. All statements and client communications will be made available to client in an electronic format, and paper copies will not be sent unless specifically requested by client.

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

RPH does not directly or indirectly compensate any person for client referrals.

As part of its holistic approach to financial planning, RPH may also refer clients to other professionals from whom clients may receive specific necessary services. For example, RPH may refer clients to certain attorneys or CPAs if legal or accounting services are needed. In these cases, RPH is not affiliated with these other services providers, nor compensated for the referrals. While RPH believes these services providers will provide clients with qualified and competent advice at fair and competitive fees, RPH is not liable for, and does not take responsibility for the advice and/or services provided by these professionals. Clients may choose to work with these professionals at their sole discretion.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. RPH receives no other forms of compensation in connection with providing investment advice. *Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

## **Item 15. Custody**

RPH does not maintain custody of client funds or securities, except to the extent that it has the ability to debit advisory fees directly from client accounts, as agreed to in writing by the client. Clients receive normal and customary custodial account statements that detail the amount of advisory fees debited from an account. Clients are responsible for verifying the accuracy of the fees debited, as custodians do not verify accuracy. Clients are also strongly encouraged to compare information provided on custodial statements against any reports or information provided by RPH.

## **Item 16. Investment Discretion**

RPH may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows RPH to execute trades on behalf of clients.

When such limited powers exist between RPH and the client, RPH has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, RPH may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to RPH in writing.

Clients who participate in the Envestnet Programs grant discretionary authority to Envestnet and RPH as described in Program offering documents and Wrap Brochure.

As noted in a client's Investment Policy Statement ("IPS") RPH will, at clients' written agreement, reallocate or rebalance existing investment accounts to ensure accounts stay consistent with the client's affirmed asset allocation guidelines. From time to time, market conditions or manager performance may cause the overall portfolio to vary from the affirmed asset allocation. To remain consistent with the affirmed asset allocation guidelines established in the IPS, the portfolio will be reviewed periodically by RPH to determine if rebalancing is needed. This review may take place at any time as market conditions change but will be reviewed no less than annually.

Rebalancing the overall portfolio may result in withdrawing assets from one investment manager and moving those assets to another manager within a different asset class. This procedure can and will necessitate the purchase and/or sales of securities which may create the recognition of capital gains and capital losses. It is recognized by the client that this rebalancing procedure is necessary to achieve long-term goals and keep the client's portfolio in line with the original asset allocation request. RPH has full authority to rebalance any accounts or the overall portfolio on a client's behalf. Such prior consent is granted by the client's written affirmation of the IPS. Any rebalancing necessary will be communicated to

clients in the form of an email or phone call from RPH and will be in line with the agreed upon asset allocation as noted in the IPS. Prior to making any rebalancing decisions, tax consequences will be taken into high consideration. In some instances, it may not make sense from a tax stand point to rebalance the account. Every effort will be made to harvest future tax losses to offset any gains acquired from the rebalancing procedure.

#### **Item 17. Voting Client Securities**

RPH does not accept authority to vote client securities on behalf of clients. Clients retain all rights to their brokerage accounts, including the right to vote proxies. Clients are responsible for requesting that custodians forward copies of all proxies and shareholder communications directly to them. While RPH may provide information or consultation to assist a client in deciding how to vote a particular security, the ultimate decision and responsibility to vote a proxy lies with the client.

For clients that participate in the Envestnet Programs, clients appoint Envestnet to vote proxies on their behalf. Envestnet generally delegates proxy voting to the asset managers to whom it allocates client assets. Envestnet maintains copies of the asset managers' proxy voting procedures on file for as long as Envestnet has clients whose assets are being managed by such asset managers.

In the unlikely event that Envestnet becomes responsible for voting proxies relating to securities held by its clients, Envestnet has developed appropriate principles, policies and procedures to ensure that such proxies are voted in the best interests of Envestnet's clients. These principles, policies and procedures are relatively general in nature to allow Envestnet the flexibility and discretion to use its business judgment in making appropriate decisions with respect to client proxies.

Envestnet acknowledges and agrees that it has a fiduciary obligation to its clients to ensure that any proxies for which it has voting authority are voted solely in the best interests and for the exclusive benefit of its clients. The policies are intended to guide Envestnet and its personnel in ensuring that proxies are voted in such manner without limiting the Envestnet or its personnel in specific situations to vote in a pre-determined manner. These policies are designed to assist Envestnet in identifying and resolving any conflicts of interest it may have in voting client proxies.

A copy of Envestnet's client Proxy Voting Policies and Procedures can be obtained by contacting the following individual at Envestnet: Debra Jane DeVoe, (312)827-7950, email: [debra.devoe@envestnet.com](mailto:debra.devoe@envestnet.com).

## **Item 18. Financial Information**

RPH does not require or solicit prepayment of more than \$1,200 in advisory fees more than six months in advance of services rendered. RPH is therefore not required to include a financial statement or balance sheet with this brochure.

RPH does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. RPH has never been the subject of any bankruptcy petition.

### **Customer Privacy Policy Notice**

**Commitment to Your Private Information:** RPH has a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you (“Information”) with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy

Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.