

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page



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Firm Brochure
(Part 2A of Form ADV)
March 11, 2019

This Brochure provides information about the qualifications and business practices of *PlanAndAct*. If you have any questions about the contents of this Brochure, please contact us at the phone or email listed above. 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.

PlanAndAct is a State of Colorado Registered Investment Adviser. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor.

Additional information about *PlanAndAct* is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD # is 148453

Additional information about Robert J. Schumann is available on the SEC's website at www.adviserinfo.sec.gov. The searchable CRD # is 2518448

Item 2 Material Changes

Plan&Act (PAA), is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Since the last annual amendment filed on 3/30/2018, the following material changes have been made:

Item 4- Advisory Business: Registration with the state of Colorado and withdrawal of SEC registration which relied on rule 203-2(e) under the Investment Advisers Act of 1940. Added description of advisory services other than interactive website.

Item 5 – Fees & Compensation: Added new fees.

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Item 4 Advisory Business

Plan&Act (PAA) was founded in 2008 by David Ron, Robert J. Schumann, Larry J. Soukup and Eldad Taub under the legal name of FinancialAdvice4Me, LLC. The business purpose is to deliver affordable, fee-only, financial planning to the majority of Americans who do not have sufficient investable assets to manage and/or desire conflict free, fiduciary advice to build wealth and convert it into retirement income. Each client is interviewed in an online “chat”. A rules-based “expert system” synthesizes client data and delivers a comprehensive and progressive “next step” planning process for wealth accumulation or conversion to retirement income. The expert system is based on thirty years of experience and several thousand cases. The system applies current tax law and the most recent developments in those areas of personal finance that affect the majority of US households.

Until this filing PAA was an SEC-registered internet investment adviser relying on rule 203A-2(e) under the Investment Advisers Act of 1940. An internet investment adviser provides investment advice to all its you exclusively through an interactive website. The rule defines "interactive website" as a website in which computer software-based models or applications provide investment advice to you based on personal information provided by you through the website.

PAA is now a Colorado registered investment advisor offering coaching and implementation services in addition to the dynamic financial plan created by the expert system.

Principal Owners

Ownership is as follows:

TKT, LTD	81.30%
Financial Stages, LLC	17.94%
Online365, LTD	.76%

Types of Advisory Services

The Challenge:

Why do 65-71% of Americans have less than \$1000 in savings? Why are we as a nation facing a retirement crisis?

1. People never clearly quantify retirement goals or they make it an abstract, moving target
2. They never make accumulating wealth and the option to retire an absolute must.
3. They don't have a realistic plan.
4. They fail to follow through on their plan.
5. They delegate the responsibility to perceived experts instead of making themselves responsible
6. The work with conflicted sellers of products instead of professional CFP® practitioners who are also fiduciary investment advisers.
7. They give up when they face major challenges.
8. They are consumers only and never become owners of the American economy.
9. They allow the optimism or pessimism of others to affect the intelligent implementation of their plan.
10. They don't get results coaching.

The Solution

We help you build financial wealth and convert it to retirement income. Through our interactive website, www.planandact.com, we start with a free assessment of your current position versus the standard age-based position for your demographic on a Financial Life Cycle. Then we offer a Four Stage Financial Progress engagement with observations and recommendations matching your need to either build wealth or convert it into retirement income. The financial plan gives specific, actionable recommendations to either close the gap or convert your wealth to inflation adjusted income. There may be anywhere from 10-30+ recommendations for paying off debt, saving, reducing income taxes, reducing spending, increasing income, how to select mutual funds, how to reduce investment expenses, obtain or revise insurance coverage, commence or alter retirement savings, create wills or trusts, or establish education or charitable giving programs. The plan generally includes investment education (how anyone can become an owner of the American economy) and asset allocation models with a list of suitable no-load mutual funds Exchange Traded Funds (ETF) to implement the investment advice.

The topic covered include, but are not limited to the following:

1. Determination of age and wealth positions on a ten-stage financial life cycle
2. Calculation of net worth
3. Recommendations regarding the appropriate accumulation, conservation or distribution strategy
4. Income tax planning
5. Budgeting/cash flow
6. Real estate analysis

7. Debt or wealth restructuring
8. Life insurance analysis
9. Retirement accumulation planning
10. Retirement income planning
11. Children's education planning
12. Liquidity (emergency fund) planning
13. Portfolio analysis
14. Measurement of investor risk profile which includes:
 - a. Risk capacity (financial)
 - b. Risk required (financial)
 - c. Risk tolerance (psychological)
15. Asset allocation model to match risk profile
16. Investor education and principles for security selection

You are free to implement the plan yourself or to take it to your own advisor. If you desire our assistance with implementation or more specific investment advice not available through our interactive website, we offer telephone and video meetings. We help you set up accounts with access to no-load Vanguard and Dimensional mutual funds on our institutional platform at TD Ameritrade.

After you engage our services with electronic signature of the Four Stage Financial Progress Agreement, you will have access to numerous tools and services suitable to your needs and the level of service you selected.

You should know that in performing our services, we are not required to verify any information received from you or other professionals, and you expressly authorize us to rely on the information as provided.

Item 5 Fees and Compensation (Correspond to four services in Item 4)

Financial planning, coaching and investment advisory services to individuals – We offer a free assessment of your financial situation. Then we offer a four-stage Financial Progress Engagement with a combination of a flat planning fee plus an Assets Under Advisement (AUA) fee for the advisory service.

- a. ***Silver*** – Flat fee of \$29/mo or \$299/year
- b. ***Gold*** – Flat fee of \$95/month or \$995/year
- c. ***Platinum*** – Flat fee of \$159/month or \$1700/year which includes investable assets up to \$100,000.
- d. ***Diamond*** – Flat fee of \$159/month or \$1700/year plus a declining marginal advisory fee.

• \$100,001 - \$500,000	0.75%
• \$500,001 - \$1,000,000	0.50%
• \$1,000,001 - \$5,000,000	0.20%
• \$5,000,001 - \$10,000,000	0.10%

This platform is not suitable for individuals with assets greater than \$10,000,000

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

We do 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

PAA provides financial wellness, coaching, fiduciary training, assessments and investment advisory services to individuals only.

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

Methods of Analysis

PAA accepts Modern Portfolio Theory (MPT) which trvrirbrf the 1990 Nobel Prize and the Equilibrium or Efficient Market Hypothesis (EMH) which received the 2013 Nobel Prize. After subtracting for costs there is little or no advantage in spending investor money on expensive security analysis in search for “mispriced” securities. Academic research indicates the capital markets for buying and selling publicly traded businesses and financial securities are just as efficient as free markets for other goods and services. After accounting for transaction costs, the laws of arithmetic would have to be suspended for investors to outperform the market since the market has no cost to invest in itself. All investors are the market. This means investing is a zero-sum game. A company creates value when for example, it gathers materials like aluminum, steel and cloth and uses those materials to build an automobile or airplane. Analyzing that company’s financial data and then purchasing its securities adds ZERO value to the company. It just incurs costs that reduce investor return. That’s what academics mean when they say “Investing is a ZERO SUM game.”

Investment Strategies

Because we accept MPT and EMH, we believe in passive investment management utilizing asset class, factor based diversification implemented with low cost investment vehicles. Passive management means that we will not spend investor money on expensive security analysis in search for “mispriced” securities. We recommend primarily no-load Vanguard or DFA mutual funds, money market funds or exchange traded funds to implement the recommended strategy.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. While we will use our best judgment and good faith efforts in rendering services to you, not every investment decision or recommendation made by us will be profitable. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Investment decisions are subject to various market cycles, currency, economic, political and business risks. You assume all market risk involved.

The greatest risks to retirement income are sequence of returns, inflation and interest rates.

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 PAA or the integrity of PAA’s management. We have not experienced any legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

Robert Schumann is a minority owner of Cambridge Financial Advisors, LLC, a Colorado limited liability company which provides financial planning and investment advisory services. There are 5 partners and Investment Advisor Representatives working in this business with two support staff persons. The firm is primarily a financial planning firm working with individuals and has about \$90,000,000 Assets Under Management. An average of 20-30 hours per week are spent in this activity.

Robert Schumann is the sole owner of Cambridge Pension Advisors, LLC, a Colorado limited liability company which provides pension consulting, pension solutions and employee wellness services to small businesses and non-profit organizations. An average of 10 hours per week are spent in this activity.

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

PAA seeks to avoid material conflicts of interest. Accordingly, neither PAA nor its Investment Adviser Representatives nor its team members receive any third party direct monetary compensation (i.e., commissions,

12b1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies. Although PAA believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain, you should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest. In any event, PAA will disclose to advisory you any material conflict of interest relating to PAA, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Code of Ethics

PAA 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 you. 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 of PAA must acknowledge the terms of the Code of Ethics annually, or as amended. Additionally, PAA follows the 21 fiduciary practices standards established by CEFEX for Financial Advisors (www.cefex.org).

Participation or Interest in Client Transactions and Personal Trading

PAA and its related persons, as a matter of policy, do not recommend to you, or buy or sell for client accounts, securities in which the firm or its related persons has a material financial interest. PAA or individuals associated with PAA may buy and sell some of the same securities for its or your own accounts that PAA buys and sells for its you. When appropriate, PAA or individuals associated with PAA will purchase or sell securities for you before purchasing or selling the same securities for its or your own accounts. In some cases PAA may buy or sell securities for its own account for reasons not related to the strategies adopted by PAA's you. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of advisory you while at the same time, allowing employees to invest for your own accounts.

Certain classes of securities, such as open-ended mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of PAA's you. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as you, there is a possibility that employees might somehow benefit from the market activity of a client. Accordingly, when applicable, Employee trading is monitored under the Code of Ethics, and actions are taken to reasonably prevent conflicts of interest between PAA and its you.

PAA will disclose to advisory you any material conflict of interest relating to PAA, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice. PAA will notify you in advance of its policies in respect to officer's trading for your own account including the potential conflict of interest that arises when recommending securities to you in which PAA or its principals hold a material position.

Item 12 Brokerage Practices

Custodians compete for adviser business by offering "soft dollar" benefits such as research and other products and services. These benefits may include lower transaction costs, access to proprietary research services, newsletters and other brokerage services not available to the retail public. Even though most of these soft dollar benefits may flow through to the client, they do create a conflict of interest for PAA. We may be required to direct business to a particular broker-dealer in order to obtain one or more of these benefits without cost. This could result in a client paying a greater brokerage commission or markup or markdown for a securities transaction than what might be available from a different custodian. PAA is offered research and other eligible brokerage services which are defined as "soft dollar benefits" as a result of the custodian which it recommends. Because we believe in passive management and use primarily low cost, DFA and Vanguard mutual funds or ETFs, most of these research services offer little or no value to PAA or to you.

The broker or custodian recommended will generally be TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC. Factors influencing the decision include TD Ameritrade's low costs, financial strength, historical support for the fiduciary standard, best execution policy, breadth of no-load mutual funds which include DFA and Vanguard funds, no transaction fee products (in particular, passively managed ETFs), transaction charges, adviser and client support and account statements. As far as we were able to determine, this decision will result in paying competitive commissions and other transaction related expenses across all accounts. PAA does not receive any portion of these commissions and other transaction related expenses charged by the custodian.

To mitigate the conflict PAA reviews custodians every 3-5 years to determine if the current recommendations are still in your best interest.

Item 13 Review of Accounts

PAA is responsible for monitoring accounts and making changes when needed. The frequency of investment review will be no less than quarterly. A review or change may also be triggered by your request, a change in your situation, vendor review, new information about a particular investment or new academic research that warrants a change in investment strategy. Reviewer is Robert J. Schumann.

Item 14 Client Referrals and Other Compensation

PAA is a fee-only, financial planning and investment advisory firm and does not sell insurance or investment products. Nor does it accept commissions as a result of any product or security it recommends. PAA does not pay referral or finder's fees, nor does it accept such fees from other firms.

Item 15 Custody

SEC rules and similar state statutes define custody by investment advisers as holding client funds or securities, directly or indirectly, or having the authority to obtain possession of them. For example, advisers have custody where the adviser has possession of client funds and securities or has power of attorney to sign checks on a client's behalf, to withdraw funds or securities from the client's account, including fees, or to otherwise dispose of a client's assets for any purpose other than authorized trading.

PAA will not take custody of client accounts, securities or money. PAA will, with your written approval, make arrangements with your account custodian to withdraw our fee from investment accounts on which we are listed as an adviser. In these cases we would be considered to have constructive custody of your funds. Depending on the situation and engagement contract, either we, the custodian or the record keeper, will supply you with an invoice detailing the fee information.

You will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains your investment assets. These statements will show all distributions, including the amount of our fee. We urge you to carefully review such statements and compare such official custodial records to any statements that we may provide to you or any personal records that you maintain. PAA may also provide you with periodic reports on your account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 Investment Discretion

Investment discretion means: "having, the sole or shared authority (whether or not that authority is exercised) to determine what securities or other assets to purchase or sell on behalf of the account." We do not accept discretion over individual accounts, including individual retirement accounts within a 401k plan. You are responsible for the decision of whether or not to follow any of our recommendations.

Item 17 Voting Client Securities

As a matter of firm policy and practice, PAA does not have any authority to and does not vote proxies on behalf of advisory you. You retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 Financial Information

Registered Investment Advisers are required to provide you with certain financial information or disclosures about your financial condition. PAA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to you, and has not been the subject of any bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

As a general standard, an undergraduate degree and relevant fiduciary and investment advisory experience are required. In addition, any individual involved in determining or giving investment advice to you will be licensed or registered in the states in which they provide investment advisory service.

Robert J. Schumann**Licenses and Education**

- ☐ BA – Northwestern College (1974)
- ☐ MDiv – Wisconsin Lutheran Seminary (1978)
- ☐ MA – University of Wisconsin-Madison (1982)
- ☐ MBA – The Ohio State University, Columbus, OH (1996)
- ☐ CFP® - Certified Financial Planner® designee
- ☐ AIFA® -Accredited Investment Fiduciary Analyst
- ☐ Member, Alliance of Comprehensive Planners

Business Experience

- ☐ Member, Senior Advisor and Chief Compliance Officer, Cambridge Financial Advisors, LLC, Buena Vista, CO, November 2007 to present. Approximate hours per month: 80.
- ☐ Chief Advice Officer and Chief Compliance Officer, FinancialAdvice4Me, LLC d/b/a Plan&Act, Buena Vista, CO. September 2008 to present. Approximate hours per month 10.
- ☐ Owner, Cambridge Pension Advisors, LLC, Salida, CO, April 2011 to present. Approximate hrs per mo 20.
- ☐ Owner, Cambridge Financial Advisors, LLC, Gahanna, OH – 1997 to 2007 (Financial Planner)
- ☐ Registered Representative, Aid Association for Lutherans and AAL Capital Management, Inc., Columbus, OH – 1994 to 1999 (Personal Financial Advisor-sales of insurance and investment products).

Neither PAA nor any management personnel of PAA have ever been found liable or required to pay any award for an arbitration claim or other civil proceeding related to an investment related activity. PAA does not have any relationship or arrangement with any issuer of securities.