

**Item 1 – Cover Page**



# HERITAGE

## Financial Advisors

*Building your legacy together.*

103 North River Road/Suite A  
Waterville, Ohio 43566  
(419) 887-5887

[www.HeritageFA.com](http://www.HeritageFA.com)

Form ADV Part 2  
Advisory Brochure  
March 20, 2019

This brochure provides clients and prospective clients with information about Heritage Financial Advisors, LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client.

The contents of this brochure have not been approved or verified by the Securities and Exchange Commission (SEC) or any other state or federal authority. While the firm is an investment advisor registered with the SEC and notice-filed with the State of Ohio, registration alone does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Questions relative to this ADV Part 2 may be made to the attention of our Chief Compliance Officer, Ms. Sasha Wright, CFP® at 419-887-5887. Additional information about the firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2- Material Changes**

The firm has amended its Form ADV Part 2A brochure from the previous version filed March 30, 2018 as part of its annual updating amendment. The firm's reportable assets under management as of its most recent fiscal year-end are disclosed in Item 4. In addition, the firm is now registered with the Securities and Exchange Commission (SEC) as noted in Item 4. Information about the firm's associated persons, previously found in Item 19, can now be found in the accompanying Form ADV Part 2B per SEC guidelines.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) or you may contact our firm at 419-887-5887.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

## **Important Information**

Throughout this document, Heritage Financial Advisors, LLC shall also be referred to as the "firm," "our," "we" or "us." These terms are utilized for the reader's ease of use while reviewing the brochure and are not meant to imply the firm is larger than it actually may be at the time of publication. The client or prospective client may also be referred to as "you," "your," etc., and refers to a client engagement involving a single *person* as well as two or more *persons*. The term "advisor" and "adviser" are used interchangeably where accuracy in identification is necessary (i.e., Internet address, etc.).

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**This brochure contains 33 pages and is not complete without all pages.**

#### **Item 4 - Advisory Business**

##### **Description of the Firm**

Heritage Financial Advisors, LLC provides fee-only financial planning, investment consultation and investment management services that depending upon each client's unique circumstances or specific request may be general in nature or focused on particular areas of interest or need.

Our firm is an Ohio limited liability company that had been formed in 2010. We are not a subsidiary of, nor do we control, another financial services industry entity. Heritage Financial Advisors, LLC is registered as an investment advisor with the Securities and Exchange Commission (SEC) and its notice filed in Ohio. The firm and its associates may also register, become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which they conduct advisory business.

Majority ownership of LLC units (shares) is held by S.M. Wright, LLC and Heritage II, LLC; as well as a minority share by North Coast Financial Advisors, Ltd. All of these entities are owned by the firm's principal executives, Charlotte (Char) Sargeant and Sasha Wright. Sasha Wright also serves as the firm's Chief Compliance Officer (supervisor).

The majority of the firm's activities involve providing management of client assets. We also furnish investment advice through consultations that does not include continuous management of an account, as well as financial planning services.

Heritage Financial Advisors, LLC does not sponsor or serve as portfolio manager for a wrap fee investment program.

##### **Client Assets Under Management**

As of December 31, 2018, our firm had approximately \$113 million<sup>1</sup> dollars of client assets under management through non-discretionary account agreements (as defined in Item 16-Investment Discretion).

##### **Introductory Review**

A complimentary interview is conducted by a qualified representative of the firm to determine the scope of services to be provided. During or prior to this meeting, you will be provided with the firm's current ADV Part 2 advisory brochure<sup>2</sup> that also incorporates its privacy policy statement. The firm will ensure any material conflicts of interest are disclosed regarding the firm and its associates that could be reasonably expected to impair the rendering of unbiased and objective advice.

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<sup>1</sup> The term "assets under management" and rounding to the nearest \$100,000 are as defined by the SEC's 2014 General Instructions for Part 2 of Form ADV.

Should the client wish to engage Heritage Financial Advisors, LLC for its services, parties must enter into a written agreement, with further discussion and analysis conducted thereafter to ascertain financial need, goals, holdings, etc., as provided by the client.

Financial and portfolio planning will be based upon the information disclosed by the client or their legal agent, and incorporate the client's financial situation at the time the plan is presented. In performing its services the firm may, but is not required to, verify any information received from the client or from the client's agents.

#### Financial Planning and Investment Consultation Services

The firm provides financial planning and investment consultation services relating to various components which may be either broad-based or modular as the client may desire. Financial planning services may be provided on such subjects as: cash flow analysis, retirement capital needs, education funding, estate planning, charitable giving, or other specific needs as indicated by the client. Investment consultation may involve educating the client in the types of investment vehicles available, investment analysis and strategies, asset selection, as well as assisting the client in establishing their own investment account at their selected broker/dealer or custodian. The firm typically utilizes a long-term investment perspective, unless specifically requested to the contrary by the client.

The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation made by the firm. When the firm services focus only on certain areas of client interest or need, the client must understand that their overall financial situation or needs may not be fully addressed due to limitations they have established. Moreover, it remains each client's responsibility to promptly notify Heritage Financial Advisors, LLC if there is a material change in their financial situation or investment objectives for the purpose of evaluating or revising the firm's recommendations.

The firm does not provide accounting or legal advice or services under its financial planning engagements. With the client's consent, the firm may work with the client's other advisors (accountants, attorneys, etc.) to assist with coordination and implementation of accepted strategies.

Engagements involving financial planning and investment consultation services may be concluded upon delivery of the requested service. Clients are encouraged to contact the firm in the future, and at no time will these services span a calendar year period. Unless Heritage Financial Advisors, LLC is engaged for long-term services, pursuant a written agreement, it would be the client's responsibility to reengage these future services under a new or amended engagement.

#### Workshop Presentations

Appropriately trained and registered firm personnel may provide educational workshops on an "as announced" basis for groups desiring general advice on investments and personal finance. Topics may include issues related to wealth management, financial planning, retirement strategies, or various other economic and investment topics.

Such workshops or programs are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one person's need, nor does the firm provide individualized investment advice to attendees during these sessions.

#### Investment Management Services

Clients may also choose to engage the firm to implement the investment strategies it has recommended. Heritage Financial Advisors, LLC provides investment management services to its clients through either model or customized portfolios deemed appropriate to the client's investment objectives and tolerance for risk. The firm's investment strategy is further described in Item 8 of this brochure.

#### ***Investment Policy Statement***

When appropriate, Heritage Financial Advisors, LLC will assist the client in preparing an investment policy statement (IPS) reflecting the client's investment objectives, policy constraints and tolerance for risk. The IPS will be designed to be specific enough to provide guidance to the firm while concurrently allowing flexibility to respond to changing market conditions. Since the IPS will, to a large extent, be a product of information and data provided by the client, the client shall be responsible for review and final approval of the statement.

#### ***Model Portfolios***

For accounts maintaining less than \$1 million in assets the firm typically recommends the selection one or more model portfolios oriented toward the client's investment objective. Each portfolio is constructed based on the principles of the Modern Portfolio Theory. The result of this process is an allocation that produces what is believed to be an appropriate return for a given level of risk. Cost efficient index funds and exchange traded funds (ETFs) are researched and selected for each asset class in the model allocation.

#### ***Customized Portfolios***

The firm also offers broader investment management services to clients with account values in excess of \$1 million and whose circumstances require inclusion of individual securities or asset classes not available within a model portfolio. Existing positions within a client account containing various holdings will be evaluated and maintained when deemed appropriate.

#### ***Charitable Foundations***

The firm provides charitable foundations investment management services as determined by its IPS that have been created, reviewed or revised in consultation with firm advisory staff. Existing positions within a charitable foundation account containing various holdings will be evaluated and maintained when deemed appropriate.

## Firm Services

The firm will use its best judgment and good faith effort in rendering its services to its clients. Heritage Financial Advisors, LLC cannot warrant or guarantee any particular level of account performance, that an account will be profitable over time, or that a planning objective will be achieved. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the client or their legal agent's direction; or any act or failure to act by a service provider maintaining an account.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this brochure or your agreement with our firm shall constitute a waiver of any rights that you may have under federal and state securities laws.

## **Item 5 - Fees and Compensation<sup>3</sup>**

### Financial Planning and Investment Consultation Services

Hourly fees for financial planning and incidental investment consulting services are \$100 to \$200 per hour; billed in 15-minute increments (four increments per hour) and a partial increment will be treated as a whole. The number of hours to complete the plan will be estimated and will depend upon the level and scope of those services required.

Fixed fees may also be offered and based on the complexity of the client's issues and the anticipated number of hours estimated to provide the requested services, multiplied by the current hourly rate.

The firm may require an initial retainer of up to one-half the estimated fee in order to initiate a financial planning or investment consultation project. Fees or project balances for these services are due and payable upon delivery of the plan or advice. Non-continuous service engagements that are greater than three months in duration will be billed quarterly, in arrears.

If the client elects to further engage the firm to provide investment management services, certain financial planning services fees may be waived, at the discretion of an executive of the firm, during the initial engagement year.

Services to be provided and the anticipated fee range are detailed in the written client service agreement. Fees for these services are negotiable at the discretion of a firm executive, and comparable services may be provided elsewhere potentially for a lower fee.

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<sup>3</sup> Heritage Financial Advisors, LLC reserves the right (but is not obligated) to assess a lower fee to accounts established prior to the date of this brochure and to its associates or related persons' accounts maintained by the firm through its selected custodian.

### Workshop Presentations

While most educational workshops are *pro bono*, the firm may impose a fee for certain session. In the event there is a charge to workshop attendees, the fee will be published in advance through the use of a workshop announcement or invitation, or may be paid by the event sponsor. Fees for these sessions are typically a nominal fixed amount for workshop materials, and are paid at the time of the presentation.

### Investment Management Services

#### ***Model Portfolios***

A tiered, annualized asset-based fee (paid quarterly, in arrears) is assessed for model portfolios that are calculated based upon the end of the reporting period's value for those assets under its management and as noted in the following table:

<b>Assets Under Management</b>	<b>Annualized Fee</b>
\$50,000 – \$100,000	1.50%
\$100,001 - \$200,000	1.25%
\$200,001 - \$500,000	1.10%
\$500,001 - \$1,000,000	1.00%

<b>Assets Under Management</b>	<b>Annualized Fee</b>
\$1,000,001 - \$2,000,000	0.90%
\$2,000,001 - \$3,000,000	0.80%
\$3,000,001 - \$4,000,000	0.70%
\$4,000,001 or above	Negotiable

#### ***Customized Portfolios***

Accounts with account values in excess of \$1 million, the firm provides customized portfolios with annualized asset-based fees (paid quarterly, in arrears) that range from 0.50% to 1.50%, depending on account size, services required, and as agreed upon in advance with the client.

#### ***Charitable Foundations***

Annualized asset-based fees range from 0.40% to 0.90%, or an alternative fixed fee may be negotiated. Either fee rate is to be paid quarterly, in arrears, and determined by account size and level of service required.

*The firm's fees for its portfolio management services are negotiable at the discretion of a firm executive, and lower fees for comparable services may be available from other sources.*



### Aggregating Accounts

At its discretion, the firm may aggregate or “household” investment management accounts (including multiple accounts) for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member or incompetent person's account.

### Billing Cycle and Fee Assessments

Annualized asset-based fees for investment management services will be billed quarterly, in arrears. Fee payments will generally be assessed within five business days following each calendar billing period.

The account's first billing cycle will occur once the account is funded and investments allocated. For those accounts served less than a full calendar-quarter, a prorated fee will be assessed based on the remaining days within the reported period.

For purposes of determining account asset value, securities and other investment instruments traded on a market for which actual transaction prices are publicly reported will be valued at the last reported sale price on the principal market in which they are traded, and in accordance with those values disclosed on the statement the client receives from their custodian of record.

If there are no sales on such date, then they will be determined by the mean between the *closing bid* and *asked price* on such date. Other readily-marketable securities will be valued using a pricing service or through quotations from one or more dealers. In the absence of a market value, the firm may seek an independent third-party opinion or through a good faith determination by a qualified firm associate.

The applicable investment management fees referenced include all fees and charges for the services of the firm and its investment advisor representatives. The client will be required to authorize in writing through the execution of our engagement agreement, as well as account opening documents of the selected custodian or broker/dealer (“service provider”), that will allow the selected service provider to deduct our firm advisory fees and other transactional fees from their account. All fees will be clearly noted on account statements received by the client directly from the account custodian no less often than quarterly. Our firm will also receive a copy of these statements directly from the custodian.

For those accounts held by the client's selected brokerage firm or custodian that the firm does not maintain an agreement, clients will be directly billed and fees will be due in full within 15 days of receipt of the firm's invoice. The notice will include the total fee assessed, covered time period, calculation formula utilized, and the assets under management on which the fee has been based. Clients may incur a one percent monthly charge for overdue accounts, plus reasonable collection costs if necessary.

*In all instances, the client bears shared responsibility for verifying the accuracy of fee calculations in their invoice/statement.*

For more information about the firm's brokerage practices and its potential effect on fees, please refer to Items 12 and 14 of this brochure.

### Potential for Additional Client Fees

Specific product recommendations made by the firm will usually be for “no-load” (i.e., no commission) products, if available. In some cases, such as with insurance products, there may not be a suitable selection of no-load products available for recommendation, however, neither the firm nor its associates will be paid a commission on the purchase.

Any transactional or custodial fees assessed by the selected service providers and/or individual retirement account or qualified retirement plan account termination fees are borne by the accountholder and are as provided in the current, separate fee schedule of the selected service provider.

Fees paid to our advisory firm for its services are separate from any charges the client may pay for mutual funds, ETFs or other investments of this type. The firm does not receive “trailer” or SEC Rule 12b-1 fees from any investment company. Fees charged by issuers are detailed in prospectuses or product descriptions, and clients are encouraged to read these documents before investing. The firm and its associates receive none of these described or similar fees or charges.

### Prepayment of Fees

We reserve the right to require an initial retainer of up to one-half the estimated fee in order to initiate a financial planning or investment consultation project.

### Termination of Services

Either party may terminate the agreement at any time, which will typically be in writing. Should the client verbally notify Heritage Financial Advisors, LLC of the termination and, if in two business days following this notification the firm has not received notice in writing; the firm will make written notice of such termination in its records and will send its own termination notice to the client as a substitute.

If our firm’s ADV Part 2 advisory brochure was not delivered to the client at least 48 hours prior to entering into the investment advisory contract, then the client has the right to terminate the engagement without penalty within five business days after entering into the agreement. Should a client terminate the engagement after this period, they will typically be assessed fees on a prorated basis for services incurred up until the date of termination. In the case of a prepaid fee, we will promptly return any unearned amount upon receipt of a written termination notice.

For those clients who utilize our investment management services, our firm will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice. Upon termination, it will be necessary that we inform the custodian of record that the relationship between the firm and the client has been terminated.

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

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as “performance-based fees.” Performance-based compensation creates an incentive for a firm or their representatives to recommend an investment that may carry a higher degree

of risk to a client. We do not use a performance-based fee structure because of the conflict of interest this type of fee structure poses.

### **Item 7 - Types of Clients**

The firm provides its services to individual investors, trusts, estates, charitable organizations, foundations, and businesses of various scale. Our ability to provide our services depends on access to important information. Accordingly, it is necessary that you provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to source of funds, income levels, your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our financial planning or investment strategy for you.

It is also important that you keep us informed on significant changes that may call for an update to your financial and investment plans. Events such as a change in employment or marital status, a windfall, or the purchase or sale of a home or business can have a large impact on your circumstances and needs. We need to be aware of such events, so we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

Heritage Financial Advisors, LLC does not require minimum income levels or dollar-value of assets for its financial planning, investment consultation or our investment management model portfolios. Our minimum annual fixed fee may make it impractical for our investment management services for smaller accounts (i.e., below \$20,000), therefore, we will typically recommend an hourly investment consulting engagement as an alternative. Customized portfolios require a minimum of \$1 million in account assets. The firm reserves the right to waive minimum conditions based on unique individual circumstances, special arrangements, pre-existing relationships or as otherwise may be determined by the Chief Compliance Officer. We also reserve the right to decline services to any prospective client for any nondiscriminatory reason.

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

#### **Method of Analysis**

If the firm is engaged to provide investment consultation or investment management services, the client's current financial situation, needs, goals, objectives and tolerance for risk are initially evaluated. Investment decisions are developed to aid in meeting overall objectives while minimizing exposure to certain types of risk. Asset allocation is a key component of investment portfolio design and the firm believes an appropriate allocation of assets across diverse investment categories (i.e., stock vs. bond, foreign vs. domestic, "large cap" vs. "small cap," etc.) is a determinant of portfolio returns and critical in the long-term success financial objectives.

The firm employs fundamental analysis that involves using data to evaluate a security's intrinsic value. For example, fundamental analysis of a bond's value could involve evaluating economic factors including interest rates, the current state of the economy, and information about the bond issuer's credit ratings. Fundamental analysis of a stock takes into account revenues, earnings, future growth, return on equity, profit margins and other data to evaluate a company's value and its potential for future growth.

Research may be drawn from sources including: financial publications; investment analysis and reporting software; inspections of corporate activities; research materials from outside sources; corporate rating services; annual reports, prospectuses and other regulatory filings; company press releases.

### Investment Strategies

Heritage Financial Advisors, LLC's portfolios are generally constructed based on the principles of Modern Portfolio Theory. The result of this process is an allocation believed to produce the highest possible return for a given level of risk. Portfolios are rebalanced in an attempt to maintain optimal allocation while minimizing tax exposures and trading costs. In limited circumstances and on client request, the firm may offer advice on shorter-term investment strategies.

Typically, cost-efficient index mutual funds and ETFs are researched and selected for each asset class in the model allocation. Existing positions within a client account will also be evaluated and may be recommended to remain when deemed appropriate, which may include a broader range of mutual funds and other general securities, such as common or preferred stocks, bond debentures, U.S. Government issues, commercial paper, etc. This is not an all-inclusive list.

### Risk of Loss

While the firm believes its strategies and investment selections are designed to potentially produce the highest possible return for a given level of risk, it cannot warrant or guarantee that an investment objective or planning goal will be achieved.

As an investor you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or all of your principal. The types of risk involved are noted in the following paragraphs, and in no order of precedence:

Active Management Strategies – Should you request an active management of your account, it may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover” within an account. This may result in shorter holding periods, higher transactional costs and/or taxable events that will be borne by the client, thereby potentially reducing or negating certain benefits that may be derived by shorter term investing.

Company Risk – When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. This is also referred to as unsystematic risk and can be reduced through appropriate diversification.

Firm Research – When the firm's research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. The firm makes every effort to determine the accuracy of the information received but it cannot predict the outcome of events or actions taken or not taken, or the validity of all information it has researched or provided, which may or may not affect the advice on or investment management of an account.

**Fundamental Analysis** – The risk involved in employing fundamental analysis is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

**Inflation Risk** – When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

**Management Risk** – An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

**Market Risk** – When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

**Passive Markets Theory** – If your portfolio employs a passive, efficient markets approach, often associated with Modern Portfolio Theory, you will need to consider the potential risk that at times your broader allocation may generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the average return for the asset class. We believe this variance from the “expected return” is generally low under normal market conditions if the portfolio is made up of diverse, low or non-correlated assets.

**Socially Conscious Investing** – If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

#### **Security-Specific Material Risks**

**ETF and Mutual Fund Risk** – ETFs and mutual funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning an ETF or mutual fund also generally reflects the risks of their underlying securities.

**Fixed Income Risks** – Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including:

- **Credit Risk** - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity

holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

- *Duration Risk* - Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.
- *Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- *Liquidity Risk* - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading on any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.
- *Reinvestment Risk* – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

*Index Investing* – You will need to keep in mind that investment vehicles such as certain ETFs and indexed funds have the potential to be affected by “active risk” or “tracking error risk,” which might be defined as a deviation from the stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that may not as closely align the stated benchmark. In these instances, the investment manager may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

*QDI Ratios* – While many ETFs, ETNs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit.

Shorter holding periods, as well as commodities and currencies (that may be part of an ETF/ETN or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. We consider a holding's QDI when tax-efficiency is an important aspect of the client's portfolio.

#### **Item 9 - Disciplinary Information**

Neither Heritage Financial Advisors, LLC nor its management have been subject to a reportable criminal, civil, industry disciplinary event or administrative enforcement action that would negatively reflect upon our firm's advisory business or the integrity of our firm.

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

Our policies require our firm and its associates to conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, its employees and clients, or that may be

contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence.

#### Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Neither the firm, management, nor its associates are registered or have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) introducing broker, or as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Neither Heritage Financial Advisors, LLC nor its management is or has a material relationship with any of the following types of entities:

- another investment advisor or financial planning firm
- banking or thrift institution
- lawyer or law firm
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

Upon your request, you may be provided a referral to various professionals, such as an attorney. While these referrals are based on our best information, we do not guarantee the quality or adequacy of the work provided by these referred professionals. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

In order to offer a broad range of products and services, associates of our advisory firm may also be licensed insurance agents offering annuities, life, health or long-term care insurance through various unaffiliated insurance companies. Therefore, an associate may serve a client in one or more capacities, whether as an investment advisor representative or insurance agent. Our associates are required to disclose in advance of the transaction or service the capacity in which they are serving a client, to include how they are being compensated for their role, and the conflict of interest the role or service to be provided may incur.

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

The firm holds itself to a *fiduciary standard*, which means we will act in the utmost good faith, performing in a manner believed to be in the best interest of our clients. Heritage Financial Advisors, LLC 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. Clients should be aware that no set of rules can possibly

anticipate or relieve all potential material conflicts of interest. Our firm will disclose to advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

### **Code of Ethics Description**

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others.

CERTIFIED FINANCIAL PLANNER™ Professionals who are associated with our firm also adhere to the Certified Financial Planner Board of Standards, Inc.'s principles, which state:

#### ***Principle 1 – Integrity***

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisors are placed by clients in positions of trust, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

#### ***Principle 2 – Objectivity***

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

#### ***Principle 3 – Competence***

Advisors will maintain the necessary knowledge and skill to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients.

Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

#### ***Principle 4 – Fairness***

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.



### ***Principle 5 – Confidentiality***

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

### ***Principle 6 – Professionalism***

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

### ***Principle 7 – Diligence***

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

Heritage Financial Advisors, LLC firm periodically reviews and amends its Code of Ethics to ensure currency, and all firm access persons are required no less than annually to attest to their understanding and adherence. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

### **Privacy Policy Statement**

The firm collects non-public personal financial information about its clients from the following sources:

- Information clients or their legal agent provide to complete the engagement
- Information clients provide in agreements and client-firm documents
- Information clients provide orally
- Information received from third parties, such as banks or custodians, about transactions

The firm does not disclose non-public personal information about its clients to anyone, except in the following circumstances:

- When required to provide services clients have requested
- When clients specifically authorize the firm to do so in writing
- When permitted or required by law

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of its clients. Firm employees are required to exercise diligence and due care in maintaining and protecting client non-public personal information, must be thoroughly familiar with the firm's privacy policies, and must immediately report any known or suspected privacy breach.

Identifiable information about the client or prospective client will be maintained during the span of the engagement, and for the period thereafter as required by privacy laws. After that time, information may be destroyed.

The firm will notify its clients annually of its privacy policy and at any time, in advance, if its privacy policy is expected to change.

#### Participation or Interest in Client Transactions

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a “related person” (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Associates are prohibited from taking or providing a loan from a client unless it is an approved financial institution.

Since the firm offers its clients financial planning and investment consulting services, in addition to investment management services, a potential conflict of interest may exist. Therefore, the client is under no obligation to act upon a firm recommendation. If the client elects to act on any of the firm's recommendations, they are under no obligation to execute them through the firm or its associates.

The firm recognizes that should it act as the advisor to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of its investment advisor representatives serves in an advisory capacity to one or more of the plan's participants, a potential or implied conflict of interest may occur. The firm may require its employee to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue and with consideration made to offset participant fees.

Investment advisor representatives may also serve as licensed insurance agents, and certain clients may have both an investment advisory and insurance relationship. In instances where an insurance product is purchased subsequent a financial plan the firm has been engaged by the client to develop, and the purchase is made through an associated representative (as agent) that results in a commission being paid to the agent by the issuer, the firm may offset its financial planning fee at the discretion of a firm principal or as required by jurisdictional statute. At no time will there be *tying* between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second distinctive tied product or service.

#### Firm and Personal Trading

Our firm does not trade for its own account (e.g., proprietary trading). Firm related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will a related person receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading (i.e., trading ahead of a client's order), firm policy may require that restricting or prohibiting related person's transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by the Chief Compliance Officer in advance of the transaction in an account, and these records are maintained per regulation.

#### Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

See responses in the section *Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest*.

### **Item 12 - Brokerage Practices**

#### Factors Used to Select Broker-Dealers for Client Transactions

Heritage Financial Advisors, LLC does not maintain physical custody of client assets (see Item 15 for additional information). Client assets must be maintained in an account at a "qualified custodian" (generally a broker/dealer, bank or trust company) that is frequently assessed for its capabilities to serve as a custodian by their respective industry regulatory authority. Our firm is not a custodian nor does it have an affiliate that is a custodian.

When a client has engaged the firm to provide investment management services, we will frequently recommend the use of the institutional services division of Charles Schwab & Company, Inc. ("Schwab"), a FINRA and SIPC member.<sup>4</sup> As stated earlier, our firm is independently owned and operated and is not legally affiliated with Schwab or any other firm we may recommend.

Schwab will hold client assets in an account in the client's name and will buy and sell securities when our firm instructs them. While our firm recommends that a client use Schwab as their service provider, the client must decide whether to do so, and their account with Schwab will be entered into via an account agreement directly with Schwab. Heritage Financial Advisors, LLC does not technically open the account for the client but will assist the client in doing so.

The institutional platform services Schwab provides our firm include, among others, brokerage, custody, and other related services. Schwab services assist our firm in managing and administering clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide limited research, securities pricing and other market data
- facilitate payment of fees from clients' accounts
- online document storage of client accounts held at Schwab

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<sup>4</sup> Heritage Financial Advisors, LLC is not, nor required to be, a FINRA or Securities Investor Protection Corporation (SIPC) member. A client may learn more about the SIPC and how it serves member firms and the investing public by going to its website at <http://www.sipc.org>.

- assist with certain back-office functions, recordkeeping and client reporting

Schwab also offers other services intended to help our firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, industry publications, access to educational conferences and webinars, access to other third-party service providers that provide a wide array of business-related services and technology with whom the firm may directly contract. Many of Schwab's services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge to our firm as long as we maintain client account assets with Schwab. Even under these circumstances, Schwab may charge accountholders transaction-related fees for certain securities trades executed through them.

Schwab provides our firm with certain brokerage and research products and services that may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from Schwab benefits our firm because it does not have to separately produce or purchase them. Heritage Financial Advisors, LLC does not have to pay for these services as long as its clients maintain assets in accounts with Schwab. Beyond that, these services are not contingent upon our firm committing any specific amount of business to Schwab in trading commissions or assets in their custody. However, this is a potential conflict of interest since our firm may have an incentive to select or recommend a custodian based on our firm's interests in receiving research or other products or services made available to our firm rather than on our clients' interest in receiving more favorable trade execution.

Our firm believes that its selection of Schwab as custodian is in the best interests of our clients, and our firm's selection is primarily supported by the scope, quality, and price of Schwab's services and not their services that benefit only our firm.

Our firm periodically conducts an assessment of any service provider recommended, including Schwab, which generally includes a review of Schwab's range of services, reasonableness of fees, among other items, and in comparison, to their industry peers.

#### Best Execution

Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed in the previous section. Our firm recognizes its obligation in seeking "best execution" for clients, however, it is the firm's belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, our firm will seek services involving competitive rates but it may not necessarily result in the lowest possible rate for each transaction.

Our firm periodically reviews policies regarding recommending service providers to clients in light of its duty to seek best execution. The firm has determined that having Schwab execute its trades is consistent with this obligation.

### Client Referrals

All compensation paid to the firm is paid directly by the client and, therefore, the firm does not receive any additional compensation when its clients engage a recommended custodian or other service provider.

### Directed Brokerage

Heritage Financial Advisors, LLC does not require or engage in directed brokerage involving client accounts.

A client may direct the firm to use another particular broker/dealer or custodian to execute some or all transactions for an account. In these circumstances, the client will be responsible for negotiating, in advance, the terms and/or arrangements for their account with their selected service provider. Our firm will not be obligated to seek better execution services or prices from these other service providers, or able to aggregate a self-directed brokerage client's transactions (should our firm choose to do so) for execution through other custodians with orders for other accounts managed by our firm. As a result, a self-directed client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices, on transactions for their account than may otherwise be the case.

Moreover, pursuant to our firm's obligation of best execution, the firm may decline a client request to direct brokerage if it is believed any directed brokerage arrangement would result in additional operational difficulties or risk to our firm.

### Trade Aggregation

Transactions for each client will generally be effected independently rather than being aggregated or "batched." Trade aggregation is generally not feasible, as most of our clients' portfolios are comprised of mutual funds rather than individual equities or other exchange-traded investments. Client accounts for which trade aggregation is disallowed or infeasible may be assessed higher transaction costs than those that are batched.

In those limited circumstances when aggregation is possible and reasonable, the firm may (but is not obligated to) aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among client accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed. Within aggregated orders, transactions will generally be averaged as to price and allocated among the clients on a prorated basis on any given day and the firm will attempt to do so in accordance with applicable industry rules.

In the event the firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include (in no particular order):

- when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weighting relative to other portfolios with similar mandates

- allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts
- if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts, such as that which might occur due to unforeseen changes in an account's assets after the order is placed
- with respect to sale allocations, allocations may be given to accounts low in cash
- when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, an account may be excluded from the allocation and transactions may be executed on a *pro rata* basis among the remaining accounts
- when a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis, with an eye toward the “randomness” of the process (i.e., not always A-to-Z or vice versa, etc.)

The firm reviews both its trade aggregation procedures and allocation processes on a periodic basis to ensure it remains within stated policies and regulation.

#### Trade Errors

The firm corrects its trade errors through an account maintained by its custodian, and the firm may be responsible for trading error losses that occur within a client account. Should there be a gain following the correction of a trading error, it is Schwab’s policy to donate such gains to charity.

### **Item 13 - Review of Accounts**

#### Financial Planning and Investment Consultation Accounts

Periodic financial check-ups or reviews are recommended for those clients receiving incidental financial planning and investment consultation services; it is the client's responsibility to initiate these reviews.

Reviews will be conducted by your investment advisor representative and normally involve analysis and possible revision of your previous financial plan or investment allocation. A copy of revised plans or asset allocation reports will be provided to the client upon request.

#### Investment Management Accounts

Investment management services accounts are periodically reviewed throughout the year by the assigned investment advisor representative, supervisory personnel, or a qualified independent entity engaged by the firm.

Additional reviews may be triggered by news or research related to a specific holding, a change in the firm's view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector.

Accounts may also be reviewed when being considered for an additional holding or an increase in a current position. Account cash levels above or below that deemed appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

A copy of revised IPS or asset allocation reports will be provided to the client upon request.

#### Content of Client Provided Reports and Frequency

Clients will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are held. They are urged to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm may provide quarterly reports or position performance summary reports, and annual realized gains/loss reports for taxable accounts. Some clients may receive additional reports depending on their specific requirements.

All firm performance reports (if any are provided) will be in prepared in accordance with appropriate jurisdictional guidance. Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from Heritage Financial Advisors, LLC.

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

The firm does not currently engage in solicitation activities as defined by statute, nor does it pay a direct or indirect fee for referrals.

Both the firm and its representatives may be members of various firm-approved professional associations where the firm's or associates' information may be available on an association website for public view. These passive websites may provide a means for an interested person to reach an individual planner via listed contact information. Prospective clients locating the firm or an associated investment advisor representative via the noted venue is not actively marketed by the association; nor do they pay more for their services than another client who may be referred in another fashion, such as a personal referral from another advisor client. Further, firm policy does not allow it or an employee to pay these associations for prospective client referrals, nor are there fee-sharing arrangements reflective of a solicitor engagement.

#### **Item 15 - Custody**

Client funds and securities will be maintained by unaffiliated, qualified custodians (such as Schwab); banks, broker/ dealers, mutual fund company, or transfer agent; not with or by Heritage Financial Advisors, LLC or any of its associates.

Our firm prohibits an associate from having authority to directly withdraw securities or cash assets from a client account.

Advisory fees will only be withdrawn from a client investment account through engagement of a qualified custodian maintaining client account assets, via prior written client approval.

We restrict the firm or an associate from serving as trustee or having general power of attorney over a client account.

The firm will not accept or forward client securities (i.e., stock certificates) erroneously delivered to the firm.

At no time will a firm employee be authorized to have knowledge of a client's account access information (i.e., online 401(k), personal brokerage, or bank accounts), even for the "accommodation" of the client or their legal agent when such access might result in physical control over client assets.

At no time will the firm's fees for a client account be collected for its services to be performed more than six months in advance *and* for \$500 or more.

Clients will be provided transaction confirmations and summary account statements sent directly from their selected service provider; not through or by Heritage Financial Advisors, LLC. Typically, these statements are provided on a monthly or quarterly basis, and as transactions occur. Clients are reminded to inform the firm if they do not receive these statements in a timely fashion. For those accounts that elect to receive electronic statements from the selected service provider, they must ensure they maintain a current electronic mail address with that entity.

Clients may receive periodic reports from Heritage Financial Advisors, LLC that may summarize account performance. They are urged to compare their account statements received from the assigned service provider with those performance reports they receive from the firm for accuracy.

#### **Item 16 - Investment Discretion**

Heritage Financial Advisors, LLC provides investment management services to its clients via a nondiscretionary account agreement. Therefore, before the firm is able to implement an investment decision on behalf of an account, such as a purchase or sale of a security, the client must grant the firm the authority to do so. Investment management services clients must make themselves available and keep the firm apprised of their current contact information so that transaction instructions can be efficiently effected on their behalf.

The service provider maintaining the account will specifically limit our firm's authority to the placement of non-discretionary trades and allow our firm to request the deduction of advisory its fees. The client will first grant this authorization through the execution of our firm's written engagement agreement as well as the selected custodian's account opening documents.

*By definition and absent client written instruction to the contrary, non-discretionary account transactions do not involve those with respect to a trade execution's price or time.*

All account restrictions, limitations, and rescissions will be made in writing by the client and approved in writing by the Chief Compliance Officer. A record will be made and retained per regulation for each of these actions.



## **Item 17 - Voting Client Securities**

### **Proxy Voting**

The firm does not vote client proxies nor offers guidance on the voting of client proxies. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the client's investment assets.

### **Other Corporate Actions**

The firm will not offer guidance on or have the power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

### **Firm's Receipt of Materials**

A client may receive proxies or other similar solicitations directly from their selected custodian or transfer agent. If the firm receives correspondence for a client relating to the voting of their securities, class action litigation, or other corporate actions, it will typically forward the correspondence to the client or another entity (i.e., client counsel, etc.) if so directed.

## **Item 18 - Financial Information**

### **Balance Sheet**

Our firm will not take physical custody of your assets. We do not directly withdraw our fees from your account; fee withdrawals must be done through a qualified intermediary (e.g., custodian of record) in accordance with your prior written approval.

Our engagements do not require that we will collect fees from you of \$500 or more for our advisory services we will perform six months or more in advance.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required per statute nor included with this brochure.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

The firm and its management do not have a financial condition likely to impair its ability to meet our commitment to firm clients.

Bankruptcy Petitions during the Past 10 Years

The firm and its management have not been the subject of a bankruptcy petition at any time during the past 10 years.

**Item 1 – Cover Page**



# HERITAGE

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Form ADV Part 2B  
Firm Brochure Supplement

**Sasha Wright**

February 13, 2019

This brochure supplement provides information about Sasha M. Wright that supplements Heritage Financial Advisors Form ADV Part 2A. You should have received a copy of that advisory brochure. Please contact Sasha Wright at (419) 887-5887 if you did not receive the firm's advisory brochure or if you have any questions about the contents of this supplement. Additional information about Sasha Wright is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Experience**

### **Principal Executive Officers and Management Persons**

**Sasha Marie Wright, CFP®** [Year of Birth: 1980/CRD # 4954899]

Managing Member/Chief Compliance Officer/Investment Advisor Representative

### **Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm as well as their business experience for at least the past five years.

#### **Educational Background**

B.S. Business Administration - Capella University

College for Financial Planning, 2010-2011

CERTIFIED FINANCIAL PLANNER™, CFP®<sup>1</sup> - Certified Financial Planner Board of Standards, Inc.

Uniform Combined State Law Examination<sup>2</sup>/NASAA Series 66

Life, Health and Accident Insurance License<sup>2</sup>/Ohio and Michigan Departments of Insurance

Accredited Retirement Plan Consultant - Society of Professional Asset Managers and Record Keepers

#### **Business Experience**

Heritage Financial Advisors, LLC - Managing Member/Chief Compliance Officer/Financial Planner (2009-Present)

OBS Financial Services, Inc. - Investment Advisor Representative (2007-2010)

Merrill Lynch, Pierce, Fenner & Smith, Inc. - Registered Client Associate (2004-2007)

## **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose certain material facts regarding any legal or disciplinary events that would be material to the client's evaluation of each officer or supervised person providing investment advice. No reportable information involving Sasha Wright is applicable to this section under published guidelines.

## **Item 4 - Other Business Activities**

Although the majority of Ms. Wright's time is involved in providing financial planning and investment management services to firm clients on a fee-only basis, she is also a licensed to sell life insurance and fixed annuities (less than five percent of her time). She may have both an investment advisory and insurance agent relationship with certain clients.

Ms. Wright is the majority owner of S. M. Wright, LLC (2010-Present) which maintains 50% of shares of Heritage Financial Advisors, LLC, and Heritage II, LLC (2010-Present) which maintains 27% of shares of Heritage Financial Advisors, LLC (77% overall).

Ms. Wright is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. Therefore, she does not receive commissions, bonuses or other compensation

based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service ("trail") fees from the sale of mutual funds.

#### **Item 5 - Additional Compensation**

Ms. Wright is not compensated for advisory services involving performance-based fees nor does she accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to clients. Neither she nor the firm has a material relationship with the issuer of a security.

#### **Item 6 - Supervision**

Ms. Wright serves as the firm's Chief Compliance Officer and designated supervisor of firm personnel. We recognize that not having all organizational duties segregated may potentially create a conflict of interest; however, policies and business practices assist in the firm meeting its recordkeeping and supervision requirements. We also require that our associates adhere to our guidelines as prescribed in our firm's Code of Ethics. Ms. Wright monitors firm activities and the advice provided to clients by:

- Assessments of account opening documentation
- Review of account transactions
- Annual review of client financial situation, objectives, and investment needs
- A review of client correspondence on an as needed basis
- Periodic office reviews

Questions relative to the firm, its services, or this ADV Part 2 may be made to the attention of Ms. Wright at 419-887-5887. Additional information about the firm, other advisory firms, or associated investment advisor representatives is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for Heritage Financial Advisors, LLC is 154955. You may also search a firm associate by name or their CRD number (as earlier noted).

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling state securities division offices.

#### ***Business Continuity Plan***

Heritage Financial Advisors, LLC maintains a business continuity plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

<sup>1</sup> The **CERTIFIED FINANCIAL PLANNER™**, **CFP®** and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

<sup>2</sup> **NASAA and state insurance examinations** are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of a securities or insurance industry examination does not constitute or imply a person is “approved” or “endorsed” by state securities or insurance commissioners.

**Item 1 – Cover Page**



# HERITAGE

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Form ADV Part 2B  
Firm Brochure Supplement  
**Charlotte (Char) Sargeant**  
February 13, 2019

This brochure supplement provides information about Charlotte (Char) Sargeant that supplements Heritage Financial Advisors Form ADV Part 2A. You should have received a copy of that advisory brochure. Please contact Sasha Wright at (419) 887-5887 if you did not receive the firm's advisory brochure or if you have any questions about the contents of this supplement. Additional information about Char Sargeant is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Experience**

### **Member/Financial Planner**

**Charlotte (Char) B. Sargeant** [Year of Birth: 1947/CRD # 4679560]

Managing Member/Investment Advisor Representative

### **Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm as well as their business experience for at least the past five years.

#### **Educational Background**

B.S. Education - Ohio University

M.S. Education - Ohio State University

Uniform Investment Adviser Law Examination<sup>1</sup>/NASAA Series 65

#### **Business Experience**

Heritage Financial Advisors, LLC – Managing Member/Financial Planner (2009-Present)

OBS Financial Services, Inc. - Financial Planner (2003-2010)

Modern Portfolio Management, Inc. - Financial Planner (1999-2002)

## **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose certain material facts regarding any legal or disciplinary events that would be material to the client's evaluation of each officer or supervised person providing investment advice. No reportable information involving Char Sargeant is applicable to this section under published guidelines.

## **Item 4 - Other Business Activities**

Ms. Sargeant is the majority owner of North Coast Financial Advisors, Ltd. (2004-Present) which maintains 23% of shares of Heritage Financial Advisors, LLC. She is also the majority owner of the Swiss Co., Ltd. (2004-Present); an Ohio-based commercial real estate company.

Ms. Sargeant is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. Therefore, she does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service ("trail") fees from the sale of mutual funds.

## **Item 5 - Additional Compensation**

Ms. Sargeant is not compensated for advisory services involving performance-based fees, and firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or



other prizes, for providing advisory services to firm clients. Neither she nor the firm has a material relationship with the issuer of a security.

#### **Item 6 - Supervision**

Ms. Wright serves as the firm's Chief Compliance Officer and designated supervisor of firm personnel including Char Sargeant. Ms. Wright monitors her activities and the advice provided to clients by:

- Assessments of account opening documentation
- Review of account transactions
- Annual review of client financial situation, objectives, and investment needs
- A review of client correspondence on an as needed basis
- Periodic office reviews

Questions relative to the firm, its services, or this ADV Part 2 may be made to the attention of Ms. Wright at 419-887-5887. Additional information about the firm, other advisory firms, or associated investment advisor representatives is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for Heritage Financial Advisors, LLC is 154955. You may also search a firm associate by name or their CRD number (as earlier noted).

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling state securities division offices.

#### ***Business Continuity Plan***

Heritage Financial Advisors, LLC maintains a business continuity plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

<sup>1</sup>NASAA and state insurance examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of a securities or insurance industry examination does not constitute or imply a person is "approved" or "endorsed" by state securities or insurance commissioners.