

**Item 1 – Cover Page**

**Part 2A Appendix 1  
Wrap Fee Program Brochure**

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Sequent Planning, LLC (also referred to as we, us and Sequent Planning throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact Rick Reed at 402-953-3544 or rick@sequentplanning.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sequent Planning is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Sequent Planning, LLC or our firm's CRD number 160381.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

The material changes in this brochure from the last annual updating amendment of Sequent Planning, LLC on February 18, 2019, are described below. This list summarizes changes to policies, practices or conflicts of interests only and are disclosed throughout the year as they occur.

- We updated Item 5 to disclose that Sequent provides advice to Pension and Profit-Sharing Plans.
- We updated Item 6 to disclose that utilizes the services of Orion Advisor Services, LLC to provide technology support, including performance reporting, fee calculation, billing and other functions related to administrative tasks and managing client accounts.
- We updated Item 6 to disclose the Sequent Planning investment models.
- We updated Item 9 to disclose that Sequent Planning has an affiliated insurance agency.

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Program Disclosure Brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current Wrap Fee Program Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4 – Services, Fees and Compensation**

Sequent Planning, LLC (“Sequent Planning”) is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Sequent Planning is a limited liability company (LLC) formed under the laws of the State of Nebraska since February 2012.

Sequent Planning offers asset management services through a Wrap Fee Program. In our Wrap Fee Program, we bundle advisory services (including asset management) and transaction cost (including ticket charges) into one fee (“wrap fee”). Whenever an Advisory Fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

When making the determination of whether the Wrap Fee Program is appropriate for your needs, you should bear in mind that wrap-fee based accounts, when compared with traditional accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the wrap fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a wrap fee account versus a traditional account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the investment advisory agreement between you and Sequent Planning.

You should discuss the advantages and disadvantages of wrap fee-based and traditional accounts with your investment adviser representative (“IAR”) and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our Wrap Fee Program.

#### **Asset Management Services**

In providing asset management services, Sequent Planning will continuously monitor your account and make trades in your accounts when necessary. Your account will be managed by Sequent Planning based on your financial situation, investment objectives and risk tolerance. Sequent Planning will actively monitor your account and will make management recommendations and decisions regarding buying, selling, reinvesting or holding securities, cash or other investments.

Your wrap-fee account will be maintained in a brokerage account with Fidelity, an SEC registered broker/dealer and member NYSE/SIPC. Fidelity is the qualified custodian for all accounts established through our Wrap Fee Program. You will appoint Sequent Planning as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian under your name. Sequent Planning does not act as custodian and does not have direct access to your funds and securities except to have Advisory Fees deducted from your account with your prior written authorization. The qualified custodian will maintain custody of all funds and securities of your Account, and you will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

You will authorize Sequent Planning to have trading authorization on your account. If you have authorized us to provide asset management services on a discretionary basis, we will make all decisions to buy, sell or hold securities, cash or other investments in your managed account in our sole discretion without consulting with you before making any transactions. You must provide us with written authorization to exercise this discretionary authority, and you can place reasonable restrictions and

limitations on our discretionary authority, including the ability to instruct us not to purchase or sell certain securities.

Advisory Fees charged for Wrap Fee Program are charged based on a percentage of assets under management, billed in arrears, net of income, withholding or other taxes (at the end of the billing period) and deducted from your account on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

Fees charged for our Wrap Fee Program are negotiable based on the investment adviser representative ("IAR") providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

The annual Advisory Fee for asset management services will never exceed 1.75% (Advisory Fee Cap). Under the Asset Dedication Program, the third-party manager's portion of the Advisory Fee will be between .15% - .35% of the maximum fee. Each IAR has the authority and discretion to price their advisory services, therefore, the annual Advisory Fee may fluctuate from advisor to advisor and from client to client.

Sequent Planning requires a minimum of \$100,000 in order to open an account in the Wrap Fee Program. To reach this account minimum, clients can aggregate all household accounts. Exceptions may be granted to this minimum based on needs of the client and the complexity of the situation. Each advisor has the discretion to accept accounts less than \$100,000. Sequent does not have a minimum a balance requirement for the non-wrap programs. The only compensation received by Sequent Planning for the Wrap Fee Program is the Advisor Fee as specified in the client's investment advisory agreement. Sequent Planning receives no other forms of compensation in connection with providing asset management services.

Sequent Planning believes that its annual Advisory Fee is reasonable in relation to: (1) services provided and (2) the advisory fees charged by other investment advisers offering similar services/programs. However, our annual Advisory Fee may be higher than that charged by other investment advisers offering similar services/programs.

The Advisory Fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered.

You should review your account statements received from the qualified custodian(s) and verify that appropriate Advisory Fees are being deducted. The qualified custodian(s) will not verify the accuracy of the Advisory Fees deducted.

You may incur certain charges imposed by third-parties other than Sequent Planning in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement

plan fees, and charges imposed by the qualified custodian(s) of your account. Advisory Fees charged by Sequent Planning are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

The asset management services continue until terminated by either party (i.e., Sequent Planning or you) by giving thirty (30) days written notice to the other party. When fees are billed in arrears, Sequent Planning will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final Advisory Fee payment.

## **Item 5 – Account Requirements and Types of Clients**

### **Minimum Account Size**

Sequent Planning requires a minimum of \$100,000 to open a Wrap Fee Program account. To reach this account minimum, clients can aggregate all household accounts. Exceptions may be granted to this minimum.

### **Types of Accounts**

Sequent Planning generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and Profit-Sharing Plans
- Small and Medium Size Businesses
- Endowments
- Non-Profit Organizations

You are required to execute a written investment advisory agreement with Sequent Planning specifying the particular advisory services in order to establish a client arrangement with Sequent Planning.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Sequent Planning and its IARs act as the primary portfolio manager in the Wrap Fee Program. We do allow the use of third-party service providers and portfolio managers in the Wrap Fee Program.

Services they provide include asset management, research, due diligence, reporting, portfolio analysis, and back office administration. These services providers generally do not have any direct contact with our clients.

Currently, Sequent has the following agreements in place:

1. Service provider agreement with FocusPoint Solutions (FPS Inc. CRD #131195)
2. Co-Advisory agreement with Asset Dedication, LLC (CRD#151988)

Sequent will utilize industry standards to calculate portfolio manager performance.

Sequent review the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly by Sequent.

Because Sequent is the primary portfolio manager for the Wrap Fee Program there is a conflict of interest. We may refrain from selecting third-party managers or services providers as these providers share in the total Advisory Fee. Further, because clients in the Wrap Fee Program do not pay trading costs directly, they may be an incentive for lower trade activity than if Sequent did not pay trading costs. Generally, Sequent utilizes its IARs for portfolio management, but uses third parties when external expertise is required to meet the specific client circumstances.

### **General Description of Other Advisory Services**

- Financial Planning Services
- Referral of Third-Party Money Managers
- Retirement Plan Services
- Asset Management through Investment Models
- Investment Newsletters
- Educational Programs
- Orion Advisor Services, LLC - providing technology support, including performance reporting, fee calculation and billing.

### **Tailor Advisory Services to Individual Needs of Clients**

Sequent Planning's advisory services are tailored to your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. Our financial planning services are provided based on your individual financial situation. When providing asset management services and/or financial planning services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We retain the right to refuse to work with you. Sequent will not enter into an investment adviser agreement with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

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

Sequent Planning does not charge or accept performance-based fees. Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account.

### **Methods of Analysis**

Sequent Planning uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data

can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading



decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, Sequent Planning gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases. Sequent relies on service providers for information as part of their analysis and make no guarantees as to the accuracy of the information.

### **Investment Strategies**

Sequent Planning uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Investment Models. Sequent Planning may offer certain investment models when suitable for clients. The Models include:

- Capital Preservation Plus - This SmartRisk model is designed to provide investors with capital preservation and current income to help cover known and unexpected expenses, principally through cash, cash equivalents, bond and treasury-based investment vehicles, and nominal amount of equity and alternative investment exposure.
- Income Plus - Designed for income investors who can withstand modest volatility, this SmartRisk model strives for a balance of capital preservation, income generation and modest growth through investments in cash, cash equivalent, bond, treasury, and a modest amount of income-focused equity vehicles and alternative investments such as commodities.
- Conservative Growth - This SmartRisk model is designed to help risk adverse long-term investors modestly grow their investments while also providing income. It seeks to achieve these objectives by investing in a mix of cash equivalent, bonds both short-term and long-term bonds, treasuries, and a modest amount of equities and alternative investments in different combinations and weightings.

- Moderate Growth- This SmartRisk model is designed to help investors pursue long-term growth of investments primarily through a mix of cash equivalents, bonds, domestic and international fixed income and equities, and alternative investments which when combined offer the potential for growth while tempering the impact of volatility.
- Growth – This SmartRisk model is designed for investors looking for growth while understanding downside risk. Investors should have longer investment time horizons. Our model is designed to navigate the ups and downs in the standard long-term market cycle. This model takes a global approach with its investments in domestic and international equities, fixed income and alternatives with the goal to maximize the capture of gains while limiting the exposure to losses.
- Aggressive Growth – The SmartRisk models are designed for investors who seek aggressive growth over longer time frames and can tolerate wide fluctuations in market values, especially over the short term. The Aggressive Growth models generally are based on a premise that a particular segment will outperform the general markets. These models may be concentrated in specific sectors or industries. In some cases, the investor must be willing and able to sustain significant losses.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Sequent does utilize third-party software to help quantify the risk exposure in your investment portfolio. The results are based on models, and models are based on assumptions, therefore, the results are merely an estimate.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results. Further, we cannot successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on

strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Treasury Inflation Protected/Inflation Linked Bonds: The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a risk of losing share price value, albeit rather minimal.
- Debt securities. Debt Securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.
- Real Estate Investment Trusts (REITs). REITS have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, loss of value of collateral and the use of debt that could result in high interest payments.
- Private placements. Private Placements carry a substantial risk as they are largely unregulated offerings not subject to securities laws.
- Long term trading. Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.
- Short term trading. Short term trading risks include liquidity, economic stability, inflation, and higher trading expenses.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Fixed Index Annuities. Indexed annuities are complicated products that may contain several features that can affect your return. You should understand how an indexed annuity computes its index-linked interest rate and what time period is utilized when calculating the interest rate, before you enter into an agreement.

**Participation Rates.** The participation rate determines how much of the index's increase will be used to compute the index-linked interest rate. For example, if the participation rate is 80% and the index increases 9%, the return credited to your annuity would be 7.2% ( $9\% \times 80\% = 7.2\%$ ).

**Interest Rate Caps.** Some indexed annuities set a maximum rate of interest that the indexed annuity can earn. If a contract has an upper limit, or cap, of 7% and the index linked to the annuity gained 12%, only 7% would be credited to the annuity.

**Margin/Spread/Asset or Administrative Fee.** The index-linked interest for some annuities is determined by subtracting a percentage from any gain in the index. This fee is sometimes called the "margin," "spread," "asset fee," or "administrative fee." In the case of an annuity with a "spread" of 3%, if the index gained 9%, the return credited to the annuity would be 6% ( $9\% - 3\% = 6\%$ ). It is important to note that indexed annuity contracts commonly allow the insurance company to change the participation rate, cap, and/or margin/spread/asset or administrative fee on a periodic – such as annual – basis. Such changes could adversely affect your return. Read your contract carefully to determine what changes the insurance company may make to these features.

**Indexing.** Another feature that can have a dramatic impact on an indexed annuity's return is its indexing method (or how the amount of change in the relevant index is determined). The amount of change is determined at the end of each "crediting period" within the contract's accumulation period. In many contracts, the crediting period is one year, although the length of the crediting period may vary from one contract to another. Common indexing methods include:

**Point-to-point.** This method credits index-linked interest based on comparison of the index level at two discrete points in time, such as the beginning and ending dates of the crediting period.

**Averaging.** This method credits index-linked interest based on comparison of an average of index values at periodic – such as monthly – intervals during the crediting period to the index value at the beginning of the period.

You should note that insurance companies may not credit you with index-linked interest for a crediting period if you do not hold your contract to the end of the period.

**Other Features.** Other features may be included in an indexed annuity you are considering. Before you decide to buy an indexed annuity, you should understand how each feature works and what impact, together with other features, it may have on the annuity's return.

**Surrender Charges, Market Value Adjustments and other fees upon contract termination.** Most indexed annuities contain surrender charges, Market Value Adjustments and other fees that may apply if you surrender the contract for its cash value prior to the expiration of the surrender charge period. You should understand these fees and charges and purchases should be limited to an amount that is unlikely that such charges would be incurred even in the event of a change to your personal circumstances.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Voting Client Securities**

Sequent Planning does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager's disclosure brochure to determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting Sequent Planning at the address or phone number indicated on Page 1 of this disclosure document.

### **Item 7 – Client Information Provided to Portfolio Managers**

Our IARs receive personal information about you through an interview process and documents you provide to us. We gather this information to understand your investment objectives and needs in order to provide our services. You are responsible for promptly contacting your Investment Adviser Representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts.

### **Item 8 - Client Contact with Portfolio Managers**

In the Sequent Wrap Fee Program, Sequent will be the primary portfolio manager. There are no restrictions placed on your ability to contact and consult with the portfolio managers. It is the policy of Sequent Planning to provide for open communications between the Investment Adviser Representatives and clients. You are encouraged to contact your Investment Adviser Representative whenever you have questions about the management of your account(s).

### **Item 9 - Additional Information**

#### **Disciplinary Information**

Sequent has nothing to report in Item 9 – *Disciplinary Information*. There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

#### **Other Financial Industry Activities and Affiliations**

Sequent Planning is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an 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), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or

thrift institution, an accountant or accounting firm, a lawyer or law firm, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while Sequent does not sell products or services other than investment advice, our IARs may sell other products or provide services outside of their role as investment adviser representatives with us. This is known as an approved "Outside Business Activity" (OBA). Each IAR discloses to you their OBAs on the Part 2B form.

### **Insurance Agent**

Many of our IARs are also insurance agents. You may work with the same person in the capacity of an IAR and in the capacity of an insurance agent. An IAR and an insurance agent are paid differently. When acting in his or her separate capacity as an insurance agent, the IAR may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. An insurance agent may suggest that you implement recommendations of Sequent by purchasing insurance products. The insurance agent will be compensated through the payment of commissions. This commissions creates an incentive for the IAR to recommend those products. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your IAR.

Some of our IARs are insurance agents associated with Futurity First Insurance Group, an insurance agency under common ownership with Sequent Planning. Clients of Sequent Planning may be referred to Futurity First Insurance Group for insurance products and services. You should be aware that a conflict of interest exists between our interests and your interests. You are under no obligation to act on our recommendations and, if you do, you are under no obligation to affect any insurance transactions through Futurity First Insurance Group.

### **Senior Market Sales, Inc.**

Michael Chochon is Vice President, Chief Compliance Officer and an IAR of Sequent. He is also affiliated with Senior Market Sales, Inc. (SMS). Mr. Chochon spends approximately 0-10% of his time working on behalf of SMS. He is the Director of Strategic projects for SMS, which is an Insurance Marketing Organization (IMO) and owner of Sequent. SMS works with independent contractor insurance agents. With roles in both entities, there is the conflict of interest between Mr. Chochon's role as Vice President, Chief Compliance Officer and IAR of Sequent and his role as the Director of Strategic Projects at SMS.

### **Covisum, LLC**

Senior Market Sales, Inc. (SMS) is majority owner of Covisum. SMS is 100% owner of Sequent. Joseph Elsasser, an investment advisor representative of Sequent, is also the President of Covisum, LLC. In the role of President of Covisum, Joe is compensated by a salary, and regular bonuses based on the overall performance of Covisum. Covisum develops and brings to market financial planning tools including Social Security Timing, Tax Clarity, SmartRisk and Income Architech. Sequent Planning utilizes the Covisum financial tool set.

### **Interest in Client Transactions and Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Sequent Planning has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as Supervised Persons. Sequent Planning requires its Supervised Persons to consistently act in your best interest in all advisory activities. Sequent Planning imposes certain requirements on its Supervised Persons and affiliates to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Sequent Planning. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Supervised Persons & Affiliate Personal Securities Transactions Disclosure**

It is the express policy of Sequent Planning that all Supervised Persons of our firm must place clients’ interests ahead of their own when implementing personal investments. Sequent Planning personnel or Supervised Persons of the firm may buy or sell for their personal accounts at or round the same time as clients, investment products identical to those recommended to clients. This creates a conflict of interest. Sequent Planning and its Supervised Persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry. Also, Sequent does not recommend that clients buy or sell any security in which a related person to Sequent or a Sequent Supervised Person has a material financial interest.

To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, Supervised Persons):

- Supervised Persons cannot prefer their own interests to that of the client.
- Supervised Persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts (within a prudent time frame).
- Supervised Persons cannot purchase or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Supervised Persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Supervised Persons are discouraged from conducting frequent personal trading.
- Supervised Persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Sequent Planning.

Any Supervised Person not observing our policies is subject to sanctions up to and including termination. We are now and will continue to be in compliance with applicable state and federal rules and regulations.

### **Account Reviews**

Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by the relevant IARs, with reviews performed in accordance with your investment goals and objectives. Client accounts are reviewed at least annually. While the calendar is the main triggering factor, reviews can also be conducted at your request.

Account review procedures for Wrap Fee accounts are covered in our Wrap Fee Brochure. Any quarterly performance reports will be provided by the platform provider or the third-party money manager.

Accounts established and maintained with other third-party money managers are reviewed at least annually, usually when statements and/or reports are received from the money manager.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

### **Account Statements and Reports**

For our asset management services, you are provided, upon request, with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian.

Whether reports by a third-party manager are provided directly to you will depend upon the manager.

Financial planning clients receive the written plan contracted for and provided by Sequent Planning.

You are encouraged to always compare any reports or statements provided by us or a third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

### **Client Referrals**

Sequent Planning has entered into arrangements with affiliated and non-affiliated parties (Referring Parties) to refer clients to Sequent Planning. Sequent may pay a small fee (\$50 – \$100) to a Referring Party when the prospective client is referred to us. If a referred client enters into an investment advisory agreement with Sequent Planning, a second solicitor's fee may be paid to the Referring Party. The second solicitor fee amount is determined taking into consideration the following items: 1) is Referring Party a registered or non-registered agent, 2) size of the advised account AUM, 3) complexity of the account, 4) recurring nature of referrals and 5) other situational items. The referral fee schedule is as follows:

- Registered Advisor - % of AUM or Flat Fee(s)
- Non-Registered Agent – Flat Fee(s)

The referral relationship will not result in clients being charged any fees over and above the normal Advisory Fees charged for the advisory services provided.

When a client is referred to us by a Referring Party, the Referring Party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client will complete and sign a Solicitor's Disclosure Statement document. If the Referring Party is an unaffiliated registered



investment adviser firm, then the client will also receive a copy of the referring party's Form ADV Part 2A Disclosure Brochure.

### **Financial Information**

Sequent Planning does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Sequent Planning has not been the subject of a bankruptcy petition at any time.

## **Item 10 - Customer Privacy Policy Notice**

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

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

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

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

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers,

mutual fund companies, insurance companies, and the custodian with whom your assets are held. In such situations, we stress the confidential nature of information being shared.

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