

FORM ADV Uniform Application for Investment Adviser Registration  
Part 2A: Investment Adviser Brochure  
Item 1 Cover Page

**First Financial Coaching, Inc.**

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February 7, 2024

***This brochure provides information about the qualifications and business practices of First Financial Coaching, Inc. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.***

***The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.***

***Additional information about the firm and its representatives is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). First Financial Coaching, Inc.'s IARD number is 152070.***

## Item 2 Material Changes

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure.

First Financial Coaching's Disclosure Brochure has been updated to reflect the firm's non-discretionary management of client assets.

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## Item 4 Advisory Business

Formed as a corporation under the laws of the State of Michigan in 2009 by Jeffrey Furest, CFP, First Financial Coaching, Inc. ("FFC" or the "Firm") became registered as an investment adviser in 2010. FFC is owned by Jeffrey Furest and Michael Sarcheck.

### **INVESTMENT ADVISORY SERVICES**

FFC provides non-discretionary investment advisory services on a fee basis. FFC provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, if appropriate, FFC may recommend the client engage Matson Money Inc., (SEC No. 801-40176) ("Matson") and FFC in a Co-Advisory Agreement whereby Matson shall manage client assets on a discretionary basis.

**Financial Analysis:** FFC may provide financial consulting services (including investment and non-investment related matters, including retirement, tax, etc.), tailored to the individual needs of clients, using a variety of strategies on a stand-alone separate fee basis.

Prior to engaging FFC to provide consulting services, clients are generally required to enter into an agreement with FFC setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided and the portion of the fee that is due from the client prior to FFC commencing services.

### **IMPORTANT DISCLOSURES**

**Non-Discretionary Service Limitations.** Clients that determine to engage FFC on a non-discretionary investment advisory basis must be willing to accept that FFC cannot affect any account transactions without obtaining prior consent to any such transaction(s) from the client. Therefore, FFC will be unable to affect any account transactions without first obtaining the client's consent.

**Independent Managers.** FFC may recommend that the client allocate a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)"), including Matson, in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. FFC will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives. FFC generally considers the following factors when recommending Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note.** The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, FFC's investment advisory fee disclosed at Item 5 below.

**Portfolio Activity.** FFC has a fiduciary duty to provide services consistent with the client's best interest. FFC will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when FFC determines that changes to a client's portfolio are unnecessary. Clients remain subject to the fees described in Item 5 below during periods of portfolio inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by FFC will be profitable or equal any specific performance level(s).

**Other Assets.** A client may:

- hold securities that were purchased at the request of the client or acquired prior

to the client's engagement of FFC. Generally, with potential exceptions, FFC does not/would not recommend nor follow such securities, and absent mitigating tax consequences or client direction to the contrary, would prefer to liquidate such securities.

If/when liquidated, it should not be assumed that the replacement securities purchased by the FFC will outperform the liquidated positions. To the contrary, different types of investments involve varying degrees of risk, and there can be no assurance that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by FFC) will be profitable or equal any specific performance level(s). In addition, there may be other securities and/or accounts owned by the client for which FFC does not maintain custodian access and/or trading authority; and,

- hold other securities and/or own accounts for which FFC does not maintain custodian access and/or trading authority.

Corresponding Services/Fees: When agreed to by FFC, FFC shall: (1) remain available to discuss these securities/accounts on an ongoing basis at the request of the client; (2) monitor these securities/accounts on a regular basis, including, where applicable, rebalancing with client consent; (3) shall generally consider these securities as part of the client's overall asset allocation; (4) report on such securities/accounts as part of regular reports that may be provided by FFC; and, (5) include the market value of all such securities for purposes of calculating advisory fee.

Cash Positions. FFC treats cash as an asset class. As such, unless determined to the contrary by FFC or a Co-Advisor, all cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating advisory fees. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, advisory fees could exceed the interest paid by the client's cash positions.

Borrowing Against Assets/Risks. A client who has a need to borrow money could determine to do so by using:

- Margin -The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- Pledged Assets Loan - In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, FFC does not recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). FFC does not recommend such borrowing for investment purposes (i.e., to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, FFC will refer the client to a third-party lending institution, Western Alliance Bank.

The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loan.

Retirement Plan Rollovers—Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If FFC recommends that a client roll over their retirement plan assets into an account to be managed by FFC, such a recommendation creates a conflict of interest if FFC will earn new (or increase its current) compensation as a result of the rollover. If FFC provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), FFC is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to roll over retirement plan assets to an account managed by FFC, whether it is from an employer's plan or an existing IRA.**

Client Obligations. In performing its services, FFC shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify FFC if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising FFC's previous recommendations and/or services.

Cybersecurity Risk. The information technology systems and networks that FFC and its third-party service providers use to provide services to FFC's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in FFC's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and FFC are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although FFC has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that FFC does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Use of Mutual and Exchange Traded Funds. FFC's co-advisor utilizes mutual funds and exchange traded funds for client portfolios. In addition to FFC's investment advisory fee described below, and transaction and/or custodial fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). The mutual funds and exchange traded funds utilized by FFC are generally available directly to the public. Thus, a client can generally obtain the funds recommended and/or utilized by FFC and its co-advisor independent of engaging FFC as an investment advisor. However, if a prospective client does so, then they will not receive FFC's initial and ongoing investment advisory services.

Disclosure Brochure. A copy of FFC's written Brochure and CRS, as set forth on Parts 2 and 3 of Form ADV, respectively, shall be provided to each client prior to the execution of any new advisory agreement.

FFC shall provide investment advisory services specific to the needs of each client. The client may, at any time, impose reasonable restrictions, in writing, on FFC's services.

As of December 31, 2023, FFC had \$254,686,931 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

### **INVESTMENT ADVISORY SERVICES**

To the extent a client elects to enter into a Co-Advisory Agreement with FFC and Matson, FFC shall receive as compensation a portion of the revenue received by Matson for its discretionary management of the client's assets.

Please see Matson's Form ADV Part 2 and investment advisory agreement for details regarding Matson quarterly charges.

Where clients engage the services of Matson on a Co-Advisory basis, FFC shall receive compensation at the following levels:

<b>Household Assets</b>	<b>FFC Fee</b>
On the first \$5 million of client assets	50% of the fee clients pay to Matson Money
Over \$5 million	60% of the fee clients pay to Matson Money
Over \$50 million	65% of the fee clients pay to Matson Money
Over \$80 million	70% of the fee clients pay to Matson Money

Please see the termination clauses in the Co-Advisory Agreement regarding pro rata refunds of terminated contracts, or as described in their Form ADV Part 2A as provided.

### **Financial Analysis**

To the extent a client engages FFC to provide financial analysis services, FFC may provide these services on either an hourly or fixed fee basis.

Hourly. Some clients utilize our financial analysis services provided based on an hourly rate basis. Our hourly fee is billed at a rate of \$150.00 per hour. The hourly fees are negotiated and agreed upon in a written agreement with each client. Hourly fee-based clients are billed on a monthly basis as work is completed. Either party may terminate the services within five (5) business days' notice. Any earned, but unpaid, fees will be promptly due upon termination.

Fixed Fees. FFC may charge a fixed fee for financial analysis services or special projects. The fixed fees are negotiated and will generally range from \$250-\$1000, but may be higher, depending upon the complexity of services, and are agreed upon in a written agreement with each client. Either party may terminate the services upon three days' notice. Within five (5) business days of termination of services by FFC or the client, prior to completion of such services, regardless of progress/work generated, 100% (one hundred percent) of all commitment fee/financial analysis fees shall be refunded to the client.

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

FFC does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the client's assets) or provide any additional services other than those previously described. Accordingly, side by side management of accounts does not apply to those services rendered by the firm.

## Item 7 Types of Clients

FFC provides advisory services to individuals, pension and profit sharing plans, charitable organizations,

and government and corporate entities.

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

FFC may utilize the following methods of security analysis:

- Fundamental – (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

FFC may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by FFC) will be profitable or equal any specific performance level(s).

All investment strategies have certain risks that are borne by the investor. Although there is no way to list all risks involved with investing, the following are common risks born by the majority of investors:

**Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, bond prices generally fall.

**Market Risk:** Asset prices may drop in reaction to certain unforeseen events. Also referred to as exogenous risk, this type of risk is caused by external factors independent of a security's particular underlying fundamentals or intrinsic value. For example, geo-political, economic, legislative, and/or societal events may amplify market risk.

**Inflation Risk:** When 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.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. Some industries and/or companies may have historically demonstrated more stability than others. Economic factors and business functions are constantly changing. Past results are no guarantee of future performance.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.

**Financial Risk:** Also referred to as leverage risk. Excessive borrowing to finance a business' operations may lead to financial strain and the ability to generate profits or meet certain obligations. During periods of

financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Counterparty Risk:** The risk that each party may not be able to meet its contractual obligations. This may also be referred to as default risk for fixed income investments. In rare circumstances, the underlying securities within registered investment products may become illiquid which may restrict the ability of investors to redeem shares at quoted prices.

**Execution Risk:** The risk that buy/sell transactions may not be executed at favorable prices. This may occur during periods of abnormal market conditions.

## **Item 9 Disciplinary Information**

FFC has not been the subject of any disciplinary actions.

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

There are conflicts of interest related to the additional business activities conducted by both the firm and its personnel. Certain personnel are separately licensed as insurance agents (appointed to insurance companies) to sell life and health insurance products for various insurance companies. Accordingly, they will be able to sell insurance products to any client in need of such services and will receive separate compensation in the form of commissions for the sale of such products. You have the right to decide whether to use FFC's employees (investment adviser representatives, or "IARs") for the purchase of recommended insurance products.

Primary Insurance Agency / Brokers: Jeffrey C. Furest and Michael Sarcheck, owners of FFC, are also owners and licensed insurance agents with Furest Furest Services, Inc., dba First Financial Services of MI, for the purpose of insurance sales and other activities. Mr. Furest and Mr. Sarcheck spend approximately 20% (or more) of their time on this type of activity. They are licensed to purchase, sell or exchange insurance products for any client in need of such services and will receive separate, compensation in the form of commissions for the purchase of insurance products. Clients are encouraged to review the Part 2B brochure supplements for further information related to FFC personnel.

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

FFC has adopted a Code of Ethics which must be followed by all firm employees. The Code defines our fiduciary obligations as an investment adviser and describes the high standard of business conduct and fiduciary duty the firm must deliver to its clients.

The Code of Ethics (Code) includes provisions relating to:

- the confidentiality of client information;
- a prohibition on insider trading;
- restrictions on the acceptance of gifts and the reporting of certain gifts and business entertainment items;
- personal securities trading procedures; and
- additional provisions regarding the firm's fiduciary duty to its clients.

All employees at FFC must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of the firm's Code of Ethics will be provided to any client upon request.



Please note: FFC personnel may purchase or sell investments for their personal accounts that are also purchased or sold by a third-party portfolio manager for one or more of FFC's clients. While FFC endeavors at all times to act in the best interests of its clients as part of its fiduciary duty, clients should be aware that the personal trading involving recommended securities creates a conflict of interest, and may affect the judgment of the individual making the recommendation, including the recommendations provided as RRs, IARs and Insurance Agents (as described).

## **Item 12 Brokerage Practices**

In the event that the client requests that FFC recommend a broker-dealer/custodian for execution and/or custodial services, FFC generally recommends that investment advisory accounts be maintained at Charles Schwab & Co., Inc. ("Schwab") or SEI Investments Company ("SEI"). Prior to engaging FFC to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with FFC setting forth the terms and conditions under which FFC shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that FFC considers in recommending any broker-dealer/custodian to clients include historical relationship with FFC, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by FFC's clients shall comply with FFC's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where FFC determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although FFC will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, FFC's investment management fee. FFC's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, FFC may receive from broker-dealers/custodians, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor, without cost (and/or at a discount) support services and/or products, certain of which assist FFC to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by FFC may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by FFC in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products received may assist FFC in managing and administering client accounts. Others do not directly provide such assistance, but rather assist FFC to manage and further develop its business enterprise.

There is no corresponding commitment made by FFC to any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result

of the above arrangement.

FFC does not receive referrals from broker-dealers.

FFC does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer).

FFC may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among FFC’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. FFC shall not receive any additional compensation or remuneration as a result of such aggregation.

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

For those clients to whom FFC provides investment supervisory services, account reviews are conducted on an ongoing basis by FFC’s Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise FFC of any changes in their investment objectives and/or financial situation.

Financial analysis reports are reviewed by the firm’s Chief Compliance Officer for correctness, suitability, and implementation. Reviews occur on a regular basis as needed or amended. Clients are strongly encouraged to contact the firm with any changes to their financial situation.

FFC provides financial analysis services in the form of investment analysis, retirement analysis, survivorship income and analysis, estate analysis, college analysis, and other consultative analysis services.

For written financial analysis, clients receive third party vendor analysis program reports which may include: a) investment results and risk; b) income surplus or shortfalls given income goals; and/or c) estate preservation and estate tax and survivor income surplus or shortfalls.

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

Neither FFC nor its representatives compensate any non-supervised persons for client referrals.

### **Item 15 Custody**

FFC, subject to the terms of the Co-Advisory Agreement shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

To the extent that FFC provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by FFC with the account statements received from the account custodian.

The account custodian does not verify the accuracy of FFC’s advisory fee calculation.

## **Item 16 Investment Discretion**

FFC does not manage client assets on a discretionary basis; as a result, this item is not applicable.

## **Item 17 Voting Client Securities**

FFC does not vote proxies on behalf of clients or their accounts. Clients who engage FFC on a Co-Advisory basis should review Matson Money's, Form ADV Part 2 disclosure brochure, as applicable, for a full understanding of how such actions are treated.

## **Item 18 Financial Information**

FFC does not require clients to pay fees of more than \$1,200, per client, six months or more in advance.

FFC is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

FFC has not been the subject of a bankruptcy petition.