

## **FIRM BROCHURE – ADV PART 2A**

### **Item 1 – Cover Page**

**Sequent Planning, LLC  
D/B/A Futurity First Wealth Management  
DBA Union Planning Center**

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Date of Disclosure Brochure: March 2024

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This disclosure 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 disclosure brochure, please contact Rick Reed 402-953-3544 or [rick@sequentplanning.com](mailto:rick@sequentplanning.com). The information in this disclosure 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 March 2023, are described below. This list summarizes changes to policies, practices or conflicts of interests only and are disclosed throughout the year as they occur.

- Cover Page – Sequent Planning, LLC uses the DBA name Union Planning Center.
- Cover Page – Sequent Planning, LLC no longer uses the DBA name Elevus.
- Item 10 – Sequent Planning, LLC has an investment adviser representative that is separately licensed as a registered representative of Peak Brokerage Services, LLC. See Item 10 for more information.
- Item 12 – As a result of the acquisition of TD Ameritrade, Inc. by Charles Schwab & Co., Inc., Sequent Planning, LLC removed all references to TD Ameritrade, Inc. due to the transition of moving our clients' managed accounts away from TD Ameritrade, Inc. to Charles Schwab & Co., Inc.

We will ensure that you receive a summary of any material changes to this Firm Brochure 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 Firm Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4 – Advisory Business**

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.

- Senior Market Sales, Inc. (“SMS”) is the parent company owning Sequent Planning. On August 31, 2020, the ownership units of SMS were sold and transferred to an unaffiliated entity, Alliant Insurance Services, Inc. However, during the initial transition, the former majority owner of SMS, Milton Kleinburg, maintained an irrevocable voting proxy of the ownership units for Sequent Planning, LLC until December 31, 2020. As of January 1, 2021, SMS under its new owner, Alliant Insurance Services, Inc., has full voting rights of the ownership units of Sequent Planning.
- Sequent Planning has been registered as an investment adviser since February 2012.
- Richard Reed is the Chief Compliance Officer of Sequent Planning.
- Sequent Planning is also doing business as Futurity First Wealth Management (FFWM) and Union Planning Center. Throughout this document we utilize the name Sequent Planning, LLC, which does include the business practices of the DBA names.

#### **Introduction**

The investment advisory services of Sequent Planning are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative (“IAR”) of Sequent Planning (referred to as your IAR throughout this brochure).

Your IAR typically is not an employee of Sequent Planning; rather, your IAR typically is an independent contractor of Sequent Planning.

Your IAR is limited to providing advisory services and charging Advisory Fees (fees charged for services provided, usually based on Assets Under Management) in accordance with the descriptions detailed in this brochure. However, the exact services you receive and the fees you will be charged will be specified in your investment advisory agreement.

#### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Sequent Planning. Please understand that a written investment advisory agreement, which details the exact terms of the advisory service, must be signed by you and Sequent Planning before we can provide you the services described below.

#### **Asset Management Services**

Sequent Planning offers asset management services, which involves Sequent Planning providing you with continuous and ongoing supervision over your specified investment accounts. Sequent may create a unique investment portfolio for you, or we may decide together to utilize a third-party money manager (see Third-Party Money Manager section below).

Through our asset management services, Sequent Planning offers various asset allocation Models (the “**Models**”), which may be developed by Sequent Planning, third parties or affiliates, and are designed to allocate assets among ETFs that represent different asset classes. Our asset management program currently offers various strategic Models designed by Sequent Planning which invest in unaffiliated ETFs. Sequent Planning reserves the right to change, in its sole discretion from time to time and without prior notice to Clients: (i) the number of Models available through the Program that it deems appropriate to address the investment objectives, investment time horizons, and risk tolerances of its clients; (ii) the ETFs that comprise each of the Models; and (iii) the relative weightings of the ETFs within each of the Models.

Sequent Planning is designated as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase or sell certain securities. You will need to inform us if you wish to impose or modify existing investment restrictions. We will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client’s benefit.

### **Financial Planning Services**

Sequent Planning offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide written financial plans, which typically address the following topics: investment planning, retirement planning, insurance planning, tax planning, social security benefits, risk tolerance, balance sheet review and cash flow forecasting. When providing financial planning services, the main role of your IAR is to present your overall financial situation in an

understandable format to help you understand where you are. We will help you set financial objectives, and create a financial plan for you. Written financial plans prepared by us usually do not include specific recommendations of individual securities.

These services are based on fixed fees or hourly fees and the final fee structure is outlined in the Financial Planning Agreement. Our financial planning services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning recommendations. To the extent that you would like to implement any of our investment recommendations through Sequent Planning or retain Sequent Planning to actively monitor and manage your investments, you must execute a separate written investment advisory agreement with Sequent Planning.

### ***Financial Planning Engagement***

Sequent Planning offers financial planning engagements. The basic financial planning engagement follows a six-step process:

1. Initial fact-finding meeting.
2. Follow-up confirmation meeting to review materials.
3. Analyze the client situation through appropriate software tools.
4. Create the financial plan.
5. Deliver the financial plan at a client meeting.
6. Provide up to 30 days for client follow-up.

A basic financial planning engagement includes, at a minimum, the following areas: client organization, balance sheet review, cash flow forecasting, tax planning, social security benefits review, risk tolerance, and review of insurance policies. The advisor will access multiple software tools to complete the financial plan. At a minimum the basic financial planning engagement should take 8 hours to complete. A very complex financial planning engagement could take over 24 hours to complete.

### ***Limited-Scope Engagement***

Sequent also provide limited-scope engagements which only cover those specific areas of concern mutually agreed upon. For such an engagement, the financial advisor will complete six steps:

1. Initial fact-finding meeting.
2. Follow-up phone call, if necessary, to clarify or verify information.
3. Analyze the client situation through the appropriate software tool.
4. Create the financial recommendation.
5. Deliver the recommendation at a client meeting.
6. Provide up to 30 days for client follow-up.

A limited-scope engagement will focus primarily on one item. A limited-scope engagement does not involve the creation of a financial plan. There may be important issues that may not be taken into consideration when your investment advisor representative develops recommendations under a limited-scope engagement. As an example, a limited-scope engagement focusing on social security benefits and timing would include a review the expected social security benefits, analyze expected cash flows, present 3 alternatives, and include a recommendation of when to start to take the benefits. The estimated cost of a limited-scope engagement is \$500 with the assumption it should take 2-4 hours to complete. As you are

aware each Client situation is different. Below is a list of service offerings with an estimate of the hours to complete such limited –scope engagement:

Client Organization and document review:	2-6 hours
Balance sheet creation and analysis:	1-4 hours
Cashflow forecasting:	2-5 hours
Retirement planning:	2-4 hours
Investment planning:	2-4 hours
Social Security planning:	2-4 hours
Portfolio Market Risk Analysis:	2-4 hours
Insurance Policy Review:	2-6 hours
Alternative Investments or Business review:	4-8 hours

### **Referral to Third-Party Money Managers**

Sequent Planning offers advisory services by referring clients to a third-party money manager offering asset management and other investment advisory services. The third-party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary. As a result of the referral, we are paid a portion of the fee charged and collected by the third-party money managers in the form of solicitor fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Under this program, we assist you with identifying your risk tolerance and investment objectives. We recommend third-party money managers in relation to your stated investment objectives and risk tolerance, and you may select a recommended third-party money manager or model portfolio based upon your needs. You must enter into an agreement directly with the third-party money manager who provides your designated account with asset management services.

We are available to answer questions that you may have regarding your account and act as the communication conduit between you and the third-party money manager. The third-party money manager may take discretionary authority to determine the securities to be purchased and sold for your account.

Although we review the performance of numerous third-party investment adviser firms, we enter into only a select number of relationships with third-party investment adviser firms that have agreed to pay us a portion of the overall fee charged to our clients. Therefore, Sequent Planning has a conflict of interest in that it will only recommend third-party investment advisors that will agree to compensate us for referrals of our clients.

Clients are advised that there may be other third-party managed programs not recommended by our firm, that are suitable for the client and that may be more or less costly than arrangements recommended by our firm. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment adviser recommended by our firm. Further, no guarantees of performance can ever be offered by our firm (*Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more details.*)



## ***SEI Asset Management Program***

The SEI Asset Management Program (SEI Program) is an institutional asset allocation program that Sequent uses in the management of assets for client accounts. The SEI Asset Management Program has wrap and non-wrap program options, depending on your investment portfolio strategy. If you enroll in the SEI Asset Management Program, Sequent will assist you in the establishment of a SEI Program Account (the Account) at SEI Trust Company (SEI). Sequent Planning and SEI, through a co-advisory arrangement, will have discretionary authority over the assets and transactions in the Account. SEI is the custodian of this program. All account transactions are processed and cleared through SEI.

The SEI Program offers investment portfolios developed by SEI Investments. The SEI offering includes four portfolio strategies: SEI Mutual Fund, SEI Managed Account Solutions, SEI Distribution Focused, and Non SEI investments. Each of the SEI strategies are created based off the client's situation, goals and needs. SEI selects, oversees, and hires/fires the third-party portfolio managers that manage the specific asset allocation strategies. SEI and the portfolio managers enter into a sub-advisory agreement.

Sequent IARs help you determine which strategy is best for your situation and monitor the account. Sequent will direct SEI to reallocate your investments in accordance with your changing needs. SEI has the authority to replace a previously selected portfolio manager or SEI Fund without your prior approval.

## **Retirement Plan Services**

Sequent Planning offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor ("the company" or "you") of a retirement plan (the "Plan"), our retirement plan services can include, but are not limited to, the following services:

### Fiduciary Consulting Services

Sequent Planning provides the following Fiduciary Retirement Plan Consulting Services:

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

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

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

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

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

#### Fiduciary Management Services

Sequent Planning provides companies with the following Fiduciary Retirement Plan Management Services:

- Discretionary Management Services. Sequent Planning will provide the company with continuous and ongoing supervision over the designated retirement plan assets. Sequent Planning will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with the company. We also have the power and authority to carry out these decisions by giving instructions, on the company’s behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.
- Discretionary Investment Selection Services. Sequent Planning will monitor the investment options of the Plan and add or remove investment options for the Plan. Sequent Planning will

have discretionary authority to make all decisions regarding the investment options that will be made available to Plan participants.

- Default Investment Alternative Management. Sequent Planning will develop and actively manage qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election.

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

#### Non-Fiduciary Services

Services to retirements plans are governed by Section 3(21)(A)(ii) of ERISA. This section allows an IAR to perform Non-Fiduciary services to a retirement plan. The services listed in this section are Non-Fiduciary. The exact suite of services provided to a company will be listed and detailed in the Qualified Retirement Plan Agreement.

Sequent Planning provides companies with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. Sequent Planning will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. Sequent Planning's assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each Plan participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. Sequent Planning will assist the company with group enrollment meetings designed to: 1) increase participation and 2) increase investment and financial understanding, of the Plan participants.
- Qualified Plan Development. Sequent Planning will assist the company with the establishment of a qualified plan by working with the company and a selected Third-Party Administrator (TPA). If the company has not already selected a Third-Party Administrator, we shall assist the company with the review and selection of a TPA for the Plan.
- Due Diligence Review. Sequent Planning will provide periodic due diligence reviews of the Plan's fees and expenses and your Plan's service providers.
- Fiduciary File Set-up. Sequent Planning will help the company establish a "fiduciary file" for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. Sequent Planning will provide benchmarking services and will provide analysis concerning the operations of the Plan.

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

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

Companies and their Plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the company, we will attempt to identify the balance of risks and rewards that is appropriate and suitable for the company and Plan participants. It is both the company's and Plan participants responsibility to ask questions if either does not fully understand the risks associated with any investment. All Plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for retirement plans. Still, Sequent Planning cannot assure that investments will be profitable or assure that no losses will occur in the company or Plan participant accounts. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

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

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

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

### **Retirement Plan Accounts & Conflicts of Interest**

Many people have invested funds in their company sponsored retirement plan. Many people have not hired an investment advisor representative to help manage their retirement plan account. Our IARs can earn Advisory Fees related to retirement plan accounts in one of three ways:

1. You hire an IAR to provide advisory services related to your retirement plan account.
2. An IAR recommends that you transfer the retirement plan funds to an Individual Retirement Account (IRA).

3. You hire an IAR to provide advisory services to your retirement plan account and the IAR recommends that you transfer the retirement plan to an IRA. (1 & 2 above).

Prior to entering into any agreement with you, our IAR did not receive any Advisory Fees from you. After entering into an agreement with you, the IAR does receive Advisory Fees. The IAR is earning more fees (deemed economic incentive) after entering into an agreement with you. This economic incentive creates a conflict of interest under ERISA law. Sequent has taken steps to help manage this conflict of interest.

To the extent Sequent provides investment advice to a participant in a retirement plan under ERISA regarding 1) whether to maintain investments and/or proceeds in an ERISA retirement plan, 2) rollover such investment/proceeds from the ERISA retirement plan to an individual retirement account ("Rollover IRA account"), or 3) make a distribution from the ERISA retirement plan: Sequent hereby acknowledges its fiduciary obligations. As a fiduciary, our IARs will act with the care, skill, prudence, and diligence under the circumstances then prevailing. Sequent and its IARs will conduct business based on your investment objectives, risk tolerance, financial circumstances and needs, without regard to personal or company self-interest.

### **Retirement Plan Rollover Recommendations**

When Sequent provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Sequent is a **"fiduciary"** within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way Sequent makes money creates conflicts with your interests so Sequent operates under a special rule that requires Sequent to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, Sequent must act as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (e.g., give prudent advice);
- Never put the financial interests of Sequent ahead of you when making recommendations (e.g., give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that Sequent gives advice that is in your best interest;
- Charge no more than is reasonable for the services of Sequent; and
- Give Client basic information about conflicts of interest.

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Sequent, please know that Sequent and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Sequent. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Sequent.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Sequent receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Sequent and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to you regarding a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Sequent or our affiliated personnel.

#### **Administrative Services Provided by BridgeFT**

Sequent Planning has contracted with a third-party to receive access to BridgeFT software to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, BridgeFT will have access to client accounts, but BridgeFT will not serve as an investment adviser to Sequent Planning clients. Clients will not incur additional fees with the firm's use of BridgeFT.

You may see slight differences in the quarter-end market value of your account from your custodian's statement as compared to the market value of your account from BridgeFT, due to differences in the treatment of accrued interest posting, trade date versus settlement date, and other variables.

#### **Investment Newsletters**

Sequent Planning provides to clients and prospective clients ongoing financial communications which may be purchased from a financial communications firm or created internally. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual.

#### **Educational Programs**

Sequent Planning offers educational and informative educational events to clients and prospective clients. The content for these programs may be developed internally or purchased from a financial communications firm. Workshops are offered on an impersonal basis and do not focus on the individual needs of the participants.

### **Advice on Certain Types of Investments**

Sequent Planning provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Variable Annuities and Sub-Accounts
- Life Insurance
- Long Term Care Insurance
- US Government Securities
- Interests in Partnerships Investing in Real Estate
- Non-Traded Real Estate Investment Trusts (REITs)

We reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase or decrease cash holdings as deemed appropriate based on your risk tolerance and/or your risk capacity and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Participation in Wrap Fee Programs**

Sequent Planning offers investment advisory services through both wrap fee programs and non-wrap fee programs. A wrap fee program is an advisory program under which a specified fee (or fees), not based directly upon transactions in a client's account, is charged for investment advisory services. (it "wraps" the transactional expenses associated to the investment account into the Advisory Fee). A non-wrap fee program has a specific Advisory Fee and also charges the client directly for transactional expenses (an example would be transactional expense incurred to buy or sell a security).

#### *SEI Wrap Fee Program*

In the SEI Wrap Fee Program, Sequent will recommend an investment portfolio strategy developed by SEI Investment based on the client's situation, goals and need. The SEI portfolio strategies include the SEI Mutual Fund, SEI Managed Account Solutions, SEI Distribution Focused, and Non SEI investments. For more information regarding the SEI Wrap Fee Program, please see the SEI Wrap Fee Brochure.

### **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.

#### **Client Assets Managed by Sequent Planning**

The amount of clients' assets managed by Sequent Planning totaled \$373,438,734 as of December 31, 2023. All assets are managed on a discretionary basis.

### **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should 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 agreement between you and Sequent Planning.

Sequent Planning allows your IAR to set Advisory Fees within ranges provided by Sequent Planning. As a result, your IAR can charge more or less for the same service than another IAR of Sequent Planning.

#### **Fees for Asset Management Services**

Fees charged for our asset management services ("Advisory Fee") are charged based on a percentage of Assets Under Management ("AUM"), 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. The Advisory Fees are calculated based on the fair market value of your account as of the last business day of the current billing period. Each quarter, the qualified custodian of your account sends or makes available to you an account statement that includes an Advisory Fee notification which shows the computed fee, any adjustments to the fee, an explanation of any adjustment and the net Advisory Fee to be deducted later in the period from your account.

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.

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 amount.



Advisory Fees charged for our asset management services are negotiable based on the 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 IAR, 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). Each advisor 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 believes that its annual Advisory Fee is reasonable in relation to: (1) services provided and (2) the 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.

In addition to the Advisory Fee, you may incur additional 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, internal expenses of the security which may include 12(b)-1 fees, surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and custodian service charges. Advisory Fees charged by Sequent Planning are separate and distinct from the fees and expenses charged by the investment company that created and manages the mutual fund or exchange traded fund. A description of the fees and expenses charged on the investment are available in each investment prospectus.

The Advisory Fees are 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 Advisor Fees directly to our firm. The billing statement will detail the formula used to calculate the Advisory 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.

### **Fees for Financial Planning Services**

Sequent charges for the time, energy and knowledge utilized to create your financial plan. Fees charged for our financial planning services are negotiable based upon the particular investment advisor representative working with client, the type of client (including prospective clients for marketing purposes), 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 advisor representative, the geographic location and the total amount of assets under management for the client (combined as "negotiable factors").

Sequent has two alternatives regarding fee payment: Hourly Fee and Fixed Fee.

#### ***Hourly Fee***

Sequent provides financial planning services under an hourly fee arrangement. The hourly rate range is \$125 - \$300 per hour for either a limited-scope engagement or a financial planning engagement. The

hourly rate is negotiable based upon the particular investment advisor representative working with client and the negotiable factors.

*Example: Hourly fee range based on negotiable factors:*

Advisor with 5 years or less experience, rural town of 15,000 people, and client situation is straightforward: Rate \$125 – \$200 per hour.

Advisor with 10 years or more experience, large metropolitan city, client situation is straightforward: Rate \$200 – 300 per hour.

Based upon the above negotiable factors, each investment advisor representative is allowed to set Sequent Planning's hourly financial planning fee up to a maximum amount of \$300 per hour. The actual hourly fee charged by Sequent Planning will be specified in the client's agreement with Sequent Planning.

### ***Fixed Fee***

Sequent Planning also provides financial planning services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for financial planning services under this arrangement. There is a range in the amount of the fixed fee charged by Sequent Planning for financial planning services. The minimum fixed fee for a comprehensive financial plan is \$1000 and the maximum fixed fee is \$5,000. The minimum fixed fee for a limited engagement is \$500. The amount of the fixed fee for your engagement is specified in your financial planning agreement with Sequent Planning.

Each IAR has the authority to require an advanced payment when entering a Financial Planning agreement. The advanced payment would be made via a check. However, at no time will Sequent Planning require payment of more than \$1,200 in fees more than six months in advance. The remainder of the fee, if any, is due upon presentation of the materials to you. Fees that are paid in advance can be refunded. The refunded amount would be based on the prorated amount of work completed at the point of termination. The final fee schedule will be outlined in the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the Financial Planning Agreement. Lower fees for comparable services may be available from other sources.

Financial situations vary for each client. Some client financial situations can be very complex and therefore require much more time for the advisor to complete. Before commencing with financial planning services or limited-scope engagements, Sequent provides an estimated fee of the approximate hours needed to complete the requested financial planning services. When appropriate, Sequent will charge for the additional time needed to complete the limited scope engagement or the financial planning engagement. Examples of when a financial advisor will charge additional fees includes, but is not limited to:

1. Client request to create additional financial scenarios. Each additional scenario created costs at a minimum \$300 to create.
2. More than 4 insurance policies are requested to be reviewed in a limited-scope insurance review engagement. Each additional policy review costs a minimum of \$125 per review.
3. Review of non-tradable or illiquid holdings such as a closely held business. The range of cost for an individual business review is \$500 - \$2,000.

Sequent's financial plans and limited-scope engagements are time specific. Neither offering creates an ongoing client relationship. Clients are provided specific materials concerning their financial situation.

After the presentation of the materials, we have no further obligations or requirements to you. Clients may request additional services from us.

For clients that choose to engage Sequent for a comprehensive financial plan, there is a minimum fee of \$1,000. Each investment advisor representative has the authority to waive the financial planning fee. By signing an Investment Advisory Agreement with Sequent, we may offer to waive or reduce the fees for financial planning services.

### ***Other Fee Terms for Financial Planning Services***

The financial planning services terminate upon delivery of the written financial plan or upon either party providing the other party with written notice of termination.

If you terminate the financial planning services after entering into an agreement with us, you will be responsible for immediate payment of any financial planning services performed by Sequent Planning prior to the receipt by Sequent Planning of your notice of termination. For financial planning services performed by Sequent Planning under an hourly arrangement, you will pay Sequent Planning for any hourly fees incurred at the rate in the agreement. For financial planning services performed by Sequent Planning under a fixed fee arrangement, you will pay an early termination fee for the hours worked by Sequent Planning. The calculation of the early termination fee is the fixed fee rate multiplied by the ratio of hours worked divided by the expected total hours. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by Sequent Planning to you within 30 days of termination.

You should notify Sequent within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

To the extent Sequent engages an outside professional (i.e. attorney, independent investment advisor or Accountant) while providing financial planning services to you, Sequent will be responsible for the payment of the fees for the services of such an outside professional, and you will not be required to reimburse Sequent for such payments. To the extent that you personally engage such an outside professional, you will be responsible for the payment of the fees for the services of such an outside professional, and Sequent will not be required to reimburse you for such payments. When engaged by the client, the fees for the outside professional will be in addition to and separate from the Advisory Fees charged by Sequent.

All advisory fees paid to Sequent for services are separate and distinct from any insurance products sold. The commissions, fees and expenses charged by insurance companies associated with any insurance products such as disability insurance, life insurance and annuities are expenses that are incurred directly by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges. These charges are also separate and distinct from the Sequent Advisory Fees.

Many of our IARs are also licensed insurance agents. If you elect to have your IAR, in his or her separate capacity as an insurance agent, implement the recommendations of the financial plan, your IAR will receive commissions on the insurance transactions in his or her role as insurance agent, in addition to the Advisory Fee received for providing financial planning services. As stated above, Sequent may offer to waive or reduce the financial planning fee, however, the financial planning fee is not negotiable or waived after the fact based on implementation of the plan or any part of the plan.

All Advisory Fees paid to Sequent are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial ongoing or deferred sales charge. Likewise, the qualified custodian or broker-dealer executing certain transaction will charge commissions for implementing transactions.

### **Fees for Third-Party Money Manager Programs**

Third-party money managers generally have minimum account balance requirements ("account minimums") or minimum account fees. The account minimums will vary among third-party money managers. Account minimums are generally higher on fixed income accounts than on equity-based accounts. A complete description of the third-party money manager's services, fee schedules and account minimums will be disclosed in the third-party money manager's disclosure brochure which will be provided to you prior to or at the time an agreement for services is executed and the account is established.

The actual fee charged to you will vary depending on the third-party money manager. All fees are calculated and collected by the third-party money manager who will be responsible for delivering our portion of the fee paid by you to us. Your specific fee charged for the third-party asset management program, will be disclosed in your advisory agreement with them.

Under this program, you can incur additional charges including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees.

We have a conflict of interest by only offering those third-party money managers that have agreed to pay a portion of their advisory fee to us and have met the conditions of our due diligence review. There may be other third-party money managers that may be suitable for you that may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

### ***SEI Asset Management Program***

Sequent offers third party asset management services through the SEI Program. Clients enter into a Tri-Party Agreement between the client, Sequent, and SEI. Sequent and SEI act as co-advisors in the Tri-Party Agreement. Sequent has discretion to pick the investments and move the client assets between SEI portfolio strategies.

Clients in the SEI Program will pay Sequent a maximum Advisory Fee of 1.75% based on assets under management. The fee charged by SEI will be disclosed in the Tri-Party agreement between Sequent, SEI and you. The custody of all funds and securities are maintained by SEI. SEI Trust Company may charge a separate custodial fee for the custody services it provides to your account. A complete description of SEI's advisory services, fee schedules and account minimums will be disclosed in their Firm Brochure which will be provided to you by SEI prior to or at the time an agreement for services is executed and the account is established.

SEI earns fees in one of three ways for the services it provides.

1. SEI mutual funds have internal expenses. SEI receives the internal expenses related to the SEI mutual fund offerings.
2. SEI provides strategic asset management solutions. SEI charges for these asset management services.
3. SEI provides a platform to support advisers and client services and custodian services.

Each quarter, SEI sends you an account statement that includes details of the fees charged to your account.

You may terminate the SEI Program Account at any time by notifying Sequent. Termination will be effective upon 30 days written notice to the other party. If services are terminated within five business days of executing the client agreement, services will be terminated without penalty. After the initial five business days, you may be responsible for payment of fees for the number of days services were provided by Sequent prior to receipt of the notice of termination.

Sequent may invest a portion of your assets in mutual funds, exchange traded funds (ETFs) or other approved investments that are managed by SEI. These products charge an investment management fee on client's assets invested in these securities. If you are invested in a SEI mutual fund, SEI is paid an investment management fee by the mutual fund, therefore, SEI will not charge a custodian fee.

### **Fees For Retirement Plan Services**

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

Sequent Planning charges an annual fee based upon the value of the plan assets. The following annual fee table for Non-Fiduciary and Fiduciary services provide our list price for these services. Each Plan is different and therefore the final price can be negotiated by our IAR.

#### **Non-Fiduciary:**

<u>Plan Assets</u>	<u>Annual Fees</u>	
\$ 0 - \$ 5,000, 000	Tier 1	Up to 0.75%
\$5,000,001 – \$10,000,000	Tier 2	Tier 1 + 0.50% on Tier 2 balance
\$10,000,000+	Tier 3	Customized pricing

#### **Fiduciary:**

<u>Plan Assets</u>	<u>Annual Fees</u>	
\$ 0 - \$ 5,000, 000	Tier 1	Up to 1.00%

\$5,000,001 – 10,000,000	Tier 2	Tier 1 + 0.75% on Tier 2 Balance
\$10,000,000+	Tier 3	Customized pricing

For retirement plan sponsors, fees are billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the Plan 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 Plan's opened at any time other than the beginning of the billing period.

Advisory Fees will be deducted as directed by the retirement plan. Clients are required to provide the custodian or recordkeeper with written authorization to deduct the fees from the account and pay the fees to Sequent Planning.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the retirement plan agreement, services are terminated without penalty.

Sequent Planning does not reasonably expect to receive any other compensation, direct or indirect, for the retirement planning services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose to the company sponsor the amount of such compensation, the services rendered for such compensation and the payer of such compensation.

### **Investment Newsletters**

Newsletters are provided to clients and prospective clients free of charge.

### **Educational Programs**

Educational events, when offered, may charge a nominal fee up to \$100 for certain events, depending on the content covered and materials provided to clients. Clients will be notified of any fees associated with an educational event and fees will be charged and paid prior to the event date.

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

Sequent 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.

## **Item 7 – Types of Clients**

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 agreement with Sequent Planning specifying the particular advisory services in order to establish a client arrangement with Sequent Planning.

#### **Minimum Investment Amounts Required**

Sequent does not have any minimum account requirements.

#### **Minimum Fee for Financial Planning Services**

The minimum fee charged for comprehensive financial planning services provided on an hourly basis or fixed fee basis is \$1,000.

The minimum fee for a limited-scope engagement is \$500.

#### **Advisor Authority for Financial Planning Fees**

Each investment advisor representative has the authority to waive the financial planning fee.

#### **Third-Party Money Managers minimum account requirements**

Third-party money managers may have minimum account and minimum fee requirements in order to participate in their programs. Each third-party money manager will disclose its minimum account size and fees in its Form ADV Part 2A Disclosure Brochure.

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

#### **Methods of Analysis**

Sequent Planning may use any of 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 the internet, 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 makes 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:

- o Cash Equivalent - This SmartRisk model is designed to seek current income consistent with stability of principal and liquidity by investing primarily in a portfolio of high-quality, dollar-denominated, fixed-income securities that: (1) are issued by banks, corporations and the U.S. government; and (2) mature in 397 days or less.
- o Capital Preservation Plus - This SmartRisk model is designed to provide investors with capital preservation and modest market participation to help cover rising expenses, principally through cash, cash equivalents, bond and treasury-based investment vehicles, and nominal amount of equity and alternative investment exposure.
- o Conservative - Designed for investors who can withstand modest volatility, this SmartRisk model strives for a balance of capital preservation 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.
- o 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.

- o 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.
- o 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.
- o 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.
- o Income Conservative – The SmartRisk models are designed for investors who Seek current income maintaining a conservative risk profile primarily through a diversified portfolio of quality fixed-income securities and dividend paying equities.
- o Income Moderate – The SmartRisk model is designed to offer investors an intermediate investment option, with greater potential for current income and long-term growth than the Income Conservative Portfolio, but less volatility and downside risk relative to the Income Equity Growth. Investments will primarily consist of equity-income, fixed-income, balanced and some growth focused products.
- o Income Equity Growth – The SmartRisk models are designed for investors who seek a higher yield while still participating equity market growth over longer time frames and can tolerate wide fluctuations in market values, especially over the short term. The Equity Income model incorporates sector specific ETFs to broaden exposures and reduce the sector skews that many equity income models have so that these skews do not detract from the portfolios performance during periods of market performance dominated by specific sectors or growthier factors. This sector diversity is especially important during periods where high yielding strategies are out of favor.
- o Aggressive Tech Speculation – The SmartRisk model is designed to grant investors the opportunity to gain exposure to numerous tech sectors all under a single model. This includes market segments like IT services, wireless telecommunication services, Bio-Technologies and semiconductors to name just a few. While the model may have high concentrations in technology it also invests assets into sectors that while providing growth opportunities also provide diversification and potential damping of sector risk. One of the major strengths of this model is the fact that it does not single out a particular technology; rather it invests all across the technology sector. This makes the model an ideal choice for investors who want tech exposure but are unsure as to which particular segment of this broad market that they feel will perform the best.

**Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

### **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 estimates.

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 potential 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 and may be illiquid.
- 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.
- Exchange Traded Fund (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 potential 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 what the index utilized is, how it 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 potential return.

**Surrender Charges, Market Value Adjustments and other fees upon contract termination.** Most indexed annuities contain surrender charges, Market Value Adjustments and other potential 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.**

#### **Item 9 – Disciplinary Information**

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

#### **Item 10 – 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), 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 that provides 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 and services, our IARs can offer other services. Many of our advisers also serve as insurance agents who sell other products or provide services outside of their role as IARs with us. One of our advisers is also a registered representative with a broker dealer. These activities are known as approved "Outside Business Activities" (OBAs). Each IAR discloses to you their OBAs on the ADV 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, IAR they will sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. An insurance agent can suggest that you implement recommendations of Sequent by purchasing an insurance product. The insurance agent will be compensated through the payment of commissions. This commission 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.

### **Registered Representatives of a Broker-Dealer**

Some of our investment adviser representatives are also registered representatives of Peak Brokerage Services, LLC, a securities broker/dealer and Member FINRA/SIPC. You may work with your investment adviser representative in his or her separate capacity as a registered representative of Peak Brokerage Services, LLC.

As a result of this relationship, Peak Brokerage Services, LLC may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients of Sequent Planning, even if a client does not establish any account through Peak Brokerage Services, LLC. If you would like a copy of the privacy policy of Peak Brokerage Services, LLC, please contact your investment adviser representative.

When acting in this separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds or other products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

Clients are under no obligation to use the services of our investment adviser representatives in their separate capacity or to use Peak Brokerage Services, LLC and can select any broker/dealer you wish to implement securities transactions. If you select our investment adviser representative to implement securities transactions in his or her separate capacity as registered representatives, he or she must use Peak Brokerage Services, LLC. Prior to effecting any such transactions, clients are required to enter into a new account agreement with Peak Brokerage Services, LLC. The commissions charged by Peak Brokerage Services, LLC may be higher or lower than those charged by other broker/dealers. In addition, your investment adviser representative may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

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

Michael Chochon is Vice President 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 a conflict of interest between Mr. Chochon's role as Vice President and IAR of Sequent and his role as the Director of Strategic Projects at SMS.

### **Alliant Retirement Services**

Alliant Retirement Services is an investment adviser and under common control with Sequent Planning. Alliant Retirement Services and Sequent Planning are not affiliated entities.

### **Third-Party Asset Management Programs**

Sequent Planning has developed several programs, previously described in *Item 5* of this disclosure brochure, designed to allow us to recommend and select third-party money managers for you. Once selected, the third-party money manager will pay us a portion of the Advisory Fees you are charged. Receiving direct or indirect compensation for the management of assets by third-party asset managers creates a material conflict of interest, because Sequent has an incentive to place assets based on compensation. Sequent addresses this material conflict of interest through a process of placing assets solely on the suitability information provided by the client and documented on account applications. The investment adviser representative will monitor the client's investments, and whether or not those investments are reflective of the risk tolerance, time horizon, and investment objective of the account. Please refer to *Items 4 and 5* for full details regarding the programs.

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

### **Code of Ethics Summary**

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 IARs 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 and Affiliates 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 will 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 period).
- 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.

### **Code of Ethics for CFP®**

In addition to abiding by our Code of Ethics, some of our investment adviser representatives are Certified Financial Planners™ (CFP®) and also abide by the Code of Ethics and Responsibility Code of the Certified Financial Planner™ Board of Standards, Inc. The Code of Ethics and Responsibility Code requires CFP® designees to not only comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP® designees are:



- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code by requesting a copy from one of our investment advisor representatives.

## **Item 12 – Brokerage Practices**

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

Clients are under no obligation to act on the financial planning recommendations of Sequent Planning. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is within the “best” definition. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors of our execution partner besides prices and fees including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

### **Brokerage Recommendations and Custodians**

If you sign an investment advisory agreement, you are required to establish a brokerage account at one of our qualified custodians: Charles Schwab or SEI. All custodians are independent and not affiliated with Sequent Planning. The custodian relationship is determined by the investment management strategy and partner. Sequent has several platforms for our IARs to choose from. Each platform has one custodian that provides exclusive services to that platform.

#### **Charles Schwab & Co, Inc. (“Schwab”)**

Sequent Planning recommend/require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc (“Schwab”), a FINRA-registered broker-dealer, Member SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. Although Sequent Planning may recommend/require the clients establish accounts at Schwab, it is the client’s decision to

custody assets with Schwab. Sequent Planning is independently owned and operated and not affiliated with Schwab.

Sequent Planning does not maintain custody of your assets. Clients' assets must be maintained in an account at a "qualified custodian." We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. Sequent Planning does not receive any formal or informal soft dollar benefits from Schwab & Co, Inc. Considerations for choosing Schwab include: financial strength, pricing, technology, execution, and reliability. Transaction fees charged by Schwab may be higher or lower than those charged by other broker-dealers.

Sequent Planning does not accept or request discretionary authority in determining broker dealers used for client accounts. We may still use other brokers to execute trades for your account as described below (see "Client brokerage and custody costs")

### **Client brokerage and custody costs**

For clients' accounts that Schwab maintains, Schwab generally does not charge client separately for custody services but is compensated by charging client commissions or other fees on trades that it executes or that settle into the Schwab account (See Item 15: Custody). Certain trades (for example, mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in the account in Schwab's Cash Features Program.

Sequent Planning is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/ custodians"). By using another broker or dealer client may pay lower or higher transaction costs.

### **Products and services available to Sequent Planning from Schwab**

Schwab Advisor Services™ (formerly Schwab Institutional Services) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers.

However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business.

Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

**Services that benefit clients.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit client and client's account.

**Services that do not directly benefit clients.** Schwab also makes available to us other products and services that benefit Sequent Planning but do not directly benefit client or client's account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. Sequent Planning uses this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only Sequent Planning.** Schwab also offers other services intended to help Sequent Planning manage and further develop the business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Some of these services are provided at no cost as an independent firm. Some of these services are provided at a discount or at waived fees depending on the level of assets under management with Schwab. This may be perceived as a conflict of interest. In order to mitigate the risk of this conflict, Sequent Planning has the option to choose other third-party vendors for these services. And the level of entry for the discounts are very low which mitigates risk of conflicts.

### **SEI Trust Company**

SEI Trust provides Sequent with access to their institutional trading and custody services. The services from SEI Trust include brokerage, custody, research and access to mutual funds and other investments.

SEI Trust is the custodian that supports the SEI Asset Management program. A complete description of SEI's advisory services, fee schedules and account minimums will be disclosed in their Firm Brochure which will be provided to you by SEI prior to or at the time an agreement for services is executed and the account is established.

### **Additional Custodian Information**

The type of asset management program you choose determines which custodian(s) you can open an account with, and the advisory services provided by Sequent. The qualified custodian may charge a separate custodial fee for the custody services it provides to your account.

Our custodians make available to Sequent Planning other products and services that we benefit from but may not benefit your accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping and client reporting

Many of these services generally may be used to service all or a substantial number of our accounts. The custodians also make available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

In addition, our custodians make available, arrange and/or pay for these types of services rendered to Sequent Planning by independent third-parties providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our requirement that you maintain your assets in accounts at an approved custodian may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian.

The benefits received by Sequent Planning through participation in any of these programs does not depend on the amount of brokerage transactions directed to each custodian. As part of its fiduciary duties to clients, we endeavor at all times to put clients' interests first. You should be aware, however, that the receipt of economic benefits by Sequent Planning or our related persons in and of itself creates a conflict of interest and may indirectly influence Sequent Planning's choice for custody and brokerage services. You are under no obligation to act on our recommendations.

### **Directed Brokerage**

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer or custodian, Sequent Planning may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, Sequent Planning has decided to require our clients to use broker/dealers and other qualified custodians determined by Sequent Planning.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Sequent Planning has soft dollar arrangements with broker-dealers and/or third-party service providers.

### **Handling Trade Errors**

Sequent Planning has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Sequent Planning to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction.

Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by Sequent Planning. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade and the correcting trade involves more than one client account, Sequent will prorate the gains to those clients' accounts.

Sequent Planning will never benefit or profit from trade errors.

### **Block Trading Policy**

We can elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Sequent Planning believes such action can prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Sequent Planning uses the pro rata allocation method for transaction allocation. Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. Sequent Planning will calculate the pro rata share of each transaction included in a block order and assigns the appropriate number of shares of each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Sequent Planning or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our Supervised Persons receive any additional compensation as a result of block trades.

### **Agency Cross Transactions**

Our Supervised Persons are prohibited from engaging in agency cross transactions. We cannot act as brokers for both the sale and purchase of a single security between two different clients. Further, we

cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

### **Item 13 – Review of Accounts**

#### **Account Reviews and Reviewers**

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.

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.

#### **Statements and Reports**

For our asset management services, you are provided, upon request, 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 money manager.

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

You are encouraged to always compare any reports or statements provided by Sequent Planning or the 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.

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

Sequent Planning has the ability to enter into arrangements with affiliated and non-affiliated parties (Referring Parties) who refer clients to Sequent Planning.

#### ***Client Referrals***

Sequent will 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 will 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.

Please see *Item 5, Fees and Compensation*, *Item 10, Other Financial Industry Activities and Affiliations* and *Item 12, Brokerage Practices*, for additional discussion concerning other compensation.

#### *Expense Reimbursement*

We can from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors.

Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

### **Item 15 – Custody**

Sequent Planning does **not** have custody of client funds or securities. Custody, as it applies to investment advisors, is defined as holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. This definition also applies to our affiliated persons, in connection with advisory services we provide to clients, when applicable. Custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

### **Item 16 – Investment Discretion**

When providing asset management services, Sequent Planning maintains trading authorization over your Account. We can provide asset management services on a **discretionary** basis. When discretionary

authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Sequent Planning so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Clients will grant Sequent Planning discretionary authority to establish and/or terminate a relationship with a Sub-Adviser (if clients utilize the SEI Programs) for purposes of managing the Account or a portion of the Account determined by Sequent Planning. Client will also grant the Sub-Adviser selected by Sequent Planning with the discretionary authority (in the sole discretion of the Sub-Adviser without first consulting with Client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the Account managed by the Sub-Adviser. Client will also grant the Sub-Adviser selected by Sequent Planning with the power and authority to carry out these decisions by giving instructions, on behalf of Client, to brokers and dealers and the qualified custodian(s) of the Account. Client authorizes Sequent Planning to provide a copy of this Agreement, if requested, to the qualified custodian or any broker or dealer, through which transactions will be implemented on behalf of Client, as evidence of Sub-Adviser's authority under this Agreement.

### **Item 17 – 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 18 – 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. Sequent Planning has not been the subject of a bankruptcy petition at any time.

#### **No Arrangement with Issuer of Securities**

Sequent Planning and its management do not have any relationship or arrangement with any issuer of securities.

### **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 Personal Identifying Information within our firm to only those individuals associated or employed with us that must have this 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 of your Personal Identifying 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 Personal Identifying Information (“PII”) and to comply with our stated policies. They may access PII 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 PII obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing PII to unrelated third parties who need to know such PII 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 PII 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 PII with strict confidentiality.

### **Business Continuity Plan**

Sequent Planning has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business. Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.