

## **Item 1: Cover Page**

### **Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Focus Wealth Planning, Inc. d/b/a Focus Financial Advisors. If you have any questions about the contents of this brochure, please contact us at: 815-633-8844, or by email at: [advisors@focusfinancialadvisors.com](mailto:advisors@focusfinancialadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Focus Wealth Planning, Inc. DBA: Focus Financial Advisors is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Focus Wealth Planning, Inc. DBA: Focus Financial Advisors is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Effective 01/01/2024**

## Item 2: Material Changes

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### Annual Update

New clients will receive a copy of our Firm Brochure at or before the time they enter into an advisory agreement with us. We review the Firm Brochure annually within 90 days of our December 31 fiscal year end and make changes if necessary. We will provide you with a Summary of Material Changes within 120 days of our fiscal year end. In the alternative, we may choose to provide you with a complete copy of the updated Firm Brochure.

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### Full Brochure

You may receive a complete copy of our current Firm Brochure at any time free of charge by contacting us at 815-633-8844 or by email at [advisors@focusfinancialadvisors.com](mailto:advisors@focusfinancialadvisors.com). It is also available on our website [www.focusfinancialadvisors.com](http://www.focusfinancialadvisors.com).

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### Material Changes since the Last Update

FOCUS manages approximately \$161,102,527 in assets for approximately 172 clients. Our regulatory assets under management (RAUM), which includes assets over which we provide continuing and regular supervisory management and for which we can implement trades, is \$127,383,512. In addition, we also provide advice on a non-discretionary basis for \$33,719,015 of assets under advisement (AUA).

We replaced our succession plan with Chicago Partners Investment Group LLC. Effective August 11, 2023.

We no longer use the services of a Turnkey Asset Management Program (TAMP).

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## Item 4: Advisory Business

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### Firm Description

As used in this Firm Brochure, “FOCUS” refers to the entity Focus Wealth Planning, Inc.

FOCUS was established in August 2018 and the principal owner of FOCUS is the Revocable Declaration of Trust for Jon L. Aldrich, Jon L. Aldrich trustee. Prior to the acquisition by FOCUS, Focus Financial Advisors, Inc. was in existence since 1984. Jon was an employee and principal of Focus Financial Advisors, Inc. from December 2004 to July 2018, and served as its president since April 2015.

FOCUS provides personalized investment management, investment advice and financial planning services to individuals, trusts, estates, and small businesses. Advice is provided through consultation with the client and may include identification of financial goals and objectives, gathering relevant details, analyzing the information to formulate a plan, recommending a financial plan, implementing recommendations, and monitoring the plan.

FOCUS is strictly a fee-only financial planning and investment management firm. The firm does not sell commission-based securities. No commissions in any form are accepted. No finder’s fees are accepted.

FOCUS does not provide tax and/or legal advice. Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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### Types of Advisory Services

FOCUS provides financial planning and investment advisory services, as more fully described below.

FOCUS’ services are tailored to the individual needs of clients. FOCUS assists clients in determining their financial goals and objectives and creating a financial plan and investment program that will help them reach these goals.

FOCUS will either implement the investment strategy utilizing the services of an unaffiliated investment manager and/or through its internal investment management.

FOCUS currently does not use the services of Turnkey Asset Management Program (TAMP) on client accounts.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and be signed by the client. Agreements are not assigned without client consent.

FOCUS manages approximately \$161,102,527 in assets for approximately 172 clients. Our regulatory assets under management (RAUM), which includes assets over which we provide continuing and regular supervisory management and for which we can implement trades, is \$127,383,512. In addition, we also provide advice on a non-discretionary basis for \$33,719,015 of assets under advisement (AUA).

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## **Financial Planning-Services**

A financial plan is designed to help the client with all aspects of financial planning. A client may choose to engage FOCUS for financial planning services alone, or in conjunction with investment advisory services as described below.

Financial Planning services may include some or all the following services (other customized services may also be available):

- **Preparation of Net Worth Statement**
- **Review of cash flow and annual spending along with annual budgeting**
- **Retirement planning**
  - How much do I need to save?
  - How much can I spend?
  - Can I accomplish my goals and dreams?
  - Alternative options available if my resources are not sufficient to achieve my goals.
  - Monte Carlo projections of the chances of success of retirement and other goals.
  - Determine the most tax efficient way to withdraw from assets in retirement.
- **Ongoing, Annual Tax Planning**
  - Create annual projections to identify areas of tax savings and identify potential tax issues.
- **Future, long-term tax planning projections**
  - Implement ideas now to provide long-term tax efficiency.
- **Estate & Legacy Planning**
  - Assist in developing an outline for an estate plan and employ the services of a licensed attorney to create the appropriate documents.
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- **Small Business Planning**
  - Succession and transition.
  - Buy/Sell arrangements.
  - Retirement plans.
  - Tax planning.
- **Social Security Maximization**
  - Impact of delaying Social Security.
  - Optimal method and time to take Social Security.
- **Pension analysis**
  - Taking a lump sum versus a lifetime income stream.
- **Education Planning**
  - How to best plan and fund children's, grandchildren, or other family members education.
  - Optimal investment vehicles to utilize.
- **Charitable Planning**
  - How to efficiently support charitable or other non-profit organizations.
- **Insurance Review and Risk Analysis**
  - Is current insurance adequate?
  - Should additional insurance be obtained to cover unprotected risks?
- **Review of asset allocation**
  - After the plan has been completed and in accordance with the client's risk tolerance, risk capacity and long-term growth rate required by the plan.

Information is obtained from personal interviews, questionnaires, and online data aggregation software. During the initial stages of developing a financial plan, several meetings spaced at regular intervals a couple of weeks apart are required. Subsequent meetings will follow a consistent review schedule to monitor and update the plan.

Most plans are reviewed and modified during these planning meetings and future regular reviews. Electronic and/or hard copies of plans are available upon request. Clients also have the ability through a client portal to access information online.

Detailed investment advice and specific recommendations may be provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.



FOCUS formulates financial plans based on the information provided by the client. Inaccurate or incomplete information may result in an inaccurate or incomplete financial plan. To create a financial plan, FOCUS makes certain assumptions with respect to interest and inflation rates, past trends, and future projections of the performance of the market and economy. Past performance is no indication of future performance, and future market results may differ substantially from our projections, and, thus, FOCUS cannot offer any guarantees or promises that clients' goals and objectives will be met. Changes to the client's personal financial circumstances, goals, or objectives may cause the financial plan to become inaccurate and out of date. FOCUS recommends that clients promptly notify us of any changes so that the financial plan can be updated.

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### **Investment Advisory Services**

Most financial planning clients also choose to have FOCUS provide investment advisory services to manage their assets on a discretionary basis. Although FOCUS recommends that a financial plan be prepared first, to provide a thorough understanding of the client's financial circumstances and objectives, investment advisory services may also be available on a stand-alone basis, without financial planning services.

FOCUS' investment advisory services considers the client's individual personal and financial circumstances, investment objectives, tolerance, and capacity for risk (as disclosed to FOCUS in response to discussions with the client or in responses to a questionnaire), cash flow needs and consideration of income tax and estate tax concerns. FOCUS' investment advisory services would also include, as appropriate, the following:

- Evaluate the client's current holdings, strategy, and goals.
- Provide assistance in identifying a target portfolio asset allocation.
- Consider tax ramifications of making changes to the current portfolio.
- Manage concentrated positions and provide recommendations on how to hedge these positions or create a plan to reduce the concentrated position.
- If a client prefers that certain stocks or sectors are excluded or would like to employ environmental, social and governance (ESG) criteria, this can be accommodated.
- Utilize asset location as much as possible to effectively locate their investments in the most tax efficient accounts.
- Utilize tax harvesting, the process of offsetting gains with losses from investments to reduce the tax burden on an annual basis.

Clients are responsible for providing FOCUS with information regarding their personal financial circumstances, investment objectives, and tolerance for risk. Clients are also required to notify FOCUS of any changes in their personal financial circumstances, investment objectives, goals, cash needs, and other information pertinent to their financial situation.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or FOCUS may terminate an Agreement by verbal or written notice to the other party.

Occasionally, depending on the complexity of financial services in relation to the amount of assets under management, FOCUS may charge a fixed fee for its combined financial planning and investment advisory services. In addition, FOCUS reserves the right to provide services at a reduced fee or no charge to family and friends.

Assets are invested primarily in individual stocks, exchange traded funds (ETFs), insured certificates of deposit, no-load mutual funds, exchange-listed options contracts, individual treasury, corporate or municipal bonds, and exchange-traded notes (ETNs). Custodians may charge a transaction fee for the purchase or sale of securities; however, FOCUS makes every effort to keep transaction fees for purchase and sales as low as possible.

FOCUS typically conducts periodic reviews, and regularly sends investment reports to our clients along with their billing statements.

If FOCUS is providing discretionary asset management, FOCUS places trades for clients under a limited power of attorney.

FOCUS does not receive any compensation, in any form, relating to the purchase or sale of specific investments.

Initial public offerings (IPOs) are not available through FOCUS.

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## **ERISA**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflict of interest, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

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## **Continuity and Succession**

Focus has entered into a continuity planning agreement with Chicago Partners Investment Group LLC, in Chicago, Illinois, in the event of Jon Aldrich's death, disability, or retirement. This arrangement provides for the continued operation of Focus that would give Focus clients the opportunity to become clients of Chicago Partners Investment Group LLC should one of these qualifying events occur. This agreement is revocable at any time, for any reason, and Chicago Partners Investment Group LLC currently does not hold any equity interest in Focus.

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## **Termination of Agreement**

The client or FOCUS may terminate an Agreement by verbal or written notice to the other party.

## Item 5: Fees and Compensation

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### Description

FOCUS generally bases its fees on a percentage of assets under management or fixed fees.

The firm's compensation is solely from fees paid directly by clients. The firm does not receive commission based on the client's purchases of any financial product. No commissions in any form are accepted.

**The Investment Advisory Services fee** is based on a percentage of the investable assets according to the following schedule:

Investable Assets	Annual Advisory Fee
First \$500,000	1.00%
Next \$500,000	0.85%
Next \$4,000,000	0.60%
Over \$5,000,000	Negotiable

Unless otherwise directed by client in writing, investable assets include all assets in client accounts that FOCUS manages. This may include cash, cash equivalents, promissory notes, or investment positions acquired prior to the inception of the advisory relationship, acquired directly by the client, or held at the client's direction. Client may notify FOCUS in writing of any assets held in client accounts that should be excluded from management by FOCUS, and therefore excluded from investable assets upon which fees are assessed. Typically, there is no minimum annual fee; however, FOCUS reserves the right to impose a minimum fee in certain circumstance. Such minimum fee would be set forth in the fee schedule attached to the advisory agreement. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

**The fee for a financial plan** is predicated upon the facts known at the start of the engagement. The fee range is typically \$3,500 to \$10,000 or higher depending on the complexity of the engagement. The fee is negotiable, and the client's specific fee is set forth in the fee schedule attached to the financial planning agreement. If the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

FOCUS reserves the right to adjust or waive the financial planning fee if a client chooses to engage our investment advisory services.

FOCUS' fees are negotiable.

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## **Fee Billing**

For financial planning services, the fee is established in the fee schedule attached to the financial planning agreement. Generally, half of the fee is due upon signing the agreement, and the balance is due within 90 days thereafter.

For investment advisory services, clients may elect whether to pay their fees in advance (for the upcoming billing period) or in arrears (for the past billing period). Fees are usually deducted from client accounts with the client's authorization, but clients may also elect to be invoiced directly for their fees. Typically, each billing period is three calendar months, however in limited cases clients may be billed on a monthly, semi-annually, or annual basis. The details of each client's specific fee arrangement are documented in the fee schedule attached to the advisory agreement. Fee schedules may be updated by providing written notice to clients at least 90 days prior to the effective date of the changes.

Typically, the initial billing period will commence on the first day that the investable assets are received by the custodian. For the initial billing period, fees are based on the portfolio value at the beginning of the billing period. For subsequent billing periods, fees are based on the portfolio value on the last day of the prior billing period.

For clients who terminate their advisory agreement, fees are assessed through the end of the month in which the notice of termination occurs. Fees will be adjusted based on the number of months of service in the billing period, including the month of termination, divided by the total number of months in the billing period. If fees are paid in advance, prorated fees for a partial billing period will be refunded. If fees are paid in arrears, fees will be based upon the portfolio value upon the date of termination.

Fees will be adjusted for cash inflows (deposits) or outflows (withdrawals) which occur during a billing period, based on the number of days in the billing period prior to the cash flow divided by the total number of days in the billing period. However, fee adjustments for cash flows less than \$50,000, or adjustments of \$50 or less, will not be applied.

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## **Other Fees**

All fees paid to FOCUS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and FOCUS does not receive any portion of these fees. These charges will generally include a management fee, fees to cover administrative expenses, and may occasionally include 12b-1 fees, although FOCUS makes every effort to avoid 12b-1 fees. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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**Additional Fees and Expenses**

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transaction for the client's account(s). FOCUS does not receive any portion of these charges. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Item 6: Performance-Based Fees**

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**Description**

FOCUS does not charge performance-based fees.

**Item 7: Types of Clients**

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**Description**

FOCUS generally provides investment advice to individuals, trusts, estates, corporations, or business entities.

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**Account Minimums**

FOCUS does not impose a minimum level of assets or net worth to receive its financial planning services on a stand-alone basis. For investment advisory services, FOCUS requires a minimum of \$500,000 in investable assets. However, this minimum may be waived at FOCUS' discretion.

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

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**Methods of Analysis**

Security analysis methods may include fundamental and technical analysis. Fundamental analysis is a method of evaluating securities in an attempt to measure their intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Technical analysis evaluates securities in an attempt to forecast future movements based on past data.

FOCUS relies on information from various market and research companies to which we subscribe.

Other sources of information include traditional and online financial commentary, inspections of corporate activities, research materials prepared by others, corporate rating services, prospectuses, research from Charles Schwab & Company (Schwab), Fidelity Brokerage Services, LLC (Fidelity), Morningstar, Y-Charts, and other company press releases and regulatory filings.

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## Investment Strategies

The primary investment strategies we use for clients include a combination of strategic and tactical asset allocation. Portfolios are diversified across a variety of asset classes to reduce volatility and control risk.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations and/or as FOCUS deems necessary for the success of the financial plan. The client may change these objectives at any time.

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## Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach attempts to reduce this risk by diversifying across several different asset classes that may have different risk and return characteristics. However, as with all investments, clients should keep the risk of loss in mind. A fund's specific risks will be outlined in that fund's prospectus. Potential risks may include the following:

**Principal Risk.** There is a risk that the price received when an investment is sold may be less than the price for which it was purchased, resulting in a loss of the principal amount invested.

**Interest-rate Risk.** Changes in interest rates may cause investment prices to change. For example, when interest rates rise, yields on bonds become less attractive, causing their market values to decline.

**Market Risk.** The price of an investment may drop in reaction to market conditions, such as those triggered by political, economic, or social events. This is also referred to as systematic risk.

**Manager Risk.** The value of investments will vary with the success or failure of the asset manager's investment strategies, research, analysis, and determination of portfolio securities.

**Inflation Risk.** When any type of inflation exists, a dollar in the future will have less purchasing power than a dollar today. Inflation risk exists for all security types except for inflation-linked bonds, adjustable bonds, or floating rate bonds.

**Currency Risk.** If an investment is valued in currencies other than the U.S. dollar, changes in foreign currency exchange rates may affect the value of the investment. This risk is often higher for investments in emerging capital markets.

**Reinvestment Risk.** If a fixed-income security is sold, there is a risk that the proceeds may not be reinvested in a security with a comparable return.

**Business Risk.** If a company experiences a period of poor earnings, financial failures, or bankruptcy, the value of its stock may decrease in value.

**Liquidity Risk.** Some securities cannot be traded in a timely manner without experiencing a loss. There may be a lack of interest in the market, forcing the security to be sold for less than its value.

**Financial Risk.** The risk that a firm will be unable to meet its financial obligations. A high proportion of debt increases the likelihood that the firm will be unable to make the required principal and interest payments.

## Item 9: Disciplinary Information

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### Legal and Disciplinary

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## Item 10: Other Financial Industry Activities and Affiliations

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### Affiliations

FOCUS is not registered as a broker-dealer, and no affiliated persons are registered representatives of a broker-dealer. Neither the firm nor any affiliated persons are registered as a futures commission merchant, commodity pool operator, or commodity trading advisor.

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

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### Code of Ethics

The employees of FOCUS have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are putting the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Participation or Interest in Client Transactions

FOCUS and its employees may buy or sell securities that are also held by clients. In some cases, trades for FOCUS' employee accounts may be aggregated with trades for clients. In such case, FOCUS' policy prohibits allocating trades in such a way that FOCUS' employee accounts receive more favorable treatment than client accounts. Because FOCUS uses multiple custodians, it is possible that employee accounts may be included in a block trade for one custodian that is traded prior to the block trade for another custodian, and thus these employee accounts may be traded ahead of client accounts. As a result, the execution price in the employee accounts may be higher or lower than the price obtained in client accounts. See additional information regarding Order Aggregation in Brokerage Practices below. Employees are required to comply with the provisions of the *FOCUS Compliance Manual*.

### Personal Trading

The Chief Compliance Officer of FOCUS is Martha Whitman. She reviews all employee trades each quarter. Her trades are reviewed by Jon L. Aldrich, President. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## Item 12: Brokerage Practices

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### Selecting Brokerage Firms

FOCUS does not maintain custody of your assets that we manage. Your assets must be maintained in an account at a qualified custodian, generally a broker-dealer or bank. FOCUS generally recommends the services of Charles Schwab & Co., Inc. (Schwab), Fidelity Investments (Fidelity), and/or National Advisors Trust Company (NATC), due to our existing relationships with these firms. FOCUS is independently owned and operated. Factors that affect our selection of broker-dealers/custodians include efficiency of processing transactions, capability to execute, clear and settle trades, capability to facilitate transfer and payments to and from accounts (wire transfers, check requests, etc.), the extent of available investment products, quality of service, competitiveness of price of those services (commission rates, margin interest rates, other fees), and willingness to negotiate the prices, the ability to reduce trading costs with block trading, the overall economic benefit of the relationship to FOCUS and to client portfolios, the value of our ongoing relationship, and the reputation, financial strength, and stability of the firms. FOCUS does not receive fees or commissions from any of these arrangements.

Custodians provide us the following: (a) receipt of client confirmation and statements; (b) trade execution; (c) research, pricing and market data; (d) facilitation of payments of our fees from client accounts; (e) access to information regarding practice management, compliance and financial planning; (f) assistance with back office functions, recordkeeping, and client reporting; (g) access to other third party vendors on a discounted fee basis with discounts arranged by the custodians; and (h) conferences which advisors and employees may attend to receive additional education on issues such as practice management, marketing, investment theory, financial planning, business succession, regulatory compliance and information technology. Receipt of these benefits creates a potential conflict of interest and may directly or indirectly influence FOCUS to recommend the use of Schwab, Fidelity, and NATC for custody and brokerage services. FOCUS mitigates this potential conflict by periodically reviewing the services offered by competing custodians and broker-dealers and attempting to negotiate more favorable fees with these firms whenever possible. Clients do not pay any additional fees as a result of our receiving these services from the custodians.

Clients make the final choice regarding their custodian.

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### Trading Costs

In some cases, FOCUS may recommend investment options for client portfolios that incur a transaction fee when options without transaction fees are available if FOCUS determines that such investment options are likely to be more beneficial to the client portfolios. For example, funds with a front-end transaction fee are generally institutional versions and will often have a lower expense ratio that is more beneficial to client portfolios for long-term investments than another share class without a transaction fee that has a higher expense ratio.



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## **Prime Brokerage**

When beneficial to the client, individual fixed-income transactions may be effected through broker-dealers with whom FOCUS and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade away” fee charged by the account custodians).

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## **Best Execution**

FOCUS reviews the execution of trades at each custodian semi-annually. Trading fees charged by the custodians are also reviewed on a semi-annual basis. We have periodic conversations with our custodians to discuss services and fees, including trading fees, and attempt to negotiate more favorable rates whenever possible. FOCUS does not receive any portion of the trading fees.

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## **Soft Dollars**

FOCUS receives a software maintenance interface at no charge from Schwab because some client assets are custodied at Schwab. This partially offsets annual maintenance fees for our portfolio management software. All clients benefit from this as it reduces the firm’s overall expenses. The selection of Schwab as a custodian for clients is not affected by this nominal adjustment.

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## **Order Aggregation**

Many trades are mutual funds where trade aggregation does not garner any client benefit. However, FOCUS will execute block trades on individual securities, stocks, and ETF’s whenever possible for our clients.

In cases where trade aggregation is beneficial, FOCUS may (but is not obligated to) aggregate or “block” such orders for efficiency, to obtain best execution, or to allocate equitably among clients the differences in prices that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Transaction fees are based on each individual account holder’s allocation amounts, rather than the block trade amount. In the rare instance that a block trade is not completely filled, the partial fill will be allocated among the client accounts in proportion to the original order amount.

The timing of order submission will differ when submitted trades across multiple custodians. When conducting trading, FOCUS will apply a rotation of the order of which custodians are traded first. Clients may experience different execution prices when multiple clients trade the same security. In addition, clients may experience different execution prices when trades are not aggregated.

FOCUS selects and allocates investment opportunities among client accounts based on several factors, including diversification requirements, long-term goals, desired rate of return for the success of the financial plan, duration, cash availability, client guidelines or restrictions, existing or targeted account weightings in particular securities or sectors, lot size, account size, or the amount of existing holdings of the security in the accounts. These factors provide substantial discretion to FOCUS in allocating investment opportunities. In addition, FOCUS may also exclude certain accounts from an allocation if the size of the allocation would not satisfy certain minimum thresholds. Periodic reviews of client and account performance are conducted to ensure that trade allocations occur fairly and equitably over time, even though a specific trade may have the appearance or the effect of benefiting one account as against another when viewed in isolation.

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## **Principal and Agency Cross Transactions**

FOCUS does not participate in principal transactions, where an adviser buys securities from or sells investments to clients from its own account.

Occasionally, FOCUS may participate in an agency cross trade transaction with respect to fixed-income securities. For example, in cases where one client desires to remove a fixed-income security from their portfolio but liquidating the security in the open market would likely occur below the current market price because of the small quantity being traded. Thus, it may be more beneficial to transfer the security to another client portfolio that can realize the benefits of the security at the current market price. Cross transactions only occur when there is a need and when the security meets the purchasing client's investment objectives and is reasonably priced. Independent prices for securities involved in cross transactions are obtained from independent broker-dealers. No commissions or compensation are received by FOCUS or any of its associated persons. FOCUS provides written notification to affected clients of the capacity in which FOCUS is acting and has already received written consent from affected clients for the transaction. FOCUS will provide reports on an annual basis to affected clients which provide a summary of the cross transactions which occurred during the year.

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

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### **Periodic Reviews**

Accounts are continually monitored. Reviews are performed regularly by Jon L. Aldrich, President.

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### **Review Triggers**

Other conditions that may trigger a review are large cash inflows or outflows in the account, changes in the tax laws, changes in the economic or political environment, fund manager changes, new investment information becomes available, and changes in a client's personal situation.

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### **Regular Reports**

In addition to the monthly and/or quarterly statements and confirmations of transactions that clients receive from their custodian, FOCUS will also periodically provide investment reports summarizing account balances and holdings.

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

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### **Incoming Referrals**

FOCUS does not compensate referring parties for any referrals.

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### **Referrals Out**

FOCUS does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Item 15: Custody

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### Account Statements

All assets are held at qualified custodians who provide account statements directly to clients at their address of record at least quarterly. Assets are held in accounts registered in the client's name.

It is not our practice to have physical custody of client accounts. However, we are deemed to have custody in cases where we have the authority to debit our management fees from client accounts. In addition, we are deemed to have custody of the accounts of certain Focus clients for whom we have the authority to transfer, withdraw or move funds from the client's accounts to a third party. In this case the client receives statements from the custodian on a monthly basis, and we are subject to an annual surprise audit by an independent third party to verify the assets in those accounts.

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### Investment Reports

Clients are urged to compare the account statements received directly from their custodians to the investment reports provided by FOCUS.

## Item 16: Investment Discretion

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### Discretionary Authority for Trading

With our investment advisory services, FOCUS accepts discretionary authority to manage accounts on behalf of clients. FOCUS has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. If FOCUS has been granted discretionary authority over a client's account, we may, as a courtesy, consult with the client prior to trading; however, we are not required to do so and may trade without contacting the client in advance.

FOCUS does not receive any portion of the transaction fees or commissions paid by the client to the custodian on trades.

Discretionary trading authority facilitates placing trades in client accounts so that we may promptly implement the appropriate portfolio investment allocation. A limited power of attorney is obtained to provide discretionary authority for trading.

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### Non-Discretionary Authority for Trading

FOCUS also manages some client accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients that determine to engage FOCUS on a non-discretionary investment advisory basis accept that FOCUS cannot affect any account transactions on the client's behalf. Thus, the timing of when trades are implemented by the client are beyond the control of FOCUS.

Our financial planning services are provided on a non-discretionary basis. The client is free to choose whether to implement any or all our recommendations.

## Item 17: Voting Client Securities

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### Proxy Votes

FOCUS does not accept responsibility for voting proxies for securities for clients for whom it provides non-discretionary financial planning and investment advice. Those clients are responsible for voting proxies and will receive proxy notices and other solicitations directly from their custodian. Non-discretionary clients may contact FOCUS to discuss any questions they may have with a particular proxy notice or solicitation by writing to 6870 Rote Road, Suite 101, Rockford, Illinois 61107, or calling (815) 633-8844.

Under our discretionary investment advisory services, clients elect on their account applications whether to reserve the right to vote proxies, or to appoint FOCUS to do so on their behalf. If FOCUS is appointed to vote proxies on a discretionary basis, we will for do so in accordance with our proxy voting policy. The following information briefly summarizes such policy.

**Guiding Principles** - FOCUS' Policy and Procedures relating to voting proxies are designed to ensure that proxies are voted in the best interests of the clients. The Policies and Procedures do not apply to those situations where the client has retained voting discretion. In those situations, FOCUS will cooperate with the client to ensure proxies are voted as directed by the client. In addition, FOCUS will abide by specific voting guidelines on certain policy issues as requested by particular clients on a case-by-case basis.

**Primary Objective** - In general, proxies will be voted in a manner designed to maximize the value of client investments. In evaluating a particular proxy proposal, FOCUS will take into consideration, among other things, the period of time over which the voting shares of the company are expected to be held, the size of the position, the costs involved in the proxy proposal and the existing governance documents of the affected company, as well as its management and operations. Proxy proposals that change the existing status of a company will be reviewed to evaluate the desirability of the change, and to determine the benefits to the company and its shareholders, but FOCUS' primary objective is always to protect and enhance the economic interests of its clients.

Generally, it is FOCUS' policy to vote in accordance with management's recommendations on most issues since the capability of management is one of the criteria used by FOCUS in selecting securities.

**Exceptions** - When FOCUS believes management is acting on its own behalf, instead of on behalf of the well-being of the company and its shareholders, or when FOCUS believes that management is acting in a manner that is adverse to the rights of the company's shareholders, FOCUS will take steps to represent the interests of its clients and, as a result, may elect to vote against management's recommendations.

In situations where FOCUS is extremely displeased with management's performance, it may withhold votes or vote against management's slate of directors and other management proposals as a means of communicating its dissatisfaction. This occasion most often develops when FOCUS believes that management has displayed a consistent inability or lack of interest in moving the company toward achieving its potential and that a message needs to be sent that the company's shareholders are not satisfied with the status quo.

**Other Factors FOCUS Considers** - FOCUS recognizes that the activity or inactivity of a company with respect to matters of social, political, or environmental concern may have an effect upon the economic success of the company and the value of its securities. However, FOCUS does not consider it appropriate, or in the interests of its clients, to impose its own moral standards on others. Therefore, it normally supports management's position on matters of social, political, or environmental concern, except where it believes that a different position would be in the economic interests of company shareholders.

**Conflicts** - In evaluating a proxy proposal, FOCUS' Chief Compliance Officer is ultimately responsible for considering whether there are any circumstances that may give rise to a conflict of interest in connection with voting client proxies either because of a business relationship between FOCUS and the company or otherwise.

**Voting Procedures** - All proxy proposals are voted on an individual basis. In general, when a conflict exists, the Chief Compliance Officer determines whether the proxy may be voted by FOCUS or whether it should be referred to the client (or another fiduciary of the client) for voting purposes. Alternatively, FOCUS may consult directly with a client to obtain the client's consent before voting the proxies. FOCUS will not refrain from voting proxies just because a conflict exists because FOCUS has a fiduciary duty to take action on all proxies.

**How to Obtain More Information** - For additional information regarding FOCUS' proxy voting policies and procedures, including information on how FOCUS voted proxies, clients should contact us by writing to 6870 Rote Road, Suite 101, Rockford, Illinois 61107, or calling (815) 633-8844.

## Item 18: Financial Information

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### Financial Condition

FOCUS does not under any circumstances require or solicit payment of fees more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

FOCUS, as an advisory firm that maintains discretionary authority for client accounts, is also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations.

FOCUS has no additional financial circumstances to report.

FOCUS has not been the subject of a bankruptcy petition at any time.

## Brochure Supplement (Part 2B of Form ADV)

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### Item 1: Firm Information

Focus Wealth Planning, Inc.  
d/b/a Focus Financial Advisors  
6870 Rote Road, Suite 101  
Rockford, IL. 61107-2690

Telephone: 815-633-8844  
Toll-Free: 800-687-6551  
Facsimile: 815-633-2108

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

[advisors@focusfinancialadvisors.com](mailto:advisors@focusfinancialadvisors.com)

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### Item 2: Educational, Background and Business Experience

**Full Legal Name:** Jon L. Aldrich      **Born:** 1967

**Education:**

- Northern IL University; BS, Accounting; 1990

**Business Experience:**

- Focus Wealth Planning, Inc.; President and owner from 08/01/2018 to current
- Focus Financial Advisors, Inc.; President from 04/18/2015 to 07/31/2018
- Focus Financial Advisors, Inc.; Principal from 12/04/2004 to 04/18/2015
- National Detroit Inc.; CFO from 1999-2004
- RSM McGladrey, LLP; Manager from 1990-1999

**Designations:**

Jon L. Aldrich has earned the following designations and is in good standing with the granting authority:

- **CFP®, Certified Financial Planner.** The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc.
  - The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.
  - To attain the right to use the CFP® mark, an individual must satisfactorily fulfill the following requirements:
    - Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign country). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefit planning, investment planning, income tax planning, retirement planning, and estate planning.

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances.
- Experience – Complete at least three full years of full-time financial planning-related experience (or equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.
- Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® mark:
  - Continuing Education – Complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
  - Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professional provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.
- CFP® professionals who fail to comply with the above standards and requirements may be subject to the CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.
- **CPA, Certified Public Accountant.** This program is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountants Examination and have met additional state education and experience requirements for certification as a CPA. In addition to passing the CPA examination candidates must also complete qualifying work experience of one year; and requires that they undergo 120 hours of CPE (continuing professional education) for renewal every three years.

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### Item 3: Disciplinary Information

Jon L. Aldrich has no reportable disciplinary history.

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### Item 4: Other Business Activities

Jon L. Aldrich is not engaged in any other investment related activities or non-investment-related activities or other business or occupation.

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### Item 5: Additional Compensation

Jon L. Aldrich does not receive commissions, bonuses, or other compensation on the sale of securities or other investment products. Nor does he receive any economic benefit from a non-advisory client for the provision of advisory services.

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### Item 6: Supervision

Jon L. Aldrich is responsible for all internal supervision, formulation and monitoring services offered to our clients. Jon can be reached at 815/633-8844.