

**Item 1: Cover Page**



**Hogan Financial Management, LLC, d/b/a/ PaulaHogan**

SEC File No. 801-60612

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**Firm Brochure  
(Part 2A of Form ADV)**

This brochure provides information about the qualifications and business practices of our firm. If you have any questions about this information, please contact us at 414-352-9111, or by email at paula@paulahogan.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about our firm is available on the SEC's website:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 30, 2011

## Item 2: Material Changes

### Annual Update:

In response to new requirements adopted by the Securities and Exchange Commission under the Investment Advisors Act of 1940, we are presenting our required annual disclosure document in this newly required eighteen-section brochure format.

The purpose of the Material Changes section is to call attention to material changes in our disclosure brochure since its last delivery to you or since the last posting of this document on the SEC's public disclosure website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This updated disclosure document contains disclosures not previously required. The material changes this year includes more specific language in Item 5 about when and in what manner our fees are negotiable, in Items 4 and 8 about the details of our services, and in Item 10 about our business relationships.

Whenever we make material changes in this brochure in the future, we will send clients a summary of those changes along with an offer to send a copy of the full Brochure at no charge. We also offer to send our current brochure whenever we send a bill to clients and also in our annual report which is delivered to clients and colleagues each year, typically in March.

You can download a copy of this brochure at anytime from the SEC website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can also contact our Chief Compliance Officer, Paula Hogan at 414-352-9111 or at [info@paulahogan.com](mailto:info@paulahogan.com) for a copy of our Brochure at no charge to you.

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## **Item 4: Advisory Business**

### **A. Description of Advisory Firm**

PaulaHogan is an independent, fee-only financial advisory firm offering investment advisory and comprehensive financial planning services. Our typical clients are individuals and their families, including high net worth families, and trusts. We may also provide investment advice to pension and profit sharing plans and plan participants as well as to foundations and other institutions, and to business entities.

PaulaHogan is a Wisconsin limited liability company that is federally registered with the Securities and Exchange Commission as a Registered Investment Advisor. Our registration with the SEC does not imply any special skills or expertise.

The firm is wholly owned by Paula H. Hogan, CFP® CFA who founded the firm in 1992.

### **B. Description of Advisory Services Offered**

PaulaHogan offers a comprehensive financial planning relationship anchored by a thorough understanding of the client's needs, goals, and values. The firm develops, implements, and monitors financial planning and investment strategies, and provides quarterly portfolio performance reporting. PaulaHogan coordinates, as appropriate and with the client's express permission, with the client's attorney, accountant, banker, real estate and insurance agents, career or other counselors, as well as family members to facilitate smooth and coordinated development and implementation of planning ideas on a continuous basis.

All investment advisory services are provided on a non-discretionary basis. PaulaHogan provides investment recommendations that may include securities and strategies as described in Item 8 of this Brochure. In addition, pursuant to the terms of its investment advisory agreement with clients, PaulaHogan will remind clients of their obligation to inform the firm of any changes to their personal financial circumstances, investment objectives, or risk tolerance, as well as modifications or restrictions that the client would like imposed on the management of their accounts. The firm will also contact clients at least annually to determine whether there have been any changes in a client's financial circumstances, investment objectives, or tolerance for risk.

#### **B.1. Financial Planning Services**

PaulaHogan offers comprehensive financial planning, which may include one or more of the following:

- identification of financial history, challenges, goals, concerns, preferences, and values,
- cash flow analysis and budgeting assistance,
- income and estate tax planning,
- risk exposure review and risk protection advice,
- portfolio management,
- funding of specific goals including for example: education or debt reduction,

- charitable planning,
- advising on the intersection of personal financial planning with career planning and/or other business interests,
- advising on the use of employee benefits,
- special needs planning,
- facilitation of intergenerational communication about financial issues, and/or
- other issues specific to the client.

In performing these services, PaulaHogan is not required to verify any information received from the client or from the client's other professionals. It is the client's responsibility to promptly notify PaulaHogan whenever there is a change in the client's personal circumstances or preferences that would impact the client's ability or willingness to take financial risk.

Our financial planning services are generally delivered on a continuous basis. In those instances our services include a comprehensive initial review of the client's financial history, challenges, goals, concerns, preferences, values, and circumstances, plus consensus development of a plan for addressing those goals and concerns in the context of the client's current financial situation. Financial planning services also typically include implementation, monitoring, and ongoing refinement and updating of that plan.

Continuous financial engagements are anchored by comprehensive quarterly reports on the client's specific personal planning strategies (including portfolio performance reporting) and at least annual meetings.

These regular quarterly reports and scheduled meetings provide the backdrop for when PaulaHogan and the client communicate with each other throughout the year when either party deems appropriate as various planning concerns, opportunities, or questions arise.

In addition, PaulaHogan provides further regular communication via routine client mailings, our website and our social media presence.

Routine client mailings may include:

*Annual Finance Recap:* Information to assist the client's accountant in preparing the client's annual tax return.

*Quarterly Trust Newsletter:* Essays on various personal financial planning topics.

*Monthly Wealth Management Tip:* Current generic planning ideas conveyed in a very concise, stand-alone format.

*Annual Report:* A summary of the firm's activities in the prior year.

PaulaHogan will occasionally, at its sole discretion, offer to provide financial planning services on a project basis for a specified flat fee agreed upon in advance. In those cases, our services may cover some or all of the same topics detailed earlier in this section but typically do not include implementation of recommendations or delivery of all routine client mailings.

Financial planning project engagements are documented to the client in a letter that summarizes our understanding of the client's situation, the scope of our engagement, and a list of specific and personally tailored planning recommendations. Financial planning projects are typically an accommodation for clients whose personal circumstances do not match well with

our regular comprehensive service offering. They are an exception to our norm of continuous comprehensive services.

## **B.2. Investment Management Services**

PaulaHogan provides non-discretionary investment management services, where the investment advice provided is tailored to meet the needs and investment objectives of the client. Investment Management Services are generally included as a routine part of our Financial Planning Services.

*Subject to any mutually agreed upon guidelines, PaulaHogan may provide the following:*

- Access to institutional investment products
- Individually tailored portfolios
- Implementation of investment suggestions
- Portfolio performance reporting
- Ongoing investment education

The types of securities and investment strategies that PaulaHogan generally recommends and/or provides advice upon are detailed in Item 8 of this Brochure.

## **C. Client-Tailored Services and Client-Imposed Restrictions**

Clients' accounts will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable client-imposed restrictions.

## **D. Wrap Fee Programs**

PaulaHogan does not participate in wrap fee programs.

## **E. Client Assets Under Management**

As of 12/31/2010, PaulaHogan had \$169 million of assets under supervision, all of which are managed on a non-discretionary basis.

# **Item 5: Fees and Compensation**

## **A. Methods of Compensation and Fee Schedule**

PaulaHogan charges an annual fee based on portfolio size as shown in the following schedule, or a flat fee agreed upon in advance. Our minimum fee is \$10,000 per year. However, the minimum fee is negotiable in our sole discretion in order to accommodate clients whose financial circumstances do not fit our regular fee schedule. Negotiated fees may include a lower minimum fee and/or a negotiated one-time fee for a single financial planning project. Fees for project work are payable in full at the completion of the advisory engagement. Fees for continuous services are typically billed quarterly and always in arrears. Clients may be able to find comparable services elsewhere at more favorable pricing.

<u>Assets Under Management</u>	<u>Annual Fee Rate</u>
First \$2,000,000	1.00%
Next \$3,000,000	0.50%
Above \$5,000,000	0.35%

Fees are typically paid quarterly by direct deduction from the portfolio several business days after we mail a notice-only bill to the client. Alternatively, if the client prefers and/or if the services are for project work and not for continuous services, we bill the client directly, and in those instances, fees are due upon receipt of the advisory bill.

Bills for advisory fees are sent out early in the third month of the calendar quarter, based upon the market value of the client's account at the end of the second month of the calendar quarter, or as mutually agreed upon by the client and PaulaHogan. The fees will be prorated if the investment advisory relationship commences other than at the beginning or at the end of a billing period.

The client authorizes the qualified custodian to automatically deduct the fee and all other charges payable directly from the assets in the account when due, with such payments to be reflected on the next account statement sent to the client. If insufficient cash is available to pay such fees, PaulaHogan will suggest to the client an appropriate trade to raise sufficient cash and the client will either authorize a trade to raise sufficient cash or pay the fee directly.

PaulaHogan may modify the fee at any time with written notice to the client. In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

Fees are always subject to the investment advisory agreement between the client and PaulaHogan. A client's investment advisory agreement may be canceled at any time by the client, or by PaulaHogan with 10-days written notice to the client. Upon termination of any account, any earned, unpaid fees will be due and payable.

The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement. Upon termination, the sole obligation of PaulaHogan is to return, upon request, all written materials supplied by the client that have not already been returned, and the client's sole obligation is to pay fees incurred up to termination prorated to the last day of the month preceding the termination date.

## **B. Client Payment of Fees**

PaulaHogan will not take custody or possession of client funds or securities at any time except to the extent that PaulaHogan may deduct fees directly from the client's account. PaulaHogan will deduct advisory and custodial fees directly from the client's account provided that

- The client provides written authorization to the qualified custodian;
- The qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account; and
- Fees are deducted by the custodian after a notice-only bill is mailed to the client.

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.



### **C. Additional Client Fees Charged**

Fees charged by PaulaHogan are in addition to any transaction fees charged by the brokerage firms and to any expenses charged by the investments held in the client's account. In order to help contain these expenses, PaulaHogan generally suggests the use of mutual funds with institutional, not retail pricing and the use of discount brokerage firms.

An additional potential investment expense is the tax cost associated with investing. Taxes can increase because of realized capital gains and/or from the receipt of interest and dividend income. PaulaHogan routinely considers and discloses estimates for each of these expenses when making an investment recommendation to the client.

Please note that the management fees and other mutual fund expenses are detailed in the respective fund's prospectus. Clients are advised to read these materials carefully before investing. If a fund also imposes sales charges, the client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using PaulaHogan may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

### **D. Prepayment of Client Fees**

PaulaHogan does not require the prepayment of advisory fees. All investment advisory fees are billed in arrears, that is, after the delivery of advisory services.

### **E. External Compensation for the Sale of Securities to Clients**

PaulaHogan staff are compensated solely through a salary and bonus paid by PaulaHogan. We do not receive any sales, service, or administrative fees for the sale of mutual funds or any other investment products. Our firm is completely fee-only.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

We believe that performance-based fees can introduce a conflict of interest between the advisor and the client. Thus, PaulaHogan does not charge performance-based fees.

## **Item 7: Types of Clients**

PaulaHogan provides investment advice primarily to individuals and their families, including high net worth families, and trusts.

PaulaHogan may also provide investment advice to pension and profit sharing plans and plan participants as well as foundations and other institutions, and to business entities.

Our minimum fee is \$10,000 per year. However, the minimum fee is negotiable in our sole discretion in order to accommodate clients whose financial circumstances do not fit our regular fee schedule. Clients may be able to find comparable services elsewhere at more favorable pricing.

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

### **A. Methods of Analysis**

Our methods of analysis and investment strategies reflect our commitment to strategic asset allocation and may include fundamental and cyclical analysis. In addition, PaulaHogan may review research material prepared by others, including corporate filings, corporate rating services, corporate press releases, a variety of financial publications, and in the case of separate account managers, such manager's disclosure documents and publicly available information regarding the separate account manager's investment performance.

PaulaHogan may employ outside vendors or use third-party software to assist in formulating investment recommendations to clients.

#### **A.1. Investment Strategies**

We aim to gain exposure to the global markets commensurate with the client's ability and willingness to take financial risk and with careful attention to cost and tax efficiency. To do so, we frequently recommend asset class index type funds but may also use individual securities, actively managed funds, and immediate annuities as well as other investments in order to tailor the portfolio to the client's needs and preferences.

Our recommended portfolio allocations reflect our belief that diversification and expense control are fundamental risk management strategies. We also believe that a fundamental determinant of portfolio risk and expected return is the exposure of the portfolio to stocks, and especially to small cap and value stocks. We believe that portfolio risk and expected return increases, everything else being equal, with the proportion of the portfolio invested in stocks, and especially in small cap and value stocks. Consequently, our recommended portfolio allocations reflect careful attention to the structure of the portfolio, i.e. to the exposure of the portfolio to various kinds of investments.

The investment strategy for a specific client is based upon our understanding of the objectives, income needs, and tax situation of the client as revealed to us in the financial planning process. Our financial planning process generally includes extensive conversation with the client about the client's financial circumstances, concerns, challenges, values, and aspirations along with our close review of personal financial documents provided to us by the client and by the client's other advisors.

Goals and objectives are clearly identified during initial meetings and subsequently monitored through regular communications with the client and regular reviews of client data. Cost is an important but not sole consideration when choosing specific investments. Tax efficiency is addressed by tailoring the type of investments and their location within the client's portfolio to the client's tax situation and preferences.

Portfolio allocations are fluid and can change as the needs and situation of the client change. We do not use model portfolios, and we do not use composites to illustrate results. We also do not aggregate trades since each client's portfolio is tailored to their individual planning needs.

We do not have discretion over client's portfolios; no trades occur without approval by the client or the client's designated agent.

## **A.2. Analysis of Risks**

The nature of investing is that every investment program necessarily includes risks borne by the investor. Clients face the following investment risks: Loss of Principal Risk, Interest-rate Risk, Market Risk, Inflation Risk, Currency Risk, Reinvestment Risk, Business Risk, Liquidity Risk, Tax Risk, Expense Risk, and Personal Risk, e.g. an abrupt change in the investor's ability or willingness to take risk that triggers a need for an abrupt change in portfolio policy.

No risk protection strategy is sufficient to protect investors fully from the risk of loss. However, we use a variety of risk mitigation strategies in order to manage portfolio risk and expected return. These strategies may include diversification, risk sharing through insurance coverage, careful attention to tax efficiency and portfolio expense, and tailoring investment strategy to the circumstances and preferences of the client and especially to the client's dependence on portfolio income versus earned or other income.

## **Item 9: Disciplinary Information**

### **A. No Criminal or Civil Actions**

There are no criminal or civil actions against PaulaHogan or our staff either in the past or at the present time.

### **B. No Administrative Enforcement Proceedings**

There are no administrative enforcement proceedings against PaulaHogan or any of our staff either in the past or at the present time.

### **C. No Self-Regulatory Organization Enforcement Proceedings**

There are no self-regulatory organization enforcement proceedings against PaulaHogan or any of our staff either in the past or at the present time.

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

### **A. Broker-Dealer or Representative Registration**

Neither PaulaHogan nor its affiliates and related persons are registered as a broker-dealer or as a registered representative of a broker-dealer.

### **B. Futures or Commodity Registration**

Neither PaulaHogan nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading advisor and neither PaulaHogan nor its affiliates have an application to register pending.

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

We have structured our business to minimize conflicts of interests. Thus, we do not pay or receive referral fees. We do not own a part of another business and no business owns a part of our business. We do not earn any commission income. We are completely fee-only.

*There are some important nuances that we would like you to understand:*

Insurance Licensing: In the state of Wisconsin where our firm is based, state law specifies that in order to give insurance advice that is anything more than incidental, you must either be a licensed insurance agent or must fall within a specific exception, e.g. you are an attorney. Since we offer comprehensive, not incidental, advice about insurance and because we do not fit into the specified exclusions, certain members of our staff are licensed insurance agents. For example, Ms. Hogan is licensed in Wisconsin to sell health, disability, life, property and casualty insurance. However, neither our firm nor anyone on our staff receives commissions for the sale of insurance products. When helping clients evaluate and purchase insurance coverage, we may work with agents who do earn commission income if we deem that to be in the best interest of the client. In those instances, we do not receive any commission income nor do we have any understanding either written or verbal to trade or receive client referrals. Clients are always informed how the outside insurance agent is paid. We also work with fee-only insurance advisors when possible and when appropriate for the client.

Service Work: At PaulaHogan we value community involvement. In addition to volunteer activities in the financial industry, our staff may have volunteer activities outside the financial advisory industry. For example, currently, Ms. Hogan serves on the policy board of SelectStaff Services, a private, for-profit firm offering geriatric support services in the Milwaukee community. Ms. Hogan's work on this board is a volunteer activity. There is no financial payment to our firm or to Ms. Hogan nor are there any written or verbal understandings between SelectStaff and our firm or between SelectStaff and Ms. Hogan about cross-referrals.

We evaluate each such volunteer activity internally and decline relationships that would impair our ability to work for the client and only for the client. We believe that volunteer work makes us better advisors. It can provide an opportunity to learn more about emerging trends in allied industries and also an opportunity to meet and work closely with leaders in allied fields.

### **D. Recommendation or Selection of Other Investment Service Providers and Products, and Conflicts of Interest**

PaulaHogan does not recommend separate account managers or other investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

*There are important nuances about our business model that we would like you to understand:*

Investment Product Providers: We believe that investment strategies rooted in academic, peer-reviewed research are fundamental to excellent financial planning. Consequently, we look for ways to be in close touch with leading academics in finance and economics.

At the inception of our business in 1992, Dimensional Fund Advisors (DFA) granted us access to their globally diverse family of mutual funds. DFA is a Santa Monica, California-based mutual fund company with over \$150 billion under management. (See [www.dfaus.com](http://www.dfaus.com)) DFA customers

include institutional investors and fee-only advisors purchasing funds on behalf of advisory clients. DFA is distinctive in that its roots and ongoing affiliations are with the academic community and especially with academics in the fields of economics and finance. DFA offers access to its funds solely to institutions and to fee-only advisors who share its belief that markets work, and that individual security selection and market timing are not optimal strategies for individual investors.

There is no financial relationship between PaulaHogan and DFA. PaulaHogan has no obligation to recommend DFA mutual funds nor do we provide any payment to DFA for access to their funds nor does DFA provide us any financial payment or client referrals or other such economic benefits.

However, DFA does provide educational benefits to our firm. These benefits, which are also received by other fee-only advisors granted access to DFA funds, include attendance at seminars and study groups hosted by DFA at which the investment products of DFA are explained, academic instruction is given on asset allocation strategies, and financial planning and practice management instruction is given. (NOTE: PaulaHogan pays all travel and hotel costs for staff attending these seminars.) We are also granted access to the “financial advisor” section of the DFA web site ([www.dfaus.com](http://www.dfaus.com)) which contains additional academic research and practice management articles, videos, software, and historical returns data.

Our investment strategy reflects the investment point of view advocated by DFA, that diversification and expense control are fundamental risk management strategies, as is careful management of the structure of the portfolio. In particular, we agree with DFA that risk and expected return increase to the extent that a portfolio is invested in stocks, and especially in small cap and value stocks.

Our portfolios typically contain DFA funds as well as funds from other companies.

Custodians: The brokerage firms with whom we work may make available to PaulaHogan products and services that benefit PaulaHogan but may not directly benefit its clients’ accounts and as are further detailed in Item 12.

We manage this potential conflict of interest in two key ways. First, we have deliberately chosen to work with several different brokerage firms, not just one firm, in order never to be solely dependent on any one brokerage relationship and to stay personally informed with industry-wide trends and opportunities with brokerage custodians. Second, we also fully disclose these relationships to our clients and invite our clients to choose among the custodians with whom we work.

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

### **A. Code of Ethics Description**

We conduct our business as fiduciaries. This means that we honor an affirmative duty to put the interests of our clients first and to act in a manner that reflects our Core Values:

- We work with colleagues in a professional manner, but our duty of loyalty is to our clients.
- We are committed to the pursuit of excellence in all areas of our practice.
- We act with integrity in all instances.

Our Code of Ethics documents how we meet these professional standards in our daily practice, e.g. with respect to compliance with Federal securities laws, the oversight of personal securities transactions of our staff, and the protection of private information.

In particular, our Code of Ethics is applicable to all persons at the firm who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires such "access persons" to obtain preapproval of certain securities transactions, to report transactions quarterly, and to report all securities holdings at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or to prohibit certain employee securities purchases and sales based upon the transactions made, or anticipated to be made, in the same securities held in client accounts. The Code also establishes certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and is updated as necessary.

Our Code of Ethics is an integral part of how we do business on the day-to-day, and is available on request.

### **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

PaulaHogan does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, PaulaHogan does not recommend any securities to advisory clients in which it has any proprietary or ownership interest.

### **C. Personal Trading**

We believe that our staff has the right to invest as they deem appropriate for their own accounts. However, we also have procedures in place to ensure that personal trading by staff is never disadvantageous to our client's interests. Personal trading by staff and their relations must be in accordance with our Code of Ethics policies and procedures.

PaulaHogan, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans, may invest in their own accounts differently than how we invest for clients. They may also invest in the same way and in the same securities as we recommend to

clients. We do not regard this activity as a conflict of interest since the investments we typically recommend to clients have wide market participation with prices that are easily discerned and market-determined. We also believe that clients might find it reassuring to realize that we eat our own cooking.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Broker-Dealers for Client Transactions**

PaulaHogan may recommend or request that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, and/or other brokerage firms, for example currently in addition to Charles Schwab, T.D. Ameritrade, TIAA/CREF and Vanguard to maintain custody of clients' assets and to effect trades for their accounts. Although we may recommend or request that clients establish brokerage accounts with these firms, PaulaHogan is independently owned and operated and not affiliated with any brokerage firm.

The brokerage firms with whom we work do not charge separately for custody services, but may be compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through or that settle into the brokerage firm's accounts.

In certain instances and subject to approval by the firm, PaulaHogan will recommend to clients certain broker-dealers and/or custodians based on the needs of the individual client and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by PaulaHogan will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

#### **A.1. Institutional Trading and Custody Services**

The brokerage firms with whom we work may provide access to its institutional trading and custody services, which may not be available to retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them so long as some account minimum of our clients' assets are maintained in accounts with that brokerage firm. For example, Schwab requires a total of at least \$10 million of the advisor's clients' assets be maintained in accounts at Schwab. These services are not contingent upon PaulaHogan committing to the brokerage firm any specific amount of business (assets in custody or trading commissions.) The services of the brokerage firms with whom we work may include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment.

## **A.2. Other Products and Services**

The brokerage firms with whom we work offer us products and services that may be used to service all or some substantial number of our accounts, including accounts maintained with other brokerage firms. These products and services are typically designed to help us provide efficient and effective client service, for example to help us manage and administer software and other technology that

- facilitate trade execution
- provide access to client account data (such as trade confirmations and account statements)
- provide research, pricing, and other market data
- facilitate payment of PaulaHogan's fees from its clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

The brokerage firms with whom we work also offer other services designed to help PaulaHogan manage and further develop its business enterprise. These services may include

- compliance, legal, and business information and consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers

The brokerage firms with whom we work may also make available, arrange and/or pay third-party vendors for the types of services rendered to PaulaHogan. They may also discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to PaulaHogan. The brokerage firms with whom we work may also provide other benefits, such as educational events or occasional business entertainment of PaulaHogan personnel.

In evaluating whether to recommend or require that clients custody their assets at a particular brokerage firm, PaulaHogan may take into account the availability of some of the foregoing products and services as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by that brokerage firm.

## **B. Aggregating Securities Transactions for Client Accounts**

Because our portfolios are individually tailored to each client and because trades are approved by the client in advance of each trade, it is not administratively feasible or advisable for us to aggregate trades. Firms who do aggregate trades are sometimes able to capture lower transaction expenses for their clients. However, our belief is that the aggregation of trades can also result in tax consequences that are not individually tailored to the client and therefore not necessarily in the client's best interest. A cost of our strategy, i.e. of receiving client approval for all trades, is that the required administrative process could delay a trade while we obtain client approval. We believe that this risk, while real, is reasonable in light of the benefit of never having a client surprised by a trade in their account. It is also reasonable in the context of our investment strategy, which focuses more on strategic asset allocation than on market timing for individual securities.



### **B.1. Directed Brokerage**

PaulaHogan typically recommends Schwab, T.D. Ameritrade, Vanguard, and TIAA-CREF as custodian for clients' funds and securities and to execute securities transactions for our clients.

Occasionally, clients may choose to use a particular broker-dealer to execute portfolio transactions for their accounts or request that certain types of securities not be purchased for their accounts. Clients who designate the use of a particular broker-dealer with whom our firm does not work should be aware that they may incur higher expenses.

### **B.2. No Soft Dollar Arrangements**

PaulaHogan does not engage in any soft dollar arrangements, i.e. we do not receive research or other benefits from account custodians commensurate with the volume of business we do with the account custodians.

### **B.3. No Brokerage for Client Referrals**

PaulaHogan also does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

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

### **A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Upon signing a contract with PaulaHogan for continuous services, the client is requested to provide a variety of financial information. Upon receipt of the information and within a reasonable period of time for review (generally 10 to 12 business days), we meet with the client at a mutually agreeable time to begin the planning process with the client. Generally, the agenda for this first meeting is to confirm our understanding of the basic facts of the client's personal and financial circumstances and to begin the conversation about the client's goals, concerns, preferences, values, and personal history.

In general, in the next several planning meetings, PaulaHogan provides for review and discussion draft financial statements, a suggested priority list of planning objectives, and a proposed agenda for addressing these planning priorities.

The information from these initial meetings is summarized for the client in a comprehensive report mailed to the client. In subsequent meetings typically spaced out within the next several months, PaulaHogan and the client then together work through each planning priority to ensure that the client's finances are closely and appropriately tailored to the client's current circumstances.

Once this "on boarding" process is complete, we shift to an ongoing regular meeting schedule in which meetings are held annually or more frequently, and as mutually agreed upon with the client. In addition to these regularly scheduled meetings, we and/or the client are invited to be in touch at anytime and especially whenever a planning need or question or opportunity arises.

The development and consideration of specific planning strategies occurs between the client and a registered investment advisor or a registered investment representative. Clients may

meet with other staff members for the purpose of data gathering and/or of implementing decisions already made by the client and registered advisor.

#### **B. Review of Client Accounts on Non-Periodic Basis**

PaulaHogan may perform *ad hoc* reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, and/or a material change in how PaulaHogan formulates investment advice and/or a material change in the economic environment.

#### **C. Content of Client-Provided Reports and Frequency**

PaulaHogan typically provides written reports to clients on a quarterly basis. The quarterly reports typically include a review of the economy in the prior quarter, performance reports on the client's portfolio before and after our fees, and a short summary of planning tasks accomplished in the prior quarter and anticipated in the coming quarter. Once a year and if appropriate to the client, we also detail the performance of the client's portfolio against an inflation benchmark, and/or a pie chart of the client's targeted portfolio allocation, and/or a cash flow statement, and/or a year-end balance sheet.

Please note: The client's independent custodian(s) also provide regular account statements directly to the client. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by PaulaHogan.

We urge clients to compare our statements with those they receive from the various account custodians.

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

#### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Other than as described in Items 10 and 12 of this Brochure, PaulaHogan does not receive economic benefits from any external source.

#### **B. No Advisory Firm Payments for Client Referrals**

PaulaHogan does not pay for client referrals and does not receive any compensation other than advisory fees charged to its clients.

## **Item 15: Custody**

Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. PaulaHogan urges its clients to compare the account balance(s) shown on their PaulaHogan performance review to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

## **Item 16: Investment Discretion**

PaulaHogan does not take investment discretion of client assets. We have no authority to make a trade in a client's account without first obtaining specific authorization from the client or the clients' legal representative.

## **Item 17: Voting Client Securities**

PaulaHogan does not vote proxies on behalf of advisory client accounts. This policy is consistent with our policy of not having any discretionary control over client's investments. Clients receive proxies directly from their account custodian(s) for their review and consideration.

## **Item 18: Financial Information**

### **A. Balance Sheet**

PaulaHogan does not require the prepayment of fees and so is not subject to a legal requirement to publish its Balance Sheet.

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

PaulaHogan does not have any financial issues either current or pending that would impair its ability to provide services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

We have never made a bankruptcy petition.

**We hope this disclosure document is helpful to you in understanding our business and we welcome further questions or comments about this information.**



## Brochure Supplement

March 30, 2011

**Hogan Financial Management, LLC, d/b/a/ PaulaHogan**

SEC File No. 801-60612

**Paula Hogan, CFP<sup>®</sup>, CFA**

**Managing Member**

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Milwaukee, WI, 53217

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<http://www.facebook.com/connectwithpaula>

This brochure supplement provides information about Paula Hogan that supplements the Hogan Financial Management, LLC, d/b/a PaulaHogan brochure. You should have received a copy of that brochure. If you did not receive a PaulaHogan brochure or if you have any questions about the contents of this supplement, please contact us at [paula@paulahogan.com](mailto:paula@paulahogan.com).

Additional information about Hogan Financial Management, LLC, d/b/a PaulaHogan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### Item 3: PAULA HOGAN, CFP® CFA

#### Educational Background and Business Experience

Paula Hogan (b. 1953) is the Managing Member of Hogan Financial Management, LLC, d/b/a PaulaHogan.

Ms. Hogan serves as a member of the National Board of the Financial Planning Association and also serves on the Advisory Committee for Select Staff services, a Milwaukee based firm. She is a past president of the American Association of Individual Investors of Wisconsin and also served as a member of the National Board of Directors of NAPFA (National Association of Personal Financial Advisors), the largest national organization of fee-only planners, from May 1999 to May 2001. NAPFA awarded Ms. Hogan its *Robert J. Underwood Distinguished Service Award* in 2002 in recognition of her service in the fields of education, ethics, and governance.

Ms. Hogan has been named in various media lists of top advisors by such publications as *Medical Economics*, *Bloomberg Magazine*, *Mutual Funds Magazine*, and *Milwaukee Magazine*. She has published numerous articles on financial planning and investment topics, most of which are posted on the PaulaHogan web site and/or referenced on the company's Facebook page.

##### Educational Background

A.B. Economics, cum laude, Princeton University	1975
M.S., Harvard University, Health Care Policy & Management	1978
CERTIFIED FINANCIAL PLANNER™ (CFP®)	1986
Chartered Financial Analyst (CFA)	1986

##### Business Background

Managing Member	1992–Present
Hogan Financial Management, LLC, d/b/a PaulaHogan	

#### Disciplinary Information

Paula Hogan has no disciplinary actions on file. Public information concerning Ms. Hogan's registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### Other Business Activities

Ms. Hogan has no business activities other than Hogan Financial Management, LLC, d/b/a PaulaHogan.

#### Additional Compensation

Ms. Hogan does not receive any compensation other than from Hogan Financial Management, LLC, d/b/a PaulaHogan.

#### Supervision

Paula Hogan is the Managing Member of Hogan Financial Management, LLC, d/b/a PaulaHogan. Supervision of Ms. Hogan is performed by herself in her capacity as Chief Compliance Officer, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Ms. Hogan can be reached at 414-352-9111. As a check on this process, Ms. Hogan's personal trading activity is reviewed by another registered advisor in the firm and/or by the firm's outside accountant.

## Item 4: ANDREA BULEN, CFP®

### Educational Background and Business Experience

Andrea Bulen (b. 1976) is a Lead Advisor with Hogan Financial Management, LLC, d/b/a PaulaHogan. She is registered with the SEC as an Investment Advisor Representative. (Her registration with the SEC does not imply any special skills or expertise.)

In addition to her work with PaulaHogan, Ms. Bulen serves as a volunteer on the Symposium Committee for the local Financial Planning Association of Southeastern Wisconsin.

#### Educational Background

B.S. Geography, University of Minnesota	1998
M.S. Geographic Information Systems, University of Minnesota	2001
CERTIFIED FINANCIAL PLANNER™ (CFP®)	2009

#### Business Background

Analyst/Advisor/Lead Advisor	2004–Present
Hogan Financial Management, d/b/a PaulaHogan	

### Disciplinary Information

Andrea Bulen has no disciplinary actions on file. Public information concerning Ms. Bulen's registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Other Business Activities

Ms. Bulen has no other business activities other than Hogan Financial Management, LLC, d/b/a PaulaHogan.

### Additional Compensation

Ms. Bulen does not receive any compensation other than from Hogan Financial Management, LLC, d/b/a PaulaHogan.

### Supervision

Andrea Bulen is a Lead Financial Advisor in Hogan Financial Management, LLC, d/b/a PaulaHogan. Supervision of Ms. Bulen is performed by Paula Hogan in her capacity as Chief Compliance Officer, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities.

## Item 5: NICK ZIAREK, CFA

### Educational Background and Business Experience

Nick Ziarek (b. 1981) is the Investment Specialist/Analyst of Hogan Financial Management, LLC, d/b/a PaulaHogan. He is registered with the SEC as an Investment Advisor Representative. (His registration with the SEC does not imply any special skills or expertise.)

Mr. Ziarek serves as a volunteer member of the University of Wisconsin – La Crosse College of Business Administration Board of Investment Advisors. He has served in this role since 2007, mentoring students in the research, presentation, and recommendation of potential portfolio investments.

#### Educational Background

B.S. Finance, University of Wisconsin – La Crosse	2003
Chartered Financial Analyst (CFA)	2007

#### Business Background

Investment Specialist/Analyst Hogan Financial Management, LLC, d/b/a PaulaHogan	2010–Present
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Investment Analyst Vogel Consulting	2008-2010
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Fixed Income Trader M&I Investment Management	2004-2008
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### Disciplinary Information

Nick Ziarek has no disciplinary actions on file.

### Other Business Activities

Mr. Ziarek has no other business activities other than Hogan Financial Management, LLC, d/b/a PaulaHogan .

### Additional Compensation

Mr. Ziarek does not receive any compensation other than from Hogan Financial Management, LLC, d/b/a PaulaHogan.

### Supervision

Nick Ziarek is the Investment Specialist/Analyst of Hogan Financial Management, LLC, d/b/a PaulaHogan. Supervision of Mr. Ziarek is performed by Paula Hogan in her capacity as Chief Compliance Officer, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities.



## Item 6: Professional Designations – Qualifications and Related Criteria

### **Chartered Financial Analyst (CFA)**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute—the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 124 countries. To earn the CFA charter, candidates must: 1.) pass three sequential six-hour examinations; 2.) have at least four years of qualified professional investment experience; 3.) join CFA Institute as members; and 4.) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standard of Professional Conduct.

#### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interest ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters.

#### **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study. Successful candidates report spending an average of 300 hours of study per level. Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

#### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **Certified Financial Planner® (CFP®)**

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

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (i) high standard of professional education; (ii) stringent code of conduct and standards of practice; and (iii) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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

**Education** Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.

**Examination** Pass the comprehensive CFP® Certification Examination. The examination, 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 years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).

**Ethics** Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

**Continuing Education** Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field.

**Ethics** Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

\*\*\* END \*\*\*