

## Item 1 – Cover Page

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This brochure provides information about the qualifications and investment advisory business practices of Lifetime Planning, Inc. If you have any questions about the contents of this brochure please contact us at 805-987-8938 or [david.smith@securitiesamerica.com](mailto:david.smith@securitiesamerica.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Lifetime Planning, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can find our firm's information on this website by searching for our firm name Lifetime Planning, Inc. or our firm CRD number **111784**.

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

## **Item 2 – Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by applicable rules and regulations. This Disclosure Brochure dated March 2011 is a new document prepared according to the new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous Form ADV Part II and Schedule F did not require. In the future, this item will discuss only specific material changes that are made to the Disclosure Brochure and provide readers with a summary of such changes. Prior to this version of the brochure, our last update to the disclosure brochure was in March 2010.

In the past we have offered or delivered information about our firm’s qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Lifetime Planning, Inc. (LP) is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a corporation formed under the laws of the State of California.

### **General Description of Primary Advisory Services**

The following are brief descriptions of our primary advisory services. More detailed descriptions of our advisory services are provided in *Item 5 – Fees and Compensation* so that clients and prospective clients can review the description of services and description of fees in a side-by-side manner.

**Financial Planning Services** – We provide advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focus on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

**Asset Management Services** – We provide advisory services in the form of investment management services. Investment management services involve providing clients with continuous and on-going supervision over client accounts. This means that we will continuously monitor a client’s account and make trades in client accounts when necessary. Our managed asset accounts are built based upon the precepts of Modern Portfolio Theory. Portfolios are constructed based upon this theory using the past interrelationships of various asset classes with the goal of providing investment returns with the least amount of volatility for a given objective.

**Outside Money Managers** – We provide advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

### **Specialization**

LP specializes in:

- Financial planning focusing on the following topics: college, retirement, and income and estate planning.
- Investment Management specializing in a suitable asset mix of mutual funds, equities, fixed income, options, and other general securities.
- In providing investment management services, we use strategic, tactical and alternative strategies. We also focus on long-term strategies, cash flow and risk management.

### **Limits Advice to Certain Types of Investments**

We provide investment advice on the following types of investments.

- Exchange-listed securities (i.e. stocks, exchange traded funds)
- Certificates of deposit

- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Interests in partnerships investing in real estate

We do not provide advice on warrants, commercial paper, foreign issues, corporate debt securities, options contracts on securities or commodities, futures contracts on tangibles or intangibles, or interests in partnerships investing in oil and gas interests.

When providing investment management services, LP typically constructs each client's account holdings using mutual funds and exchange traded funds to build diversified portfolios. It is not our typical investment strategy to attempt to time the market. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. In the event of a severe market drop we may temporarily cease selling equity investments for investors who are systematically withdrawing funds from their accounts, using cash and bond funds until stock prices begin to move upward.

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

We offer services through both traditional and wrap-fee management programs. In traditional management programs, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services (including portfolio management or advice regarding selecting other investment advisors) and transaction services are provided for one fee. The Financial Advisors Program and the Managed Opportunities Program (described in *Item 5, Fees and Compensation*) are wrap-fee programs. Whenever a fee is charged to a client for services described in this Disclosure Brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged.

Wrap fee programs provide more management of client assets than traditional transactional securities sales accounts. Wrap accounts are automatically rebalanced to meet client objectives. Since wrap accounts pay advisors ongoing revenue, there is no incentive to make changes to create revenue or favor certain investment choices over others because of commission rates. LP wrap fee accounts are designed to meet client objectives with the least risk possible by using modern portfolio theory to design investment portfolios.

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

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

### **Client Assets Managed by Lifetime Planning, Inc.**

The amount of clients' assets managed by LP totaled \$9,918,443 as of December 31, 2010. All of these assets are managed on a discretionary basis. Additionally, the amount of client assets referred to third party investment advisors was \$20,589,250 as of 12/31/2010, all on a non-discretionary basis.

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

In addition to the information provide in *Item 4 – Advisory Business*, this section provides details regarding LP's advisory services along with descriptions of each service's fees and compensation arrangements.

### **FINANCIAL ADVISORS PROGRAM**

We provide asset management services through the Financial Advisors Program ("FAP") offered and sponsored by Securities America Advisors, Inc. ("SAA"), an investment advisor registered with the Securities and Exchange Commission. FAP is a wrap-fee program providing investment advisory services and execution of client transactions and the specified fees are not based directly on transactions in your account. Under FAP, our representatives assist you in establishing one or more FAP accounts with SAA. All brokerage transactions are processed by Securities America, Inc. ("SAI"), the affiliated broker/dealer of SAA, and cleared through National Financial Services, LLC ("NFS") pursuant to a clearing arrangement established by SAI with NFS. Neither we nor our representatives act as custodian of your account or have direct access to your funds and/or securities.

SAA has also entered into agreements with various insurance companies that allow for the management and valuation of client variable annuity accounts within SAA's FAP. NFS, insurance companies or other custodians maintain physical custody of all funds and securities. Please see *Item 15, Custody*, for additional information. Our representatives implement securities transactions for FAP accounts in their separate capacity as a registered representative of SAI. See, *Additional Compensation*, below.

The annual management fee is negotiable, with 3.00% being the maximum charged. If the account has only mutual funds, then the maximum fee is 2.25%. Factors determining fee structure include whether or not financial planning services are provided without separate fees, the costs third party advisory firms and Securities America Advisors add to these programs, and the extra services that may be provided for clients without additional charges. SAA retains up to 20 basis points (0.20%) of the annual management fee for FAP accounts. The remainder of the fee charged to you is paid to us. SAA is responsible for collecting all fees paid by you through FAP and journals our portion of the advisory fee to us. Please note that our fees may be higher than fees charged by other financial professionals providing similar services.

We may invest a portion of your assets in mutual funds, exchange traded funds (ETFs) or variable annuities and charge an investment management fee on your assets invested in these securities. Therefore, you may pay two levels of fees for management of your assets: one directly to us and one indirectly to the managers of the mutual funds, ETFs or variable annuities held in your portfolios.

A complete description of FAP related fees, charges, and termination procedures is provided in the FAP Disclosure Brochure Appendix (Wrap Fee Program Brochure) prepared by SAA, which is given to you prior to or at the time an FAP account is established.

### **LIFETIME INVESTMENT MANAGEMENT PROGRAM (Genworth Program)**

The Genworth Program (Genworth) is sponsored by Genworth Financial Wealth Management, Inc., a registered investment advisor. Genworth has two components. The first is an Asset Allocation System Program that we may use to manage client assets made up of model portfolios provided by a number of institutional investment strategists. The model portfolios are based on the information, research, asset allocation methodology and investment strategies of these investment strategists. If you decide to hire us for this service, we develop an individualized investment program for your account(s). Various investment strategies are provided through this service; however, a specific investment strategy and investment policy is crafted for you focusing on your specific goals and objectives.

The second component is the private managed account program, in which we introduce clients to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities. When we use the private managed account program, we introduce clients to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities.

We are not responsible for making specific decisions regarding the investments held in your account and are not responsible for making trades in your account. The independent investment strategists selected have no direct relationship with our representatives or you, make no analysis of your circumstances or objectives and do not tailor their model portfolios to your specific needs.

We are always responsible for assisting you with identifying your risk tolerance and investment objectives. We recommend managers and help determine appropriate investment strategies in relation to your stated investment objectives and risk tolerance. You will direct what your account will be invested by selecting the model portfolio. When you select a model portfolio, you also direct the account to be automatically adjusted to reflect any adjustment in the model portfolio by the investment strategist. The adjustments result in the purchase and sale of certain mutual funds or transfers between variable annuity sub-accounts without further authorization by you at such time as the investment strategist changes the composition of the selected model portfolio.

Although third-party investment managers are responsible for making particular investment decisions, we are available to answer questions you have regarding your account and we act as the communication conduit between you and the third-party investment managers.

While we review the performance of numerous third-party investment managers, for the Genworth Program, we are only able to select the investment managers approved by Genworth and available on the Genworth Program platform. Therefore, we have a conflict of interest because we do not recommend third-party investment managers to you that are not available through the Genworth Program. The minimum investment required for Genworth Program Asset Allocation System accounts is generally \$50,000 and \$250,000 for Private Managed accounts. Exceptions may be granted to the minimums at our discretion and at the discretion of Genworth.

There may be other third-party managed programs, not recommended by us, that are suitable for you and that may be more or less costly than arrangements recommended by us. No guarantees are made that your financial goals or objectives are achieved by a third-party investment advisor recommended by us. Further, no guarantees of performance are offered by us.

Genworth client fees are payable quarterly in advance based on the average daily value of assets under management during the previous quarter. Genworth is responsible for collecting all fees paid by you through these programs and journaling our portion of the advisory fee to us. The fee paid to us includes an amount re-allowed to Genworth, investment strategists and others as the Genworth Program fee. Custodial fees may be charged separately from the Genworth fees you are charged.



The maximum total advisory fees charged to the client may not exceed 2% annually. Fees for services are negotiable at the discretion of LP based upon the amount of assets in the Genworth Program, and the total amount of assets receiving advisory services from LP.

We do not act as custodians for any Genworth accounts. NFS, Pershing or another custodian will custody all funds and securities for the Genworth Program. Custodial fees, internal mutual fund, and variable annuity expense may be charged separately from the Genworth client fees.

A complete description of Genworth's Programs and related fees and charges is provided in Genworth Financial Wealth Management, Inc.'s Wrap Fee Disclosure Brochure (Form ADV Part 2 Appendix), which will be given to all clients prior to or at the time an account is established.

### **INDEPENDENT MANAGED ASSETS PROGRAM**

We may select the services of money managers in SAA's Independent Managed Assets Program (IMAP). Through this service, we are able to establish agreements directly with third-party money managers offering a wide range of advisory services, including asset allocation, market timing and portfolio management. We can then refer you to a third-party money manager and the third-party money manager provides asset management and investment advisory services directly to you. This means the third-party money manager is responsible for continuously monitoring your accounts and making trades in your accounts when necessary. You must enter into an agreement directly with the unaffiliated third-party investment advisor.

When you agree to engage a third-party money manager we recommend, we are considered a solicitor and we are paid a portion of the fee charged and collected by that money manager. We are always responsible for assisting you with identifying your risk tolerance and investment objectives. We recommend third-party money managers and help determine appropriate investment strategies in relation to your stated investment objectives and risk tolerance.

Although the third-party money manager is responsible for making all investment decisions, we are available to answer questions you may have regarding your account and act as the communication conduit between you and the third-party money managers. The third-party money managers we recommend generally require discretionary authority to determine the securities to be purchased and sold in your accounts. Landmark Capital, Inc. and our associated persons do not have any trading authority with respect to your account(s) that are managed by a third-party money manager(s).

We are limited in this program because we can only select the services of money managers approved through Securities America Advisors, Inc.'s (SAA) Independent Managed Assets Program (IMAP). One or more of these money managers may be affiliated entities of SAA.

You are advised that there may be other third-party managed programs, not recommended by us, that are suitable for you and that may be more or less costly than arrangements recommended by us. No guarantees can be made that your financial goals or objectives will be achieved by a third-party money manager recommended by us. Further, no guarantees of performance can ever be offered by us. See *Item 8, Methods of Analysis, Investment Strategies and Risk of Loss*, for more details.

Trading by IMAP money managers may trigger wash sale rule implications. You are encouraged to consult with a tax advisor to discuss any tax implications involving your portfolios in the IMAP program.

If we recommend a third-party money manager to you, a complete description of that money manager's advisory services, fee schedules and account minimums is provided in the third-party money manager's Form ADV Disclosure Brochure or Wrap Fee Program Brochure. These brochures are provided to you when we initially recommend the third-party money manager.

While the actual fee charged to you varies depending on the third-party money manager utilized, the portion retained by us in the form of solicitor fees or consulting fees will not exceed 2%. Our portion of the fee is not negotiable. Under a typical fee schedule for accounts managed by a third-party money manager, we receive a fee of 1%. All fees are calculated and collected by the selected third-party money manager who delivers our portion of the advisory fee to us.

For IMAP, SAA receives a portion of the solicitor fee, a marketing override or an administrative fee for providing administrative and marketing services. You may incur additional charges including, but not limited to, mutual fund sales loads, 12b-1 fees, surrender charges, and IRA and qualified retirement plan fees. We will never receive any portion of such commissions or fees. We are only compensated by the advisory consulting fee described above. We receive no other compensation in connection with your account managed by a third-party money manager. When we negotiate lower fees and expenses charged by third parties, all negotiated improvements are for your benefit.

#### **MANAGED OPPORTUNITIES PROGRAM**

We have established a relationship with SAA to participate in the Managed Opportunities Program (Managed Opportunities). Managed Opportunities is a wrap-fee program developed by SAA that provides clients with the opportunity to establish mutual fund portfolios, separate account portfolios and unified managed account portfolios developed by third-party money managers that are registered as investment advisors (collectively referred to as sub-advisors). Our associated persons act as referral parties when referring clients into the mutual fund portfolios, separate account portfolios and unified managed account portfolios options in Managed Opportunities. One sub-advisor is Brecek & Young Advisors, Inc. ("B&Y"), an affiliated subsidiary of SAA, doing business under the marketing name of Iron Point Capital Management and/or Iron Point. No other sub-advisors in this program are affiliated with SAA or with us. In addition, SAA's Managed Opportunities receives administrative, web site, transaction order entry services and other services from Oberon Financial Technology, Inc ("Oberon"), a registered investment advisor, and other sub-advisors. In addition, Managed Opportunities offers advisor directed portfolios through which the advisor will work with and advise clients in the selection of investments constituting a portion of Managed Opportunities.

Client portfolios may be managed by SAA or other sub-advisors with which SAA has established relationships. The client will grant SAA and the sub-advisors limited discretionary authority with respect to the purchase and sale of securities in mutual fund portfolios, separate account portfolios and unified managed account portfolios and will grant us discretionary authority with respect to the initial Managed Opportunities Master Account and advisor directed portfolios.

We will solicit the services of SAA through Managed Opportunities. We will not refer a client to SAA unless SAA and the sub-advisors are registered or are exempt from registration as investment advisors in the client's state of residence. Administrative, web site, transaction order entry services and other services are provided to SAA by outside service providers and sub-advisors. Clients will grant SAA the discretionary authority to select one or more sub-advisors to provide administrative, web site, performance reporting, transaction order entry and other services to SAA and clients. SAA currently has a relationship with Oberon Financial Technology, Inc. (Oberon), a registered investment advisor, to

provide these services. Clients establishing Managed Opportunities accounts will receive Oberon's disclosure brochure in addition to SAA and advisor's disclosure brochures.

We are responsible for assisting you with identifying your risk tolerance and investment objectives and are available to meet with you on a continuous basis. We recommend sub-advisors and help determine appropriate investment strategies in relation to your stated investment objectives and risk tolerance. Although the sub-advisors are responsible for making all investment decisions, we are available to answer questions you may have regarding your account and act as the communication conduit between you and the sub-advisors.

Although we review the performance of numerous sub-advisors, we are only able to select the sub-advisors approved by SAA and made available on the Managed Opportunities platform. Therefore, we have a conflict of interest because we do not recommend a sub-advisor to you if the sub-advisor is not an investment manager available through Managed Opportunities.

Managed Opportunities accounts can be Advisor Directed or use third party investment advisors. The wrap fees are disclosed on each monthly statement and deducted from client accounts in arrears. Management fees for these accounts include securities purchase and sales charges, custodial fees, and investment advisory fees. LP negotiates these fees with clients based upon the level of services that may be provided in addition to investment management services, such as financial planning services. SAA retains from .35% to .6% of wrap fee charges annually. Maximum annual charges for mutual fund based accounts are 2.25% per year, and for equities accounts 3%. Some mutual funds distribute 12b1 fees, typically .25% per year. In nonqualified Advisor Directed accounts, these 12b1 fees are credited to the advisor representative. In qualified or ERISA accounts in Advisor Directed accounts, these 12b1 fees are credited to client accounts. For third-party managed ERISA and qualified accounts, these 12b1 fees are retained or credited by SAA.

You should be aware that we are paid solicitor/referral fees by SAA for recommending mutual fund portfolios, separate account portfolios and unified managed account portfolios. SAA also shares fees with the sub-advisors. The amount of compensation we receive for recommending one Managed Opportunities portfolio over another portfolio may vary. Therefore, a potential conflict of interest may exist because these circumstances may result in us having a financial incentive to recommend one portfolio over another. However, portfolios are selected and recommended based on each individual client's needs, goals and objectives.

SAA is responsible for collecting all fees paid by you through the Managed Opportunities Program and then journaling our portion of the advisory fees to us.

Trading by Managed Opportunities sub-advisors may trigger wash sale rule implications. Accounts in the Managed Opportunities Program may not be managed in a way to avoid wash sale implications. You are encouraged to consult with a tax advisor to discuss any tax implications involving your portfolios in Managed Opportunities.

A complete description of Managed Opportunities and related fees, charges, and termination procedures are described in SAA's Form ADV Part 2A Disclosure Brochure Appendix (Wrap Fee Program(s) Brochure) which you receive at or prior to the time a Managed Opportunities account is established.

You are advised that there may be other third-party managed programs, not recommended by us, that are suitable for you and that may be more or less costly than arrangements recommended by us. No

guarantees can be made that your financial goals or objectives will be achieved by a third-party money manager (investment advisor or sub-advisor) recommended by us. Further, no guarantees of performance can ever be offered by us.

### **FINANCIAL PLANNING SERVICES**

We offer financial planning services to clients in the forms of consultations and written comprehensive or segmented plans. Financial planning services may include, but are not limited to, advice on insurance, tax issues, college planning, retirement and estate planning and investments.

#### **Consultations**

We offer consultations concerning your specific situation and/or objectives. A non-negotiable \$200 hourly fee will be charged for Consultations service. Fees for services are due upon completion of the consultation.

#### **Comprehensive Planning**

We offer comprehensive financial planning services. Clients contracting for comprehensive financial planning services will receive a written financial plan that focuses on the client's current financial situation as well as the client's future goals and objectives. Prior to services being provided, LP will provide you with an estimate of the number of hours needed to prepare a written plan. The estimated number of hours will then be multiplied by an hourly rate of \$200 to determine the fixed fee that you will be charged. If the plan takes longer to prepare than originally estimated, you will only be responsible for the fixed fee quoted and agreed upon in the client contract. We will generally charge a maximum fee of \$3,000 for comprehensive planning services. One-half of the fixed fee is due upon signing the client contract. The remainder of the fee is due when the plan is presented or mailed to the client.

#### **Segmented Planning**

We offer segmented planning for one or more topics as specified by the client. Clients contracting for segmented planning services will receive a written financial plan that focuses on the client's selected topic(s). Prior to services being provided, LP will provide you with an estimate of the number of hours needed to prepare a written plan. The estimated number of hours will then be multiplied by an hourly rate of \$200 to determine the fixed fee that will be charged. We charge a minimum fee of \$500 for segmented planning services. If the plan takes longer to prepare than originally estimated, you will only be responsible for the fixed fee quoted and agreed upon in the client contract. One-half of the fixed fee is due upon signing the client contract. The remainder of the fee is due when the plan is presented or mailed to you.

#### **Annual Updates**

Typically, financial planning services terminate upon completion of the consultation or presentation of the financial plan. Clients who choose to implement LP's advice through one or more of our other investment advisory programs, which are described in this disclosure document, will receive quarterly or annual updates at no additional charge, unless the work to be done is unrelated to the work previously performed by LP. In this instance, we may charge a fee.

We recommend that all clients have their financial plans reviewed and, if necessary, updated at least annually. If a client requests a review and update of a plan previously written by us, the client will be quoted a fixed fee ranging from \$300 - \$500 prior to meeting with us. LP will provide you with an estimate of the number of hours needed to review and update the plan. The fixed fee will be determined by multiplying the estimated number of hours by an hourly rate of \$200. If the plan takes longer to prepare than originally estimated, you are only responsible for the fixed fee quoted. One-half of the fixed fee is due at the signing of your contract with the remaining balance due when the plan is presented or mailed to you.

### Premium Planning Services

Premium Planning Services provide ongoing financial planning services for clients who want more frequent contact and a higher level of service than is provided with an annual review of their progress for their financial plan. Premium Planning Service clients pay fees on a monthly basis with the fees collected through automatic payments (ACH) from their bank accounts. Fees are billed monthly in arrears. Clients may discontinue Premium Planning Services at any time. Premium Planning Services remain in effect until cancelled by either party.

Clients desiring ongoing financial planning services can select from four levels of service. Our advisor representatives will explain the services available and assist clients in selecting the level appropriate for them.

Clients with \$1 million or more in assets under management with LP are eligible for the appropriate level of Premium Planning Services with no monthly planning fees charged.

Following is a description of the Premium Planning Service levels and their monthly costs.

#### **Bronze Service Level**

**\$75 per month**

##### ***Features***

- Maintain current financial goals
- Update goals and net worth statement annually
- Up to two face-to-face or telephone client service meetings per year
- Provide access to Lifetime Planning, Inc.'s newsletters, educational programs and meetings
- Review systematic savings programs and 401k allocations
- For retirees, provide annual reviews of investment withdrawal rates & RMD requirements

The Bronze Service Level is recommended for clients who want to come in and review their progress once or twice a year with their advisor representative. People early in their careers who want personal advice will often find the Bronze level to be a perfect match for their needs. Typical clients choosing this level have an income of at least \$75,000 and/or investment assets between \$50,000 and \$100,000.

#### **Silver Service Level**

**\$100 per month**

##### ***Features***

Includes all services in Bronze level with these additional services or upgrades:

- Up to four telephone or face-to-face client service meetings per year
- On-demand performance statements for most investments
- Consulting with client's other advisors regarding any financial matter
- Estate planning and beneficiary designation reviews

The Silver Level Service is recommended for clients who want a clear picture of their present financial status and a "road map" to achieve their financial goals. People choosing this level have already started saving for their retirement and other goals, but now want professional guidance. Typical clients choosing this level have an income of at least \$100,000 or investment assets between \$100,000 and \$500,000.

## **Gold Service Level**

**\$150 per month**

### ***Features***

Includes all services in Silver level with these changes or upgrades:

- Unlimited client service meetings per year
- Your Advisor Representative will meet annually face-to-face or via telephone with your other primary advisors
- Financial planning advice for immediate family members
- Charitable planning, where applicable
- Annual tax return review for uncovering tax savings strategies

The Gold Service Level is recommended for clients that place a high importance on achieving their financial goals and objectives. Frequently, at this level, the client wants a strategy in writing with a personal advisor monitoring the plan. Often clients want us to coordinate advice from all of their financial professionals. Typically, clients choosing this level have a gross income of at least \$200,000 or investment assets in excess of \$500,000. Customizable plans requiring additional services may be added to the Gold Plan with an additional "Letter of Engagement" detailing the additional services and fees.

### **Business Services**

"Business Services" financial planning offers each business a unique list of services in an "Engagement Letter." If a business accepts the terms of this engagement letter, it becomes the basis of a contract for services that can be terminated by either party with 30 days notice.

Business Services are recommended for entrepreneurs who place a high importance on achieving their financial goals, and protecting their company. Typically clients choose this level because they have challenges that need to be solved. Often they are looking for an advisor that they can trust to coordinate their needs with other professionals. Sometimes they are ready to take their business to the next level and are looking for an advisor to guide them.

### Workshops

LP may provide educational and informational workshops to the general public as well as to specific industry benefit plan participants. There are no fees for education and/or informational workshops. At no time will we or our associated persons provide individual advice to a company's employees. If the employee would like individualized advice the employee may set-up a consultation, at which time an agreement may be executed.

### Termination

Either party may terminate services at any time by providing written notice. If services are terminated within five business days of executing the client contract, services will be terminated without penalty. After the initial five business days, termination will be effective 30 days after receipt of the termination notice. Clients may be responsible for payment of fees for time and effort expended by LP prior to the effective date of termination.

## **GENERAL FEE DISCLOSURE INFORMATION**

The fees charged by LP may be higher or lower than the cost of similar services offered through other registered investment advisors. At no time will fees of more than \$1200 be charged more than six months in advance. Fees for investment supervisory services may be more than the cost of purchasing the same services separately. You may be able to obtain similar services for a lesser fee from other advisors. The fees charged vary among the investment supervisory services provided. The amount of compensation we may receive in a particular program may be more than would be received if you participated in other SAA programs or paid separately for investment advice, brokerage and other services. These circumstances may result in LP having a financial incentive to recommend one investment supervisory service program over another. The factors to be considered by clients in determining the reasonableness of the fees charged include, but may not be limited to, the following:

1. The fee charged for development of an asset allocation study and/or development of an investment strategy.
2. Transaction and custody costs or other miscellaneous fees and taxes and/or charges, as well as commissions or mark ups and mark downs, on the purchase and/or sale of securities.
3. The cost of producing a quarterly performance report covering the managed assets.
4. The value of the consulting service provided by LP in designing and monitoring the client's managed assets.
5. The cost of investment advice provided by SAA and LP.
6. The cost of the additional administrative, marketing, asset management, and other support services that may be provided by SAA and when applicable, by any sub-advisors used in the management of a program account.

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because Lifetime Planning, Inc. does not charge or accept performance-based fees. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

### **Item 7 – Types of Clients**

We generally provide investment advice to the following types of clients:

- Individuals,
- Pension and profit sharing plans
- Trusts, estates or charitable organizations
- Corporations or business entities other than those listed above

### **Minimum Investment Amounts Required**

SAA's recommended minimum investment amount for establishing and maintaining an FAP Account is \$25,000 and is \$50,000 for establishing and maintaining a LifeGuide Account. Exceptions may be granted to these minimums upon request.

As a general rule, SAA requires a minimum of \$50,000 to establish and maintain Managed Opportunities mutual fund portfolios, \$100,000 for separate account portfolios, \$250,000 for unified managed account portfolios and \$50,000 for advisor directed portfolios. All minimums are negotiable at the discretion of LP and SAA.

The minimum investment required for the Genworth asset allocation system program accounts is generally \$50,000 and is \$250,000 for the Genworth private managed accounts program. Exceptions may be granted to these minimums at the discretion of Genworth and LP.

LP has a minimum fee of \$500 for segmented financial planning services, and a minimum fee of \$300 for annual updating services.

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

### **Methods of Analysis**

Lifetime Planning, Inc. uses modern portfolio theory to design and manage investment portfolios of mutual funds and exchange traded funds. Modern portfolio uses information about the past relationships of various investment classes to construct portfolios to meet various investment objectives. This method strives to create portfolios for given investment objectives with broad diversification and decreased portfolio volatility.

As described in *Item 5* above, model mutual fund and variable annuity asset allocation portfolio programs, provided by various institutional investment managers and strategists, may be used when managing client assets.

### **Investment Strategies**

Lifetime Planning, Inc. uses the following investment strategies when managing client assets and/or providing investment advice:

***Long term purchases.*** -- Investments held at least a year.

***Short term purchases*** -- Investments sold within a year.

### **Use of Primary Method of Analysis or Strategy**

Our primary method of analysis or strategy is Modern Portfolio Theory. Some of the risks involved with using this method include the fact that there are periods of time when nearly all asset classes suffer losses at the same time and that there may be extended periods of time when portfolios do not grow. In addition, historical relationships of asset classes will likely change over time. Past performance may not be indicative of future performance.

### **Primarily Recommend One Type of Security**

We primarily recommend using mutual funds and exchange traded funds. The risks of using mutual funds involve tax consequences of funds being passed on to investors with no control by the investor. Mutual funds may not have future performance that matches their history, and fund managers who created success in the past may leave and be replaced with new managers whose success does not match the manager who leaves. The primary risk of exchange traded funds is while intended to match particular stock or bond indexes, they may not accurately match those chosen indexes during different time periods. Another risk of exchange traded funds is that they may suffer inexplicable temporary losses during times of extreme market volatility that bear no direct relationship to the stocks owned by the exchange traded fund.



## **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of

owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.

- Management Risk – Your investment varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produced the expected returns, the value of your investment may decrease.

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

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

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

Lifetime Planning, Inc. is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

### **OTHER BUSINESS ACTIVITIES AND MATERIAL ARRANGEMENTS**

Although the principal business of LP is providing investment advisory services, LP's advisor representatives are engaged in other activities. They are registered representatives and may also be independently licensed insurance agents. In these separate capacities, they can earn commissions when selling securities and insurance products.

Clients needing long term care, health, disability or life insurance may be referred to life and health insurance agents who are not affiliated with LP. SAI maintains a restricted approved list of mutual funds, direct participation programs and insurance products available for sale by its registered representatives. Clients' investment selection is limited to those particular investment products on SAI's approved product list. Clients are under no obligation to implement plans or purchase investments or insurance through LP, its advisor representatives or SAI. Clients are free to select any broker/dealer or insurance agent they wish to implement recommendations.

David M. Smith and Eric S. Smith spend approximately 15% of their time on investment brokerage services and 5% on life insurance sales. William M. Walters spends approximately 75% of his time on investment brokerage services and 24% on life insurance sales. Robert S. Harrell spends approximately 40% of his time on investment brokerage services and 10% on life insurance sales.

LP has relationships with non-affiliated investment advisors. We use the services of SAA, a registered investment advisor, through FAP and/or LifeGuide when managing assets and, when doing so, SAA receives a portion of the fees.

We have established a relationship with Hanson McClain Retirement Network, an affiliated company of Hanson McClain Retirement Planning, a registered investment advisory firm. The associated persons of Hanson McClain Retirement Network (which are also associated persons of Hanson McClain Retirement

Planning) provide consultation and marketing support services to LP and LP's associated persons. We pay Hanson McClain Retirement Planning a portion of the fees earned from those clients obtained by us as a result of the consultation and marketing support provided by the associated persons of Hanson McClain Retirement Network.

Robert Harrell has a referral relationship with ICM Lending, a mortgage broker. Mr. Harrell may refer clients needing assistance with mortgage or real estate matters to ICM Lending. At a minimum, Mr. Harrell will provide administrative services including data gathering, helping complete the loan application, preparation and communication with the client. For providing these administrative services, ICM Lending pays Mr. Harrell a referral fee for the mortgage business generated. Clients are under no obligation to utilize the services of ICM Lending.

### **Third-Party Money Managers**

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, Lifetime Planning, Inc. has formed relationships with independent, third-party money managers.

We may recommend clients work directly with third-party money managers. When we refer clients to a third-party money manager, LP receives a portion of the fee charged by the third-party money manager. Therefore, we have a conflict of interest in that we will only recommend third-party money managers that agree to compensate LP by paying LP a portion of the fees billed to your account managed by the third-party money manager.

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

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment advisor is considered a fiduciary and has a fiduciary duty to clients. We have established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects fiduciary obligations and those of its supervised persons and requires compliance with federal securities laws.

Our Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment advisor representatives are classified as supervised persons. We require our supervised persons to consistently act in their client's best interests in all advisory activities. We impose certain requirements on our affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to clients. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of our Code of Ethics. You may request a complete copy of the Code of Ethics from LP. LP will provide a copy promptly upon our receipt of your request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

LP or its associated persons may buy or sell securities or have an interest or position in a security for their personal accounts that they also recommend to clients. LP is and will continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. As these situations may represent a potential conflict of interest, it is our policy that no associated person will prefer their own interest to that of any client. To prevent conflicts of interest, we have developed policies and procedures that include personal investment and trading policies for our associated persons, employees and their immediate family members:

- Associated persons will not prefer their own interests to that of the client
- Associated persons will not purchase or sell any security for their personal accounts prior to implementing transactions for client accounts
- Associated persons will not buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investment public upon reasonable inquiry
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”
- Associated persons are discouraged from frequent personal trading
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the applicant principal officer and/or Chief Compliance Officer

To the extent an associated person or LP maintains an outside account, the associated person must make arrangements to send quarterly statements to LP, complete an annual certification concerning their personal securities activities and provide additional information about personal trading activities as may be required under the Insider Trading Policy and Code of Ethics. Any associated persons not observing LP policies may be subject to sanctions up to and including termination.

With the exceptions of mutual funds, exchange traded funds, and variable annuities, investment advisor representatives of LP do not buy the same securities suggested to our clients. LP also does not buy individual securities for its own account.

## **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the financial planning recommendations of Lifetime Planning, Inc. If the LP assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible.

Our advisor representatives are registered representatives of SAI, a full service broker/dealer, member FINRA/SIPC. When selling securities products in this separate capacity, LP representatives may earn commissions.

LP and its advisor representatives recommend SAI for securities sales and for custodial arrangements and securities transactions with no sales charges for wrap accounts. We may also use referred investment managers or advisors who use other brokerage and/or custodial companies. Clients wishing to implement LP’s advice are free to select any broker they wish and are so informed. If clients wish to have our advisor representatives implement the advice in their capacity as registered representatives, the broker/dealer, SAI, will be used. SAI has a wide range of approved securities products for which it performs due diligence. SAI’s registered representatives are required to adhere to these products when implementing securities transactions through SAI. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

### **Best Execution**

Although we do not allow directed brokerage, LP must still use reasonable diligence to make certain that best execution is obtained for clients when implementing any transactions. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, we must ensure that all conditions surrounding the transaction execution is in the best interests of clients. Associated persons will look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with existing systems of the applicant, ease of monitoring investments)

- Products and services offered (e.g. investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

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

LP will perform periodic reviews to determine that the relationship with SAI, FCM and NFS is still in the best interests of its clients.

### **Soft Dollar**

Investment advisors may direct portfolio brokerage commissions to a particular broker/dealer in return for services and research used in making investment decisions in client accounts. The commissions used to acquire these services and research is known as “soft dollars.” Section 28(e) of the *Securities Exchange Act of 1934* provides a “safe harbor” that allows an investment advisor to pay more than the lowest available commission for brokerage and research services if it determines in good faith that the commission paid was reasonable in relation to the brokerage and research services provided.

Although we do not allow directed brokerage, we may still receive products and services from SAI, SAA (an affiliated investment advisor of SAI), or other program sponsors and product issuers. These products and services may be used for both research and non-research purposes and allow us to supplement, at no cost, our own research and analysis activities. These products and services can include, but are not limited to:

- Reports, publications and data on matters such as the economy, industries, sectors and individual companies or issuers, statistical information, account and law interpretations, political analyses, legal developments affecting portfolio securities, technical market actions, credit analyses, risk management and analyses of corporate responsibility issues
- On-line news services and financial and market database services
- Information management systems integrating quotation and trading, performance management, accounting, recordkeeping and document retrieval and other administrative matters
- Meetings, seminars, workshops and conferences with representatives of issuers, program sponsors and/or other analysts and specialists

Research obtained with soft dollars is not necessarily utilized for the specific account that generated the soft dollars. We do not attempt to allocate the relative costs or benefits of research among clients because we believe that, in the aggregate, the research we receive benefits all clients and assists us in fulfilling our overall duty to you.

These arrangements may be deemed to create a conflict of interest to the extent that we would have to pay for some or all of the research and/or services with “hard dollars” if we were unable to obtain the research and services in exchange for commissions in connection with client transactions. Your trades will always be implemented based on your goals and objectives and will not be based on any research, products or other incentives available.

### **Agency Cross Transactions**

Our associated persons are prohibited from engaging in agency cross transactions, meaning they cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

### **Trade Errors**

If a client chooses to implement transactions through LP's associated persons, steps are taken to supervise trades and to prevent trade errors. The associated persons will implement trades in their separate capacities as registered representatives of SAI. SAI has execution and clearing arrangements with Fidelity Capital Markets (FCM), a division of NFS. FCM will be contacted immediately about any trade error except those in mutual fund trades. SAI's Trade Department will be contacted to report and correct any error in a mutual fund trade. Trading errors are usually corrected after the trade settles and may take five to seven business days to finalize. If SAI, FCM, we, or other associated persons, are responsible for making a trade error in your account, the error will be corrected and your account will be restored to where it would have been had the trade error not occurred. Any profit from the trade correction will be retained by SAI or FCM. Neither the client nor LP or LP's associated persons will retain the profit from a trade correction.

### **Aggregation of Client Orders-Block Trading Policy**

Transactions we implement for client accounts are effected independently. We do not aggregate securities transactions for multiple client accounts.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

At a minimum, managed accounts are reviewed on a quarterly basis and may be reviewed more frequently or prior to the quarter-end depending on market activity, major client events or at the client's request.

We recommend that financial planning clients have their plan reviewed on an annual basis. Clients that choose to implement financial planning advice through one or more of LP's programs will receive quarterly or annual reviews and updates on their financial plan at no additional charge. However, if the client requests additional work or requests work that is unrelated to that previously performed by us, then the client may be charged an additional fee. Our advisor representatives review all accounts.

SAA reviews the performance information in Managed Opportunities accounts to determine its accuracy. Performance information provided by SAA is believed to be accurate but cannot be guaranteed. Fund and other securities values and other information are obtained from third parties. Managed Opportunities accounts are reviewed as needed by SAA supervisors, SAI principals and LP's representatives. Triggering factors for reviews may include material market, economic or political events, changes in clients' personal or financial situations or performance of the accounts in general. We urge clients to compare performance reports received from us with account statements received directly from the custodian. Inquiries or concerns regarding your account, including performance reports should be directed to us and/or to the account custodian.

### **Statements and Reports**

Clients will receive statements at least quarterly from the investment company, broker/dealer, clearing firm or money manager where their account is maintained.

Those clients participating in FAP receive annual performance reports and year-to-date performance reports when they come in for client service meetings.

Clients participating in the Genworth Programs receive monthly account statements, transaction ledgers and quarterly reports showing the investment performance of their account from Genworth.

Clients participating in Managed Opportunities are able to view daily and quarterly performance reports on a website prepared on behalf of SAA by Oberon, which will describe the performance, holdings and other activity in the client's Managed Opportunities accounts. During any month in which there is activity in Managed Opportunities accounts, clients will receive monthly statements from the account custodian or clearing firm showing the activity in clients' accounts as well as positions held in the accounts at month-end. Clients will also receive a confirmation of each purchase and sale transaction that occurs within Managed Opportunities accounts, unless the client provides SAA with written authorization to suppress confirmation delivery. If there is no activity in the account, the client receives statements no less than quarterly from the account custodian or clearing firm.

You are encouraged to make appointments with LP to review your reports, answer questions and to discuss any changes or rebalancing we think is warranted.

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

Our advisor representatives sell securities and insurance products in their separate capacities as registered representatives and independent insurance agents. They may earn sales commissions when selling these products. Some of the advice offered by the advisor representatives involves investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges sometimes referred to as 12(b)-1 fees. Advisor representatives may receive a portion of the 12(b)-1 fee from some investment companies in their separate capacities as registered representatives. Clients should be aware that these 12(b)-1 fees come from fund assets, and thus, indirectly from client assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12(b)-1 fees or higher 12(b)-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest. Investment advisor representatives do not receive 12b1 fees for ERISA or qualified accounts.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

LP or SAA may invest a portion of your assets in mutual funds, variable annuities or Exchange Traded Funds (ETFs) and charges an investment management fee on your assets invested in these securities. Therefore, clients may pay two levels of fees for the management of their assets, one directly to us, or SAA, and one indirectly to the managers of the mutual funds or variable annuities held in their portfolios.

We use the support services of SAA and Genworth Financial Wealth Management, Inc., registered investment advisor, when managing client assets in Genworth Program. When doing so, SAA and Genworth Financial Wealth Management, Inc. will receive a portion of the fees charged to the client.

We may select and monitor third-party money managers to manage your assets, including money managers in SAA's IMAP. When soliciting for money managers, we will receive a portion of the fees paid to the money manager. SAA also receives a portion of the fee or a marketing override for fees paid to IMAP approved money managers.

We do not have a related person that is an investment advisor; however, we have relationships with nonaffiliated investment advisors.

We refer clients to SAA, a registered investment advisor firm, through Managed Opportunities. SAA works with Oberon, a registered investment advisor, and other sub-advisors when managing client assets. We will not refer clients to SAA unless SAA, Oberon, and other sub-advisors are registered or exempt from registration as investment advisors in each client's state of residence. SAA pays LP a portion of client fees for referrals. In addition, SAA shares fees with Oberon and other sub-advisors.

We have established relationships with other investment advisors through which we act as a solicitor referring clients to the other investment advisors' management programs. When acting in this solicitor/referral capacity, LP receives a portion of the fee paid to the other investment advisors by the client.

We also enter into agreements with solicitors (referring parties) to refer clients to us. If a referred client enters into an investment advisory agreement with us, a cash referral fee is paid to the referring party. The cash referral fee paid is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and LP will not result in any charges to you in addition to the normal level of advisory fees charged. The referral agreements between us and referring parties are in compliance with regulations as set forth in 17 CFR Section 275.206(4)-3.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

LP is deemed to have custody of client funds and securities whenever LP is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody LP will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which LP is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from LP. When clients have questions about their account statements, they should contact LP or the qualified custodian preparing the statement.

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

Upon receiving written authorization from the client, we provide discretionary investment advisory services for client accounts. Our discretionary authority will be granted by the client in the client agreement. When discretionary authority is granted, it is limited in that we will only be given discretionary trading authority. This authority will allow us to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.



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

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

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

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

#### **Item 17 – Voting Client Securities**

LP and its advisor representatives will not vote proxies on behalf of clients. You are instructed to read through the information provided with the proxy document and make a determination based on the information. Upon request from the client, the advisor representatives may provide clarifications based on their understanding of issues presented in the proxy materials. You are responsible for all proxy voting decisions.

#### **Item 18 – Financial Information**

Item 18 is not applicable to this Disclosure Brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

#### **Item 19 -- Privacy Policy**

We are committed to safeguarding the confidential information of each of our clients. We hold all personal information provided to the firm in the strictest confidence. These records include all personal information collected from clients in connection with any of the services provided by us. We have not disclosed such information to nonaffiliated third parties, except as described in this Privacy Policy, or as required by law, and do not anticipate doing so in the future. If we were to anticipate such a change in firm policy, we would be prohibited under the law from doing so without advising you first. LP uses financial and health information provided by the client to help them meet their personal financial goals, while guarding against any real or perceived infringements on the client's rights of privacy. Our policy, with respect to personal information about the client, is contained in the privacy policy below.

- We limit employee and agent access to information only to those who have a business or professional reason for knowing, and only to non-affiliated parties as permitted by law. (For

example, federal regulations permit LP to share a limited amount of information about the client with a brokerage firm in order to execute securities transactions on their behalf. Other examples would be so that we could discuss the client's financial situation with their accountant or lawyer.)

- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- The categories of non-public personal information collected from a client depend upon the scope of the client engagement. It will include information about your personal finances, information about your health to the extent that it is needed for the planning process, information about transactions between you and third parties, and information from consumer reporting agencies.
- For unaffiliated third parties that require access to client personal information, including financial service companies, consultants and auditors, we also require strict confidentiality in agreements with them and expect them to keep the information private. Federal and state regulators also may review firm records as permitted under law.
- LP does not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about the client will be maintained during the time they are clients, and for the required time thereafter that such records are required to be maintained by federal and state securities laws, and consistent with the Certified Financial Planner Board of Standards, Inc. (CFP Board) Code of Ethics and Professional Responsibility. After this required period of record retention, all such information will be destroyed.

We may also share client personally identifiable information with the CFP Board as part of complying with the CFP Board's Code of Ethics and Professional Responsibility. If clients prefer that we not disclose their non-public personal information to the CFP Board, they can simply opt out of this disclosure by visiting the firm's web site at [www.lifetimplanning.biz](http://www.lifetimplanning.biz) and sending an email.

State law prohibits us from sharing any client's personal health information with a third party without the client's permission. If LP makes an application to a life insurance company on your behalf, we will ask for written permission to share the necessary health information with the insurance company or companies in question.