

# **Rocky Mountain Planning Group, Inc.**

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**RMPG CRD# 114507**

**Form ADV: Part 2A and Part 2B  
Investment Advisor Brochure**

**December 31, 2011**

**This brochure provides information about the qualifications and business practices of Rocky Mountain Planning Group, Inc. If you have any questions about the contents of this brochure, please contact us at (970) 949-9281. 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.**

## **Material Changes**

Rocky Mountain Planning Group, Inc. has had no material changes since ADV filing of March 31, 2011.

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## **Advisory Business**

Rocky Mountain Planning Group, Inc. (“RMPG”) was formed in 1994 and is a Colorado corporation. RMPG is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Advisor Act of 1940. Grace C. Wellwerts, MS, CFP®, CLU, CIMA® (“GCW”) is the principal of RMPG. She is authorized to render investment advisory services to the client on behalf of RMPG and in accordance with the Service Agreement (Agreement). As a core aspect of business, RMPG offers wealth management services which include cash flow analysis, risk management, retirement planning, insurance planning, investment advice, business and estate planning. For families and individuals RMPG offers comprehensive financial planning, asset management, retirement planning, estate planning, charitable giving review, legacy planning, and planned giving. For businesses, RMPG provides business planning, deferred compensation, retirement plans (qualified and non-qualified), business succession planning including buy/sell arrangements, business acquisition and sale. As of June 30, 2011, RMPG had \$55 million of assets under management on a non-discretionary basis. No assets are managed on a discretionary basis.

### **ADVISORY SERVICES AVAILABLE**

Three options are offered. Clients have the option of choosing any one plan or a combination of plans. Services to be provided will be fully disclosed in writing in the Agreement.

The three options offered are:

- 1 Plan Design
- 2 Plan Design and Implementation
- 3 Fee Based Asset Management

These options are specifically detailed in Fees and Compensation.

## **Fees and Compensation**

RMPG receives compensation based upon two types of fees. The first fee is for specific financial planning services rendered and listed below in Option 1 *Plan Design* and in Option 2 *Plan Design and Implementation*. The second type of fee reflects compensation based upon assets under management listed below in Option 3 *Fee Based Asset Management*. The fees and specific services will be reflected in the individual service agreement.

Financial Planning fees may be charged for services on either an hourly rate or a fixed-fee basis.

#### Financial Planning Fees:

The standard hourly rate schedule is as follows:

Grace C. Wellwerts, MS, CFP®, CLU, CIMA®, charges \$250 per hour for all services rendered. Fixed or hourly fees are estimated by GCW on behalf of RMPG based upon a preliminary assessment of the complexity of the Client's financial circumstances, the level of skill required to perform the services, and the time likely to be required to perform the services. Unless otherwise agreed to by RMPG and the Client, one-half of the estimated fees will be due and payable upon acceptance of this Agreement. In such a case the balance of the fee will be due and payable upon presentation of the plan. Otherwise, the entire fee will be due and payable upon delivery of the plan or recommendations. Under no circumstances will RMPG require prepayment of more than \$500 in fees per Client and six or more months in advance.

This fee schedule may be changed periodically upon 30 day's prior written notice to the Client. This rate may be modified in writing by RMPG and the client for special situations, such as more frequent reviews; more specialized or complex plan design and reporting; and any other extraordinary services.

Client agrees to pay RMPG an advisory fee for financial planning services based upon:

\_\_\_ An hourly fee of \$ 250.00 per hour

\_\_\_ A flat fee of \$ \_\_\_\_\_

\_\_\_ Other \_\_\_\_\_

Under this option, when RMPG is not used to implement any of the recommendations, it cannot be held responsible for loss or change due to delay in the implementation of these recommendations. RMPG will only interact with other advisors when it is agreed upon and at the request of the Client.

#### OPTION 1: Plan Design

When generating a financial plan or an estate plan RMPG may:

A. Consult with Client and analyze the client's financial and estate planning needs and objectives based upon the information provided by the Client; and/or

B. Prepare a written plan based upon the Client's identified needs and objectives; and/or

C. Recommend, as part of the Client's financial, investment or estate planning strategies that RMPG believes are suited for the Client's identified financial needs and objectives; and/or

D. Review the performance of Client's investment accounts (whether purchased through advice of RMPG or identified to RMPG by the Client for review) in light of the Client's identified needs, objectives, and financial plan on a continuous or periodic basis, as specified in the Agreement; and/or

E. Discuss the review with the Client at least annually or more frequently as is dictated by the nature of the Client's investments or Client's request; and/or

F. Recommend either verbally or in writing, changes in Client's investments, strategy, or financial plan in connection with the review of Client's investments or the identification of new financial needs or objectives by the Client.

G. When called for, RMPG may conduct a single-needs analysis to provide research, plan design, or specific investment advice for the Client who does not need or desire the more traditional financial planning described in parts A through F.

All investment analyses and recommendations will be based upon information provided to RMPG by the Client. There will be no independent investigation of Client's background information, nor update of such information, without the express involvement and consent of the Client. It remains the Client's responsibility to advise RMPG of any changes in circumstances, e.g. financial needs, objectives, goals, and investments held with other firms or any other changes which would impact the Client's financial condition.

#### OPTION 2: Plan Design and Implementation

Client may choose to work on a discounted fee for plan preparation which will be determined and negotiated at the time the Agreement is prepared. Should the Client agree to a discounted fee for plan preparation, the Client agrees that RMPG will be used to implement the plan and provide any of the recommended and mutually agreed upon products that are presented in light of the Client's identified needs, objectives and financial plan. RMPG will then be compensated on a fee, as investment advisor, and/or on a commission basis acting as a insurance broker to various insurers.

#### OPTION 3: Fee Based Asset Management

RMPG offers asset allocation and portfolio services for a fee based upon assets under management. Under this program, clients will receive investment analysis, investment allocation and ongoing monitoring services for their portfolio.

This allocation will entail a broad range of investment classes and strategies including but not limited to world equities. The allocation may also incorporate debt instruments of various ratings as well as government securities, exposure to real estate, commodities, currencies, and various metals.

## Asset Management Fees

Fees payable for investment supervisory and management services under the Fee Based Asset Management Program will, in part, be a percentage of the total value of investments under management in the account. In addition to this advisory fee, there may be transactional, administrative, trustee, and service fees and, in some cases, commissions. RMPG is not compensated by any transactional fees, administrative fees or commissions incurred. These fees will be separate from RMPG.

Transaction fees will be payable at the time of the transaction. Transaction fees may vary, depending on the type of transaction. At its sole option, as an accommodation to a Client without assuming responsibility for any transactions or services provided by any third parties, RMPG may elect to absorb Client transaction charges, account administrative fees, and/or account service fees. The Client will be provided with a Transaction Fee Schedule when the account is opened and whenever the Schedule is amended.

### Asset Management Fee Schedule

Market Value of Account RMPG Base Asset Management Fee/Total Client Fee

Fee on the first \$250,000	1.50%	_____
Plus on assets over \$250,000 and less than \$ 1 million	1.25%	_____
Plus on assets over \$ 1 million and less than \$ 5 million	1.00%	_____
Plus on assets over \$ 5 million	0.75%	_____

In some cases, these fees may be negotiated. This will be specified in the Agreement, which will note the differences, if any, between RMPG's Base Asset Management Fee and the Total Client Fee.

Ongoing quarterly fees are payable in advance. The fee for the first quarter shall be based upon the market value on the date the Agreement is signed, and will be due when the first deposit is made unless otherwise agreed to by RMPG and the Client. The fee for subsequent quarters shall be based on the market value of the assets under management at the end of the preceding quarter.

The Agreement serves to authorize the deduction of fees from the account by a "qualified custodian" as permitted by Rule 206(4)-2 under the Investment Advisers Act of 1940. The Custodian will be instructed to deliver account statements directly to the Client at least quarterly. The statements shall include the amount of the asset management fee.

In addition, the Client will receive either from the Custodian or RMPG a quarterly statement, in advance of having the asset management fee deducted, setting forth (a) the value of the Client's assets upon which the asset management fee was based, and (b) the specific manner in which this fee was calculated. At the same time the custodian will be invoiced. The Client's periodic portfolio statements will indicate all amounts disbursed from the account including advisory and service fees paid.

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

RMPG does not accept performance-based fees nor participate in side-by-side management.

## **Types of Clients**

RMPG generally provides investment advice to individuals, pensions and profit-sharing plans, trusts, estates, charitable organizations, corporations, and/or businesses not listed above.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Methods of analysis used may include fundamental, technical, asset allocation and/or economic analysis. The main sources of information used by RMPG may include financial newspapers and magazines, research material prepared by others, corporate rating services, annual reports, prospectuses, filing with the SEC, and company press releases. Investment strategies and recommendations may be based upon consideration of any of the following:

- a. Diversification -- for the purpose of balancing risk while maintaining the possibility of gain; or
- b. Risk Factors -- including the risk of capital loss (market risk) and the risk of loss of purchasing power (inflation risk), interest rate risk, exchange rate, re-investment, etc. and the Client's understanding of, and financial ability to bear, such risks; or
- c. Asset Balance -- taking into consideration short and long-term liquidity needs, blending of lesser and greater risk approaches, and combining income, growth, and safety concepts; or
- d. Discipline -- emphasizing commitment and follow through over a reasonable period of time in order to permit the investment plan or recommendation(s) to achieve the intended result; or
- e. Income Tax Consideration -- but these should not replace economic benefits as the principal determinant of investment decisions.

The investment strategies used to implement any advice given to a Client may include: long term purchases (securities held at least a year); short term purchases (securities sold within one year of purchase); trading (securities sold within 30 days); short sales; margin transactions; option writing, including covered options, uncovered options or spreading strategies.

All investments include a risk of loss. This risk may include risk of loss that a Client should be prepared to bear. In all cases, RMPG will attempt to provide the best risk adjusted return given the Client's risk profile and specific situation. However, under no circumstances can results be guaranteed.

### **Disciplinary Information**

RMPG has had no disciplinary actions.

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

Neither principal nor any management person is registered, nor has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither principal nor any member of RMPG is registered nor has a pending registration as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any such foregoing entity.

GCW is broker to various insurers, including but not limited to First Colony Insurance Company, ING Life Insurance Company, John Hancock, Prudential, Principal Financial Group, Security Life, Sun Life, Transamerica, UNUM Insurance Company, West Coast Life, Genworth, and others.

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

RMPG encourages and enforces that any member of the firm serve clients with integrity, competence, independence, objectivity and professionalism. Furthermore, full disclosure of credentials, ethics, business practices, and services are provided. Every attempt is made to achieve a thorough understanding of a Client's current situation, concerns, needs, and goals before providing any financial advice. RMPG will maintain the confidential nature of all client information and take reasonable steps to prevent access to the information by unauthorized people. A copy of RMPG's Code of Ethics is available upon request.

GCW holds full line insurance licenses in accordance with state and federal regulations. In this capacity, she may be compensated by fees and/or commissions. Clients of RMPG are under no obligation after plan design and delivery to utilize the services of RMPG to

implement the financial plan. GCW may act as advisor, working solely on fees and/or as an insurance broker.

RMPG may recommend to advisory Clients the purchase or sale of insurance in which GCW, or related parties, has some financial interest, including, but not limited to, the receipt of commission or fees in connection with the transaction.

RMPG, related persons or affiliated contractors may buy or sell for themselves securities or products recommended to advisory Clients. The receipt of sales commissions for insurance transactions may present a conflict of interest however, under all circumstances RMPG strives to serve the best interest of all clients. In maintaining an account with RMPG, or effecting transactions through Charles Schwab Institutional, advisory Clients may incur higher or lower transactional costs in the form of commission or ticket charges than if their accounts were held elsewhere.

RMPG maintains referral relationships with independent investment advisors where the compensation for setting up the accounts may be in the form of timing service fees, wrap fees, and/or trade costs from directed trades through Charles Schwab Institutional. These referral relationships and the referral compensation payable under them are described in separate solicitors disclosure brochures furnished by the independent advisor and which will be provided by RMPG to each Client who is referred to these independent advisors.

Under all circumstances, RMPG will fully disclose any conflicts of interest and at all times, strive to serve the best interests of Clients.

## **Brokerage Practices**

RMPG utilizes PortfolioCenter® to provide client performance reporting. PortfolioCenter® is a software solution provided by Schwab Performance Technologies®. In the past RMPG contracted the services of BackOffice, a third party service bureau that manages technology infrastructure, data management, and reporting. PortfolioCenter was provided through BackOffice. In May of 2009, RMPG elected to bring all of the performance reporting in house. While paid for in hard dollars, as a member of the Charles Schwab Institutional platform, RMPG received a discount of \$4,000 toward the acquisition of PortfolioCenter® enhanced software. This discount was provided by Charles Schwab Institutional as a courtesy.

## **Review of Accounts**

RMPG advises each financial planning client to request a review as necessary, and provides a review for each client no less than annually. The nature and frequency of account reviews depends upon the type of investment account being managed, the timeliness of financial issues impacting the Client's financial situation, and/or the life changing event that a Client may be experiencing. GCW as principal of the firm oversees all Client account reviews.

Accounts are generally monitored on a monthly, quarterly, semi-annual, or annual basis, depending upon the needs of the Client and the investment objective and policies of the account. Reviews are conducted to ensure that the accounts are being managed in accordance with stated objectives and policies, and in order to facilitate and implement those objectives and policies. Based upon these reviews, securities purchases or sales may be recommended, and upon client approval, made on the Clients' behalf.

Performance reports are provided to clients during account reviews.

### **Client Referrals and Other Compensation**

RMPG does not provide compensation for Client referrals. RMPG continues to use Portfolio Center Software but does not receive any incentive or other compensation from Charles Schwab Institutional for the continued use of this software.

### **Custody**

Client will receive monthly statements from Charles Schwab Institutional. Performance reports are provided to clients during account reviews and/or upon request.

### **Investment Discretion**

As a standard procedure RMPG does assume investment discretion over any account. In the event a Client is inaccessible due to travel or other personal circumstances, arrangements will be discussed and authorization for a specific course of action can be granted in the Clients' absence.

### **Voting Client Securities**

As a standard procedure RMPG does not accept authority to vote proxies for securities held by Clients or in their accounts. Clients receive proxies and/or other solicitations directly from the transfer agent or from the custodian. RMPG receives a copy of all correspondence sent to the Client. Clients are encouraged to contact us by phone or e-mail to discuss any questions they have regarding these correspondences.

**Part 2B of Form ADV  
Brochure Supplement  
For  
Grace C. Wellwerts  
July 30, 2011**

## **Educational Background and Business Experience**

Grace C. Wellwerts, MS, CFP®, CLU, CIMA®, President of Rocky Mountain Planning Group, Inc.

Grace C. Wellwerts: born 1955; CIMA® designation from The Investment Management Consultants Association, 2007; MSF from College For Financial Planning, Denver, Colorado, 2000; CLU designation from The American College, Philadelphia, Pennsylvania 1994; CFP certification, College For Financial Planning, 1993; B.S. from Loyola University of Chicago, Illinois and Rome, Italy; Associate, Prudential Financial Services 1987-1993, Palatine, IL; Business Development Officer, Vail National Bank 1993-1994, Vail, CO; Principal, Rocky Mountain Planning Group, 1994 - 1997; President, Rocky Mountain Planning Group, Inc. since January 1998.

Education for Certification and Designations: CFP®, CLU, CIMA®

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

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 college or 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. Each course is estimated to require approximately 160 to 220 hours of study. After completion, candidate must pass a comprehensive Certification exam administered over 10 hours and complete at least three years of full-time financial planning -related experience before becoming certified. Once certified, individuals must complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct.

### **Chartered Life Underwriter (CLU)**

The CLU® credential is considered to be the advanced education in the insurance industry. The course of study represents eight or more comprehensive college-level courses covering all aspects of insurance planning, estate and retirement issues, taxation, business insurance and risk management. These courses are provided through the American College. According to the American College, a non-profit educator, the average study time for the program is over 400 hours. Each CLU® must also complete a minimum of 30 hours of continuing education every two years and meet experience requirements. Since enrolled in American College in 1987, exempt from PACE recertification continuing education requirements stated above.

### **Certified Investment Management Analyst (CIMA®)**

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application.

Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history.

To obtain the CIMA® certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program which is provided by a Registered Education Provider at an AACSB accredited university business school, and pass an online Certification Examination. CIMA designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investment Management Consultants Association (IMCA).

### **Disciplinary Information**

There have been no legal or disciplinary events.

### **Other Business Activity**

See Other Financial Industry Activities and Affiliations, Page 9

### **Additional Compensation**

See Fees and Compensation, Page 4

### **Supervision**

As principal of Rocky Mountain Planning Group, Inc, Grace C. Wellwerts is responsible for all investment advice.

**Part 2B of Form ADV  
Brochure Supplement  
For  
Nicole A. Geraci  
July 30, 2011**

## **Educational Background and Business Experience**

Nicole A. Geraci, AWMA®, RP®, Paraplanner at Rocky Mountain Planning Group, Inc.

Nicole A. Geraci: Born 1982; AWMA® from College of Financial Planning, Denver, Colorado 2008; RP® from College of Financial Planning, Denver, Colorado 2009; B.A. from DePaul University, Chicago, IL, 2006; Private Client Group Associate, First American Bank, Elk Grove, IL 2006-2007; Paraplanner at Rocky Mountain Planning Group, Inc since January 2008.

Education for Designations: RP®, AWMA®

### **Foundations in Financial Planning (RP®)**

This designation is awarded from the College of Financial Planning to investment professionals who complete its 10 module AWMA Professional Education Program. The course is estimated to require approximately 80 hours of study prior to taking the exam. After passing the exam, each individual must commit to a code of ethics and agree to pursue 16 hours of continuing education every 2 years.

### **Accredited Wealth Management Advisor (AWMA®)**

This designation is awarded from the College of Financial Planning to investment professionals who complete its 15 module AWMA Professional Education Program. The course is estimated to require approximately 120 hours of study prior to taking the exam. After passing the exam, each individual must commit to a code of ethics and agree to pursue 16 hours of continuing education every 2 years.

Currently enrolled in the Certified Financial Planner Certification Professional Education Program with the College for Financial Planning Denver, Colorado. The program is estimated to require approximately 400-500 hours of study. After completion of the course, candidate must pass a comprehensive Certification exam administered over 10 hours and complete at least three years of full-time financial planning-related experience before becoming certified. Once certified, individuals must complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standards of Profession Conduct.

## **Disciplinary Information**

There have been no legal or disciplinary events.

## **Other Business Activity**

See Other Financial Industry Activities and Affiliations, Page 9

## **Additional Compensation**

See Fees and Compensation, Page 4

## **Supervision**

As principal of Rocky Mountain Planning Group, Inc, Grace C. Wellwerts is responsible for all investment advice. Nicole A. Geraci is acting as an associate planner, has currently completed her financial planning studies, and is awaiting certification results. She interfaces with clients on a regular and ongoing basis, but all investment advice is overseen by Grace C. Wellwerts.