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This brochure provides information about the qualifications and business practices of Financial Planning Services. If you have any questions about the contents of this brochure please contact us at (563) 359-3979. 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 Financial Planning Services is also available at the SEC website at www.AdvisorInfo.sec.gov. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Item two: Material Changes

This brochure does not include any material changes.

Item three: Table of Contents

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Item four: Advisory Business

Financial Planning Services is a registered investment advisor based in Bettendorf, Iowa, providing investment advisory services since 1995. John Harold Dunsheath is the principal owner of Financial Planning Services and its only employee. Currently we offer the following financial planning and advisory services:

- financial and retirement planning
- active portfolio management

The following paragraphs describe our services.

Financial and retirement planning

Financial Planning Services provides comprehensive financial and retirement planning which involves supplying analyses and recommendations in the areas of business planning, financing for college education, retirement planning, and estate planning. Financial Planning Services also analyzes individual securities for inclusion in portfolios of clients. Financial Planning Services carefully

reviews the questionnaire and related documents supplied by the client and prepares a written report. Implementation of the plan is at the discretion of the client. If Financial Planning Services is chosen to implement the plan, we work closely with the client's other advisors in order to coordinate the steps required.

The plan and report include:

1. A general discussion of the impact of taxes and inflation upon asset accumulation and financial security in the present and future.
2. A summary of assumptions used in preparing the financial plan or estate analysis.
3. A detailed discussion of the client's objectives with consideration of personal risk attitudes.
4. Recommendations for the attainment of objectives and additional steps to be considered in the achievement of financial security.

Annual reviews are done at the request of the client. Fees for an annual review will be determined upon at the time of the request and mutually agreed upon by the planner and the client.

Clients may place restrictions on investing in certain types of securities contingent upon the agreement of the planner.

Fees are paid in two installments: 50% being due at the signing of the contract, with the balance due upon presentation of the written report.

Active portfolio management

Financial Planning Services provides active portfolio management service upon request of the client. The service includes:

1. Initial allocation of the client's assets and recommendation of individual securities of the client's portfolio.
2. Constant monitoring of the client's assets and recommendation for changes when necessary.
3. Quarterly meetings between the planner and the client to assess the performance of the client's portfolio and recommendation of any changes at that time.

As of June 18, 2012, a total of \$10,756,000 is under active portfolio management for 20 clients.

Item five: Fees

Fees: Financial and retirement planning

(Note: Some of this information is also included under item four above.)

The base fee is \$100/hour of the planner's time. A maximum fee is determined at the time of signing the advisory contract. The client may terminate the advisory contract at any time, and a refund of all unearned fees will be made based on the time and effort expended by Financial Planning Services except

that all fees will be refunded if the agreement is terminated within five (5) business days of the date of signing. The agreement terminates upon presentation of the written plan.

Annual reviews are done at the request of the client. Fees for an annual review will be determined upon at the time of the request and mutually agreed upon by the planner and the client.

Fees are paid in two installments: 50% being due at the signing of the contract, with the balance due upon presentation of the written report.

Fees: Active portfolio management

The fees for Financial Planning Services advisory program are based on assets of the client under management according to the following schedule:

- One percent per annum for assets up to and including \$250,000
- 0.75 percent per annum for assets between \$250,001 and \$500,000
- 0.65 percent per annum for assets between \$500,001 and \$1,000,000
- 0.50 percent per annum for assets over \$1,000,000

One-quarter of the fee is payable at the end of each quarter in arrears. Clients may either have fees deducted from their account or be billed directly, at their discretion. Fees are negotiable under certain circumstances.

Please refer to Item 12, Brokerage Practices, for a more thorough discussion of fees.

Item six: Performance-based Fees

Financial Planning Services does not make use of any performance-based fee contract.

Item seven: Types of Clients

Financial Planning Services offers services to individuals and small corporations.

In general, we require a minimum of \$50,000 to open and maintain an advisory account. At our discretion we may waive this account size based on individual factors.

Item eight: Methods of Analysis, Investment Strategies, and Risk of Loss

Financial Planning Services recommends a basic strategy of growth with reasonable risk for most clients. Such a strategy, we believe, is the best way to counter the risk that rising costs of material goods will diminish the purchasing power of the income our clients need for their retirement years. This strategy means that most of our clients' money will be invested in individual common stocks and in mutual funds which invest in common stocks.

Investing in growth securities entails a very real risk of permanent loss of capital which our clients must understand before embarking on an investment program. We will attempt to educate clients regarding the various risks involved and we will attempt to manage this risk by the following methods:

- A. Allocating resources among many different securities and among many different sectors of the economy.
- B. Using various sources of information to provide information about individual securities and mutual funds.
- C. Carefully monitoring the performance results of investment portfolios

Since we advocate a "buy and hold" approach to securities investment, we will search out securities in which we believe the management looks to the long term rather than attempting to maximize short term results at the expense of long term stability. In the mutual fund area, we will look for funds where the same managers have been in control for many years and will consider changing funds when management changes hands. Common stocks we recommend for clients will be generally those described as "value" stocks; meaning those with low price to earnings ratios, good dividend histories, and favorable ratios of assets to liabilities. Exceptions may be made to this rule if the prospects seem to warrant it but the majority of stocks in the portfolio will fit in the category of "value".

Item nine: Disciplinary Information

Neither Financial Planning Services nor John Harold Dunsheath has any reportable disciplinary information.

Item ten: Other Financial Industry Activities and Affiliations

Neither Financial Planning Services nor John Harold Dunsheath has any other financial industry activities or affiliations.

Item eleven: Code of Ethics, Participation or Interest in Client Transaction and Personal Trading

Since John Harold Dunsheath, the principal planner in Financial Planning Services, has been an active investor for the last 35 years and remains so, it is possible that he will be investing in the same securities as his clients. In fact, since he has the same criteria for securities as he maintains for his clients, it is very likely that securities in his portfolio will be the same that he recommends to his clients. This can present the following possible conflicts of interest:

- A. He could benefit from any price increase caused by client investments if he holds the security before recommending it to clients.
- B. He could avoid a price decline if he intentionally sells before recommending that his client do so.

These conflicts will be avoided by ensuring that the clients' money gets invested before the planner's money where possible and that the clients are advised to sell before the planner does so. In reality, it is highly unlikely that the level of investment in any one security will be great enough to move the price for that security in any direction.

The planner will never buy or sell any security directly from or to a client.

In any case, we consider that by holding some of the same securities as the planner recommends to clients, the planner demonstrates faith in his recommendations and acts out the rule that any recommendation planner makes to a client will be that which the planner would do if in the same position as the client.

Item twelve: Brokerage Practices

Financial Planning Services has a business relationship with Charles Schwab and Company, Inc. (Charles Schwab) through which it purchases securities for clients. Charles Schwab is known as a "discount broker," and its fees are lower than those of "full service brokers." However, it is possible that clients may be able to purchase securities elsewhere at a lower cost. It is anticipated that most of the transactions made for clients will consist of "no load mutual funds" purchased with no transaction fee. Some mutual fund transactions and all individual securities transactions will entail a transaction fee. Financial Planning Services will never receive any compensation from Charles Schwab from such transactions.

Charles Schwab provides financial advisors with research services and computer software which have some value to Financial Planning Services. Some of the cost of these services are waived for advisors who hold certain levels of assets at Charles Schwab. There is, therefore, a certain incentive for Financial

Planning Services to hold client financial assets with Charles Schwab. It is possible that clients will pay higher commissions by using Charles Schwab exclusively, but since these research services and portfolio reporting software benefit all of the clients of Financial Planning Services, the planner feels that having clients use Charles Schwab is warranted.

Financial Planning Services regularly recommends that clients invest in certain “no load” mutual funds and general securities on a non-commission basis. All mutual funds and general securities transactions are executed with the knowledge and authorization of the client. In no case does Financial Planning Services have discretionary authority over the client’s investments.

Clients are under no obligation to accept recommendations made by Financial Planning Services or affect transactions through Financial Planning Services. Clients are free to purchase recommended no-load funds and general securities outside Financial Planning Services program at little or no transaction cost and without Financial Planning Services advisory fee.

Financial Planning Services provides advice in regards to investment company securities (mutual funds). The client should be aware that, in addition to the investment advisory fees paid by the client in connection with Financial Planning Services program, each investment company also charges its own separate advisory fees and other expenses.

Financial Planning Services provides advice to clients concerning the allocation of funds held in retirement accounts whose assets are held by third-party custodians not affiliated with Financial Planning Services. Client must make all transactions in these accounts, and Financial Planning Services does not have discretionary authority over these funds.

Item thirteen: Review of Accounts

Financial and retirement planning clients

Clients who have had a written financial plan prepared for them by Financial Planning Services may take advantage of an annual review with the planner. This review is at the client’s discretion, and clients will be billed at the planner’s hourly rate.

Active portfolio management clients

Clients whose portfolios are under a portfolio management contract have the opportunity to meet with the planner on a quarterly basis. At that time, clients receive a written portfolio performance report and discuss possible changes recommended by the planner. Clients may request an unscheduled report or meeting with the planner at their discretion.

Item fourteen: Client Referrals and Other Compensation

Financial Planning Services has not and will not enter into a contract with another entity which provides for any economic benefit with regard to client referrals.

Item fifteen: Custody

At no time will Financial Planning Services have custody of any client account.

Item sixteen: Investment Discretion

Investments made by Financial Planning Services on behalf of the client are totally at the client's discretion. Verbal authority will be received from the client before the planner makes any investment on their behalf.

Item seventeen: Voting Client Securities

Financial Planning Services does not and will not vote on behalf of clients at any time.

Item eighteen: Financial Information

not applicable

Item nineteen: Requirements for State-Registered Advisors

John Harold Dunsheath was born in 1947. He attended the University of Southern California from 1965 through 1969, graduating in 1969 with a B.A. in Psychology. He received the CLU designation from the American College in 1982 and the ChFC designation from the American College in 1984.

He became an NASD Registered Representative with Integrated Resources Equity Corp. in 1982. Subsequently, he acted as a Registered Representative with Anchor Financial Services and Sun America Securities, Inc. until December 31, 1995. At that time he discontinued his securities license, and became a fee-only financial planner and no longer has a broker-dealer affiliation.

He registered with the Securities and Exchange Commission as a Registered Investment Advisor on August 10, 1989.