

**NCA Financial Planners**  
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**January 23, 2012**

**FORM ADV PART 2A**  
**BROCHURE**

This brochure provides information about the qualifications and business practices of NCA Financial Planners. If you have any questions about the contents of this Brochure, please contact us at (440) 473-1115 and/or [krussell@ncafinancial.com](mailto:krussell@ncafinancial.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about NCA also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our firm's searchable IARD/CRD number is 120086.

Any references to NCA Financial Planners as a registered investment adviser or its related persons as registered Advisory Representatives does not imply a certain level of skill or training.

<b>Item 2 - Material Changes</b>
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The changes made to the Brochure dated June 29, 2011 are as follows:

Item 4

- NCA Financial Planners offers the following wrap fee programs: Vision2020 Wealth Management Platform – Advisor Managed Portfolios Program, Model Portfolios Program, and SMA and UMA Program.

Item 5

- Our fees for the wrap fee programs range from 0.475% to a maximum of 2.5% inclusive of administrative fees for a Wrap Fee account. Advisory Representatives negotiate their own account fee schedule. Your advisory agreement will set forth the annual agreed upon account fee. Additional, ancillary fees may apply. For complete fee details including account fee schedule guidelines, please see the applicable Wrap Fee Program Brochure.

Item 7

- Generally, NCA Financial Planners requires a \$50,000 minimum account size to initiate and maintain a Wrap Fee account.

Item 8

- In instances where we recommend that a third party manage your assets, please refer to the third party's Form ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

Item 10

- Financial Planners of Cleveland, Inc. is an insurance agency. Advisory Representatives are licensed insurance agents and offer various fixed insurance products for which they will be paid a commission.

A copy of our Brochure may be requested by contacting us at (440) 473-1115 and/or [krussell@ncafinancial.com](mailto:krussell@ncafinancial.com). Our Brochure may also be obtained from our web site. Go to [www.ncafinancial.com](http://www.ncafinancial.com), select "contact us" and enter your information. In the comments section, state that you would like to receive a copy of our brochure, then select "submit."

Additional information about NCA Financial Planners is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD number for NCA Financial Planners is 120086. The SEC's web site also provides information about any persons affiliated with NCA Financial Planners who are registered, or are required to be registered, as Advisory Representatives of NCA Financial Planners.

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<b>Item 4 - Advisory Business</b>
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Financial Planners of Cleveland, Inc. dba NCA Financial Planners (herein after referred to as “NCA”) offers full service financial planning as well as asset management services customized to your individual needs.

NCA is a corporation formed in 1989 under the laws of the State of Ohio. The firm was an Ohio-registered investment adviser. Due to NCA’s growth, in August 2006 the firm filed for investment adviser registration with the U.S. Securities and Exchange Commission. Kevin H. Myeroff, CRD number 1488440, is the President and principal owner of the firm. Kevin has been in the financial services industry since 1986. Additional business information about Kevin and other Advisory Representatives of NCA is disclosed in the Supplemental Brochures.

NCA offers the following advisory services, with each service more fully described below:

- Asset Management
- Financial Planning

We tailor our advisory services to your individual needs. You may ask us to restrict and/or limit certain securities or types of securities when we invest for you. To begin the process, we will provide you with a list of items for you to bring to our initial meeting. Such items include insurance policies, tax returns, investment statements, and trust and estate planning documents. You will be asked to complete our risk tolerance questionnaire to assist us with obtaining information about your financial situation and history. Additionally, one or more of our Advisory Representatives will meet with you and conduct an interview and data gathering session to continue the due diligence process. We will discuss your desired level of risk, your knowledge of investing, and how we can best meet your needs. The information we collect will help us to provide a program customized to your financial situation.

Depending on the services you have requested, we will gather various financial information and history from you such as:

- Retirement and financial goals
- Investment objectives
- Investment horizon
- Existing portfolio statements, including retirement account information
- Financial needs
- Tax bracket information
- Cash flow analysis
- Cost of living needs
- Savings tendencies
- Other applicable financial information in order to provide the investment advisory services requested.

We may use various investment and financial planning software tools to help us to assess your needs and develop customized solutions.

With most clients there will initially be multiple meetings depending on the scope of the engagement and the complexity of your situation. Generally, all recommendations will be made and discussed with you during our meetings.

### **Asset Management Services**

When we complete our analysis of your situation, we will determine an asset allocation customized to your financial goals, objectives and risk tolerance. We customize your portfolio allocation taking into consideration your limitations or restrictions, the market and economy at the time, and your financial situation, goals and objectives.

Our Advisory Representative will schedule a meeting with you and present the recommended portfolio allocation. Upon your approval, we will implement the initial portfolio allocation. After we implement the initial portfolio allocation, with your written approval as indicated in the Asset Management Agreement, we will provide continuous and ongoing management of your account(s). In the Agreement, you will have the opportunity to make an investment discretion election:

- ⇒ “Discretionary Trading Authorization” means that NCA will manage the account and will make changes to the allocation, as we deem appropriate. We will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you.
- ⇒ “Non-discretionary Trading Authorization” means that NCA will not make changes to the allocation of your account without prior consultation with you and your expressed agreement for each transaction.

Depending on your specific goals and objectives, we will generally hold positions in your account for a long term, even more than a year, or we may actively trade some securities holding such positions for periods of 30 days or less.

We primarily use open-ended mutual funds including no-load and load waived or mutual funds purchased at net asset value (NAV), individual bonds, exchange traded funds (ETFs), index funds, and non-correlating assets (e.g., commodities, real estate). However, managed accounts are not exclusively limited to these products and may include stocks, certificates of deposits, government securities, and money markets, as appropriate.

Transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

## NCA Financial Planners

As further described below, NCA has entered into a relationship to offer you brokerage services through Royal Alliance Associates, Inc. ("Royal Alliance"). There is no affiliation between NCA and Royal Alliance. If you select another brokerage firm for custodial and/or brokerage services, you will not be able to receive asset management services from NCA.

Advisory Representatives of NCA are associated with Royal Alliance as Registered Representatives. Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance outside of the investment advisory accounts described above. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, they may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Also, your Advisory Representative may receive trail compensation for investments directed through Royal Alliance. Therefore, a conflict of interest may exist between their interests and your best interests.

While our Advisory Representatives' security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives they have to sell certain securities products and we encourage you to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by your Advisory Representative in connection with providing you with any advisory service that we offer.

Accounts may not be established by the deposit of securities or the depositing of additional securities into existing fee based brokerage accounts, which were purchased by you on a commission basis in the prior twenty-four (24) months through Royal Alliance. The purpose of this prohibition is to prevent you from paying duplicative or extra charges. You may also not want to open fee based brokerage accounts with the proceeds from the sale of commission trades since you will then bear the transaction fees on purchases and sales of the commission trades and the fees and charges associated with the fee based brokerage account.

Under our asset management services, NCA offers the wrap fee programs, Vision2020 Wealth Management Platform – Advisor Managed Portfolios Program, Model Portfolios Program, and SMA and UMA Program. A wrap fee program is a fee-based account for which you will pay a single fee for asset allocation, asset management services, and brokerage services. NCA and Advisory Representatives of NCA will receive a portion of the wrap fee for providing these advisory services.

## **VISION2020 WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM**

The Wealth Management Platform – Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC (“Pershing”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

**For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.”**

## **VISION2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM**

The Wealth Management Platform - Model Portfolios Program (“Model Program”) offers Clients managed asset allocation models (“Asset Allocation Models”) of mutual funds or exchange traded funds (“ETFs”) diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers (“Program Managers”) such as Russell Investment Management Company, ICON Advisers, Inc. and Morningstar Associates, LLC.

Based upon the risk tolerance of each Client, the Model Program utilizes a system that selects a specific Asset Allocation Model which may contain either 1) a combination of mutual funds or 2) a combination of exchange traded funds (“ETFs”) depending on which Program Manager is used. Together, we will select a recommended Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

**For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or**

**concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.**

### **VISION2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM**

The Wealth Management Platform – SMA and UMA Account Program (“Wealth Managed Account Program” or “WMA”) provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, asset-based, advisory fee.

We will present you with a WMA asset allocation model (“WMA Model”) for your approval which will consist of: 1) third party money managers (“WMA Managers”) who will manage your WMA account according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds (“Funds”), or 3) exchange traded funds (“ETFs”) or any combination thereof (individually or collectively, “WMA Investments”). WMA Investments will be managed according to the selected WMA Model. WMA Investments are held within a separately managed account or a series of separately managed accounts (collectively, “SMA Account”) or in one, unified managed account (“UMA Account”).

We will suggest a WMA Model to you based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMA account.

**For further WMA details please see the WMA Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMA. Please read it thoroughly before investing.**

As of January 6, 2012, we had approximately \$527.5 million of client assets under our discretionary management and \$8.8 million of client assets under our non-discretionary management.

### **Financial Planning Services**

We provide financial planning services based on your financial and tax status, age, risk tolerance and investment objectives. Depending upon your needs, our advice may include topics such as:

- Tax planning analysis
- Estate planning analysis
- Business planning
- Retirement planning
- Education planning



## NCA Financial Planners

- Budgeting and cash flow planning
- Employee benefit analysis
- Investment analysis
- Life, long term care and casualty insurance analysis

Our services may be broad or may be focused on one or more topics to address your unique situation.

The financial planning process will begin with an initial complimentary consultation to assess if we can help you with your specific needs. If you decide to engage us for services, you will be required to sign our Financial Planning Agreement outlining the relationship and specifying our fee.

After completing an assessment, your Advisory Representative will prepare a financial plan and present the analysis of your situation along with recommendations for steps to be taken to assist you to work toward your financial goals.

Planning services are based on your financial situation at the time and on the financial information you disclose to your Advisory Representative. You need to be aware that certain assumptions may be made with respect to interest and inflation rates as well as the use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. NCA cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. If your financial situation or investment goals or objectives change, you must notify NCA promptly of the changes. Based on your specific needs or situation, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement planning advice through NCA or its Advisory Representatives. If you do choose to implement the plan with our Advisory Representatives, they may receive commissions or other compensation in addition to the financial planning fee you paid for the financial planning services.

### **General Information**

The investment recommendations and advice offered by NCA are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. Our primary goal is to help our clients identify and pursue their financial goals, thereby enhancing the overall quality of their lives.

<b>Item 5 - Fees and Compensation</b>
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### **Asset Management Services**

#### Initial Set Up Fee

You may pay a one-time Set Up Fee ranging from \$150 to \$10,000 which will be assessed during the initial client meetings and will be payable by check. This fee reimburses NCA and its associated person(s) for:

- time invested in analyzing your existing securities and investment portfolio
- preparing any tax cost basis analysis
- preparing and designing a comprehensive investment and/or retirement plan
- preparing and recommending investment proposals
- preparing the investment policy statement
- implementing the recommendations.

The Set Up Fee may be negotiated or waived at the discretion of NCA. The fee will be determined by the Advisory Representative based upon the complexity and time expected to thoroughly complete the process.

#### Annual Asset Management Fees

### **VISION2020 WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM**

We offer the Advisor Managed Portfolios Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Fees are negotiable and are not based on a share of capital gains or capital appreciation of the funds or any portion of the funds in your account. Your account fee will be debited from your account by our custodian.

Advisory Representatives negotiate their own account fee schedule. Our fees for this program range from 0.475% to a maximum of 2.5% inclusive of administrative fees for a Wrap Fee account. Your advisory agreement will set forth the annual agreed upon account fee. Additional, ancillary fees may apply. For complete fee details including account fee schedule guidelines, please see the Advisor Managed Portfolios Wrap Fee Program Brochure.

## **VISION2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM**

We offer the Model Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Fees are negotiable and are not based on a share of capital gains or capital appreciation of the funds or any portion of the funds in your account. Your account fee will be debited from your account by our custodian.

Advisory Representatives negotiate their own account fee schedule. Our fees for this program range from 0.475% to a maximum of 2.5% inclusive of administrative fees for a Wrap Fee account. Your advisory agreement will set forth the annual agreed upon account fee. Additional, ancillary fees may apply. For complete fee details including account fee schedule guidelines, please see the Model Program Wrap Fee Program Brochure.

## **VISION2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM**

We offer WMAP as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Advisory Representatives negotiate their own account fee schedule. Our fees for this program range from 0.475% to a maximum of 2.5% inclusive of administrative fees for a Wrap Fee account. Your advisory agreement will set forth the annual agreed upon account fee. Additional, ancillary fees may apply. For complete fee details including account fee schedule guidelines, please see the SMA and UMA Program Wrap Fee Program Brochure.

### Termination Provisions

You may terminate investment advisory services obtained from NCA, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with NCA. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the account such as transaction fees for any securities transactions executed and account maintenance or custodial fees. Thereafter, you may terminate investment advisory services upon written notice to NCA. You will receive a prorated refund of any prepaid, unearned advisory fees. The prorated refund will be based upon the number of days remaining in the quarter after the termination date.

## Financial Planning Services

Financial planning fees are negotiated at our discretion and are offered both on a fixed fee and an hourly basis. Fees for financial planning services are strictly for financial planning services. Therefore, you may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

### Hourly Fee

Hourly fees for financial planning services range from \$150 to \$1,000. Your specific fee will be stated in your agreement. Fees are negotiable and will be determined based on several factors including time spent with NCA, number of meetings, complexity of your situation, amount of research, services requested and/or staff resources. Hourly fees will be billed directly to you upon completion of the work performed.

### Initial Fee

An initial fixed fee may be paid to NCA for services provided in connection with the initial set up of your account(s). This fee is negotiable and ranges between \$150 and \$10,000. The fee will be determined by your Advisory Representative based upon the complexity and time expected to thoroughly complete the process. The initial fee is payable upon the agreement being signed.

### Annual Fee

The annual fixed fee, which is negotiable, is charged on a pro-rata basis quarterly, semiannually, or annually in arrears as invoiced by NCA. There are 6 service levels, as detailed below. Each service level has a different minimum expected number of annual contacts. You and your Advisory Representative need to determine the level that best accomplishes your goals.

- Level 1 = Negotiated Fee and Service Level
  - Annual fees shall range between \$2,500 and \$10,000
  - 4 or more in office meetings, 4 or more phone contacts
- Level 2 = \$2,000 Annual Fee
  - 3 in office meetings, 3 phone contacts
- Level 3 = \$1,500 Annual Fee
  - 3 in office meetings, 2 phone contacts
- Level 4 = \$1,000 Annual Fee
  - 2 in office meetings, 1 phone contact
- Level 5 = \$500 Annual Fee
  - 1 in office meeting, 1 phone contact
- Level 6 = \$250 Annual Fee
  - 0 in office meetings, 1 phone contact

### Termination Provisions

You may terminate financial planning services obtained from NCA, without penalty, with written notice within five (5) business days after entering into the advisory agreement with NCA. Thereafter, you may terminate planning services with written notice to NCA. You will be responsible for any time spent by your Advisory Representative in providing you with advisory services or analyzing your situation.

### **Additional Fees and Expenses**

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

You will be charged an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian. Please see Item 10 which explains our relationship with Royal Alliance.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our firm in connection with providing you with any advisory service that we offer.

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

NCA does not charge performance-based fees.

#### **Item 7 - Types of Clients**

NCA's services are geared toward individuals and their families including high net worth individuals, trusts, estates, as well as pension and profit sharing plans, corporations and other business entities.

Generally, the minimum account size to initiate and maintain a VISION2020 Wealth Management Platform Advisor Managed Portfolios Program Account, a Model Portfolio Program Account, or a SMA and UMA Account is \$50,000 for a Wrap Fee account. However, at its sole discretion, NCA may make exceptions to the account minimum. Typically, exceptions involve situations where there are related account holdings, prior client relationships, market fluctuations, client withdrawals and distributions.

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

NCA has an Investment Research Committee that provides state of the art research for the benefit of our clients. Our Research Committee is divided into four sub-committees or teams comprised of our Advisory Representatives. Each team focuses on a different sector and analyzes the large number of investment choices in their sector. Using a defined methodology, we select those investments which meet specific risk and performance criteria.

##### **Methods of Analysis**

When analyzing investments that may be right for you, we use both Fundamental and Technical Analysis:

- ❖ Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to predict the direction of the economy and therefore the stock market.
- ❖ Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis

focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

### Associated Risks

**Fundamental Analysis** – When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable but we cannot guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

**Technical Analysis** – When using Technical analysis we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

### **Investment Strategies**

Subject to suitability requirements, we generally advise the long-term purchase of mutual funds to our clients. Long-term purchases are typically defined as the purchase of securities held for at least a year. We may also employ short-term purchase strategy which involves the selling of securities within one year of purchase.

### Investment Strategy Risks

**Long-term purchases** – Using a long-term purchase strategy generally assumes the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term may create an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

**Short-term purchases** – Using a short-term purchase strategy generally assumes that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short sales – A short sales strategy is profitable when the price of the security that is “sold short” declines. If you purchase a security, the maximum amount of money you can lose is the value of the investment (the price goes to \$0). If you “sell short” the same security, and the price of the security increases, your potential for loss is unlimited.

Margin – Using margin involves the use of leverage by borrowing money to purchase securities. If the price of the purchased security decreases, you risk losing significantly more money than your initial investment. Further risks are disclosed in the margin agreement you will sign before we engage your account in this activity.

### Security Type Risks

Stocks – Investing in stocks involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: which is the risk that the value of your investment may change with the introduction of new laws or regulations.

Bonds – Investing in bonds involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: which is the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Mutual Funds – Investing in mutual funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund’s investment adviser will fail to execute the fund’s stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.



- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

When pursuing our long-term purchases strategy, we are assuming the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. In addition, purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's Form ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

***Investing in securities involves risk of loss that you should be prepared to bear.***

You need to understand that investing in securities involves risk of loss, including the potential loss of the principal money you are investing. Therefore, your participation in the advisory programs offered by NCA requires you to be prepared to bear the risk of loss as well as the fluctuating performance of your accounts. Market values of investments will always fluctuate based on market conditions.

We do not represent, warrant or imply that the services or methods of analysis we use can or will predict future results, successfully identify market tops or bottoms or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by NCA or our Advisory Representatives will provide a better return than other investment strategies.

<b>Item 9 - Disciplinary Information</b>
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There is no reportable disciplinary information required for NCA or its management persons that is material to your evaluation of us, our business or our management persons.

**Item 10 - Other Financial Industry Activities and Affiliations**

NCA does not have a related person who is a: broker-dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

As previously stated in Item 5, Advisory Representatives are registered as Advisory Representatives of NCA and as Registered Representatives of Royal Alliance Associates, Inc. ("Royal Alliance"). Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our firm in connection with providing you with any advisory service that we offer. However, if we developed a financial or retirement plan for you and you choose to implement the plan with our assistance, commissions may be earned in addition to any fees you paid for the other advisory services. Commissions may be higher or lower at Royal Alliance than at other broker-dealers. Advisory Representatives may have a conflict of interest in having you purchase securities and/or insurance related products through Royal Alliance in that the higher their production with Royal Alliance the greater potential for obtaining a higher pay-out on commissions earned.

Under the rules and regulations of the FINRA, Royal Alliance has an obligation to perform supervisory functions regarding certain activities engaged in by Advisory Representatives who are also Registered Representatives of Royal Alliance. For such supervisory functions, NCA may pay Royal Alliance a portion of the advisory fees they receive.

Royal Alliance and NCA are not affiliated.

Financial Planners of Cleveland, Inc. is an insurance agency. Advisory Representatives are licensed insurance agents and offer various fixed insurance products for which they will be paid a commission. The insurance business represents a small part of our total activities, approximately 1%, and we do not concentrate resources in this area. However, since our Advisory Representatives will earn commissions if you purchase insurance products through them in their role as insurance agents, this represents a conflict of interest. You are under no obligation to purchase insurance products or services through them.

Certain Advisory Representatives maintain the Certified Public Accountant license; however, they are not practicing accountants.

It is a conflict of interest for us to recommend a product to you for which we will receive compensation. NCA attempts to mitigate the conflicts of interest by notifying you of these potential conflicts. We inform you that you are free to consult other financial and insurance professionals and that you may implement recommendations through these professionals. We are bound by our Code of Ethics to act in an ethical manner.

NCA does not recommend the services of a Third Party Manager. NCA and its Advisory Representatives are not actively engaged in any other financial industry entity.

<b>Item 11 - Code of Ethics, Participation or Interest in Client Transactions &amp; Personal Trading</b>
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**Code of Ethics**

NCA has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. NCA takes seriously these compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as our policies and procedures. Further, we strive to handle your non-public information in such a way to protect information from falling into the hands of anyone who has no business reason to know such information. We provide you with our Privacy Policy which details our procedures for handling your personal information. NCA maintains a code of ethics for supervised persons and office staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, our Code of Ethics establishes our firm's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

Neither NCA nor its associated persons recommends to clients or buys or sells for client accounts any securities in which we have a material financial interest.

NCA and our associated persons may buy or sell securities identical to those securities recommended to you. Therefore, NCA and/or our associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. We will not

put our interests before your interest. Neither NCA nor any associated person may trade ahead of you or trade in such a way to obtain a better price for themselves than for you or other clients.

NCA is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

You have the right to decline any investment recommendation. NCA and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

<b>Item 12 - Brokerage Practices</b>
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As described in Item 10, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct be processed through Royal Alliance's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

Not all investment advisers require you to maintain accounts at a specific broker-dealer. You may maintain accounts at another broker-dealer. However, the services provided by NCA will be limited to only advice and will not include implementation. If you select another brokerage firm for custodial and/or brokerage services, you will not be able to receive asset management services from NCA.

In initially selecting Royal Alliance, NCA conducted due diligence. Our evaluation and criteria included ability to service you, staying power as a company, industry reputation, ability to report to you and to us, trading platform, products and services available, technology resources, and educational resources.

Periodically, we will review alternative broker-dealers and custodians in the marketplace to ensure Royal Alliance and its custodians are meeting our duty to provide best execution for your accounts. The review will include a comparison to Royal Alliance which involves evaluating criteria such as overall expertise, cost competitiveness and financial condition. The quality of execution by Royal Alliance will be reviewed through trade journal evaluations. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

Additionally, product sponsors such as variable and investment companies and limited partnerships which are recommended to you may provide support to NCA and our Advisory Representatives. Such support includes research, educational information, and monetary support for due diligence trips and client events.

You are advised there is an incentive for NCA and your Advisory Representative to recommend Royal Alliance over other broker-dealers based on the products and services that we will receive rather than your best interest.

Royal Alliance has a wide range of approved securities products for which Royal Alliance performs due diligence prior to selection. As Royal Alliance Registered Representatives, we are required to adhere to these products when implementing securities transactions through Royal Alliance. Commissions charged for these products may be higher or lower than commissions you may be able to obtain if transactions were implemented through another broker-dealer. Royal Alliance also provides NCA with back-office operational, technology, and other administrative support. Other services may include consulting, publications and conferences on practice management, information technology, business succession planning, regulatory compliance and marketing. Such services are intended to help us manage and further develop its business enterprise.

Royal Alliance and its clearing broker-dealer, Pershing LLC, also make available to NCA other products and services that benefit NCA but may not directly benefit you. Some of these other products and services assist NCA with managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of NCA's fees from your accounts; and assist with back-office functions; recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts.

Advisory Representatives as Royal Alliance Registered Representatives may receive trail commissions (i.e. 12b-1 fees) for a period of time as a result of directing securities transactions through Royal Alliance. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. 12b-1 fees may be initially paid to Royal Alliance and a portion passed to the Advisory Representatives of record. The receipt of such fees could represent an incentive for Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

Due to the individual management of client accounts, we do not aggregate the purchase or sale of securities for various client accounts.

**Item 13 - Review of Accounts**

Asset Management Services

Investment supervision involves continuous and regular supervisory or management services. NCA's Investment Research Committee monitors investments in their currently selected pool on a weekly basis. The pool will represent the vast majority of holdings in most client accounts.

Your Advisory Representative will conduct the review of your accounts. Your portfolio will be formally reviewed at client meetings which take place at least annually. Your Advisory Representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections. We will examine the asset allocation and adjust and re-balance your account as needed.

In the first year with us, we meet with most clients approximately three times, depending upon the complexity of the situation. Thereafter, we attempt to meet with you on no less than an annual basis. The meeting may be in person, over the telephone, or electronically. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. You must notify NCA promptly of any changes to your financial goals, objectives or financial situation. This may trigger a review of your portfolio allocation and lead to recommendations for changes.

The custodian will provide you with confirmations of each transaction in your account and quarterly statements. In addition, we will send you a quarterly performance report reflecting the holdings in your account, the value of the securities, and the performance of the account. You should compare the report with statements received directly from the custodian. Should there be any discrepancy, the custodian's statement will prevail.

Financial Planning Services

If you are participating in our annual fee Financial Planning Service, your Advisory Representative will conduct the review of your accounts. The frequency of reviews and contact with your Advisory Representative will vary based on the level of service selected, ranging from Level One through Level Six. The least comprehensive service, Level Six, will receive one annual review via telephone. The most comprehensive service, Level One, will receive four or more in office meetings and four or more telephone contacts. For complete information, please refer to Item 5.

If you are participating in Financial Planning Services on an hourly basis, you will not receive regular reviews. NCA recommends you have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely your decision. Other than the initial plan or analysis, there will be no other reports issued.

**Item 14 - Client Referrals and Other Compensation**

Product vendors recommended by NCA may provide monetary and non-monetary assistance with client events, provide educational tools and resources. We do not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. NCA's due diligence of a product does not take into consideration any assistance it may receive. Therefore, this is not considered a conflict of interest but a benefit for you and us.

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that Royal Alliance sponsors which may be more expensive for us to use.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, Royal Alliance will still assess the transaction charges to us. This may influence us to charge you a higher quarterly account fee than we would otherwise charge you in an effort to recoup from you the transaction charges Royal Alliance charges us. We may also have incentive to trade your account less often to lessen our transaction fees or to trade your account with certain securities where Royal Alliance reduces or eliminates the transaction charges (such as the Focus Elite and FundVest Programs mentioned below) to us even if such trading strategies may not always be suitable for your account.

Our Advisory Representatives participate in the Focus Elite and FundVest Programs, provided by Royal Alliance. In these programs, transaction charges for purchasing securities that participate in these programs may be reduced or waived. This may provide us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for your account.

Royal Alliance has provided some of our Advisory Representatives with funding in the form of loans as incentive to establish, maintain or expand our broker-dealer relationships with Royal Alliance. Such loans are typically used to assist in the transition and expansion of our practice. All or a portion of the loans require cash repayments of principal and interest if specific production levels

are not achieved over a specified time frame. Any year in which the practice achieves its production levels initiates pro rata loan forgiveness by Royal Alliance. Thus, there may be an incentive for us to offer advisory services and programs to you that may not be suitable in an effort to achieve specific production levels.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

NCA does not directly or indirectly compensate any person who is not a supervised person of our firm for referrals. Further, we do not receive an economic benefit from a non-client for providing investment advice or advisory services to you.

#### **Item 15 - Custody**

With the exception of deduction of NCA's advisory fees from your accounts, NCA does not have custody of your funds or securities. Your account assets are maintained at Pershing LLC.

#### **Item 16 - Investment Discretion**

We offer discretionary and non-discretionary asset management services. By execution of our advisory agreement, you will grant NCA authorization to manage your account on a discretionary basis. We will have the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold, and the timing of the purchase or sale. Our authority will not extend to the withdrawal or transfer of funds. You may terminate discretionary authorization at any time upon receipt of written notice by NCA.

Discretionary trading authority facilitates placing trades in client accounts so that we may promptly implement the investment policy that clients have approved in writing. A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney so that we may execute trades, subject to the limitations of the agreement.

Such discretion is exercised in a manner consistent with your investment objectives and goals that are specified in your account application and/or Investment Policy Statement. Investment guidelines and restrictions must be provided to NCA in writing.

#### **Item 17 - Voting Client Securities**

NCA does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact your Advisory



## NCA Financial Planners

Representative about questions you may have and opinions on how to vote the proxies. However, the decision to vote and how you vote the proxies is solely up to you.

### **Item 18 - Financial Information**

NCA will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service; therefore, a balance sheet is not required to be attached.

NCA has discretionary authority over client accounts; however that authority does not extend to the withdrawal of any client assets, with the exception of deduction of NCA's advisory fees from your accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to you or any other client.

NCA has never been the subject of a bankruptcy petition.

### **Item 19 - Requirements for State Registered Advisers**

This section is not applicable to NCA. NCA is not state registered. NCA is registered with the Securities and Exchange Commission.