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1. Cover Page

Our Firm Brochure

February 27, 2015

This brochure provides information about the qualifications and business practices of HIGHLAND Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 973-557-2933 or michael@highlandplanning.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 HIGHLAND Financial Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as a Registered Investment Advisor does not imply a certain level of skill or training.

2. SUMMARY OF MATERIAL CHANGES

Our firm brochure is substantially modified from its prior version, and contains new information for the benefit of our clients. In this “Summary of Material Changes” we discuss only the material changes since the last annual update of this brochure on March 1, 2014:

- 1) **Change in the Clients’ Assets Under Management** - On page 4 under Item 5, Advisory Business, the amount of discretionary assets under management for clients as of February 27, 2015 is \$202,600,000.
- 2) **Change in the Brochure Supplement to include Edward J. Leach, CFP®** - On page 40, Edward J. Leach is added as a Professional Financial Planner with HIGHLAND Financial Advisors, LLC.

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SUMMARY: ABOUT HIGHLAND FINANCIAL ADVISORS, LLC

HIGHLAND Financial Advisors, LLC began operations in October of 1996.

HIGHLAND Financial Advisors, LLC offers wealth management and investment advisory services to select individual clients, as well as trusts, endowments, qualified retirement plan sponsors, and business entities. We currently manage \$202,600,000 in client assets. We also offer consulting and monitoring, but not discretionary management, for an additional \$11,627,800 in client assets. In addition, we offer design, consulting, and third-party administration of qualified retirement plans for businesses.

We utilize a team approach to addressing clients' financial, tax, estate, and risk management planning needs. All advice is delivered by CERTIFIED FINANCIAL PLANNERTM advisors. With the consent of our clients, we often consult with our clients' other professional advisors as planning recommendations are formulated and/or implemented.

HIGHLAND Financial Advisors, LLC is a fee-only firm. We offer two types of advisory services, Wealth Management and Investment Advisory. Wealth Management is a comprehensive financial planning and investment management service for individuals and families and is billed on an annual retainer based on net worth. Investment Advisory is an institutional investment management service for qualified retirement plans, endowment funds, and trust accounts and is billed as a percentage of assets under management. We do not have custody of our clients' funds. We offer two custodians to our clients for the safe-keeping of their funds and shares. The two custodians are Fidelity Investments Institutional Wealth Services and TD Ameritrade Institutional.

Our investment strategy is based upon leading academic research and the results of our own analyses. Modern portfolio theory, as recognized by the 1990 Nobel Prize in Economics, will be the philosophical foundation for how the portfolio will be structured and how subsequent decisions will be made. Investment Policy design with globally diversified allocations, implementation, asset location, continuous monitoring, rebalancing, and, as necessary, modification, are integral parts of our investment strategy. All members of the firm are committed to its consistent implementation.

HIGHLAND Financial Advisors, LLC generally recommends institutional-class mutual funds and exchange traded funds with low annual expense ratios, and extremely low internal transaction costs. We actively seek to avoid, or at least minimize, conflicts of interest which may exist between our firm and our clients. We sell no products. We accept no commissions. We do not accept 12b-1 fees. However, all investment advisory firms will likely possess some unavoidable conflicts of interest. In those instances when conflicts of interest arise, HIGHLAND Financial Advisors, LLC has adopted policies which seek to keep our clients' best interests paramount at all times. This brochure explores in further detail how we act to keep our clients' best interests a priority at all times during the course of relationship with our clients.

More information regarding our firm is found in the pages that follow. Additional information about HIGHLAND Financial Advisors, LLC can be found at www.highlandplanning.com.

4. ADVISORY BUSINESS

Our Firm's History

HIGHLAND Financial Advisors, LLC was established on October 8, 1996 as Tyras, Fraasa & Associates, LLC. On April 13, 2005, after the retirement of Paul F. Tyras, the name was changed to HIGHLAND Financial Advisors, LLC.

From 1996 to 2006 HIGHLAND Financial Advisors, LLC was located in Paramus, New Jersey. From 2006 to the present HIGHLAND Financial Advisors, LLC has been located at 44 State Route 23 North, Riverdale, NJ.

HIGHLAND Financial Advisors, LLC is a Registered Investment Adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940 providing comprehensive, fee-only financial planning and investment advisory services to individuals, families, pension and profit sharing plans, and business entities. Our typical client is a corporate executive, professional, business owner, or retiree and desires total wealth management, not just investment management. About one third of our clients are retirement plans, endowments, or trusts seeking investment management only.

HIGHLAND Financial Advisors, LLC also offers Third Party Administrator and Investment Advisory services in the design and management of qualified retirement plans for businesses. Approximately 15% of the firm's time is spent in this area.

HIGHLAND Financial Advisors, LLC furnishes investment advice through consultations. Through client-specific financial analysis, investment research and holistic financial life planning, HIGHLAND Financial Advisors, LLC helps our clients realize their life goals. Our advisors are all CERTIFIED FINANCIAL PLANNER[™] professionals and deliver advice in a manner that is both confidential and consistent with client needs. HIGHLAND Financial Advisors, LLC also furnishes advice to clients on matters not involving securities.

Our Principal Owners

Reed C. Fraasa is the principal owner of HIGHLAND Financial Advisors, LLC.

Amount of Assets Under Management

As of February 27, 2015, the amount of client assets managed by HIGHLAND Financial Advisors, LLC on a discretionary basis is \$202,600,000 and the amount of client assets managed by HIGHLAND Financial Advisors, LLC on a non-discretionary basis is -0-. We also offer consulting and monitoring, but not discretionary management, for an additional \$11,627,800 in client assets under advisement.

Non-Participation in Wrap Fee Programs

HIGHLAND Financial Advisors, LLC does not participate in any Wrap Fee Programs. A wrap fee program is a program under which investment advisory and brokerage execution services are provided for a single "wrapped" fee that is not based on the transactions in a client's account.

Types of Investments upon Which Advice is Offered

HIGHLAND Financial Advisors, LLC offers advice on the following:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- Exchange Traded Funds
- United States government securities
- Interests in partnerships investing in real estate

Advisory Services Offered

HIGHLAND Financial Advisors, LLC offers three distinct services.

Wealth Management is offered to individuals and families.

Investment Advisory services are typically offered to trustee-directed qualified retirement plans, endowments, and trusts.

401(k) Fiduciary Advisory services are offered to participant-directed 401(k) retirement plans.

WEALTH MANAGEMENT SERVICES

Wealth management typically integrates a comprehensive scope of goals-based financial life planning and management of investment assets, which may include:

- Discover and help to prioritize client's short and long-term goals and aspirations.
- Identify life transitions that client is and expects to be experiencing.
- Gather and organize client's data and documents.
- Analyze client's financial condition and obstacles as they relate to the goals.
- Evaluate likelihood of meeting stated goals, based on your assets, liabilities, objectives, and relevant economic assumptions
- Develop investment policy statement
- Implement investment policy
- Manage, monitor, and report monthly on investment portfolio
- Tax loss harvesting (when applicable)
- Help client with the financial implications of life transitions.
- Offer written recommendations and alternatives to help client achieve goals.
- Help to implement financial decisions.

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- Income planning and debt management
- Asset protection planning
- Estate planning
- Meet, review and monitor with client the progress towards client's goals
- Update client's strategy to accommodate changes
- Family member consultations as needed
- Consultations with client's tax professional, attorney, and insurance agent

Typically, HIGHLAND Financial Advisors, LLC conducts one or two discovery meetings with client to develop client's goals and vision for their plan. Then, we develop a comprehensive financial plan around financial planning policies that quantifies available resources, income and expenses, expected rate-of-return, and priorities needed to achieve client's goals.

Based upon client's goals and objectives and upon our analysis of the information supplied, we will make specific recommendations concerning products, services, and/or planning strategies that we believe will best assist in attaining your goals and objectives. HIGHLAND Financial Advisors, LLC then calculates client's customized "target asset allocation," which is a portfolio designed to accommodate client's unique constraints, and is expected to achieve client's rate of return goal, while minimizing unnecessary risk. Wealth Management includes all of Investment Advisory services.

HIGHLAND Financial Advisors, LLC typically reviews client's portfolio and wealth management on a quarterly basis by measuring the rate-of-return, allocation risk level, market value and progress on their goals and objectives. Periodically, following significant market moves, and only if the trades are expected to result in a benefit to client, HIGHLAND Financial Advisors, LLC rebalances client's actual portfolio back to client's target asset allocation as per the investment policy statement. No less than quarterly, HIGHLAND Financial Advisors, LLC offers client with performance reports that track client's portfolio's historical rate-of-return, allocation risk level and market value.

INVESTMENT ADVISORY SERVICES

Investment Advisory services do not include any comprehensive financial planning services. After assessing client's goals, objectives, time horizon and risk tolerance, HIGHLAND Financial Advisors, LLC recommends a diversified portfolio.

HIGHLAND Financial Advisors, LLC subscribes to academic research that indicates that the majority of portfolio returns is a result of the asset allocation decision and not market-timing or individual security selection. HIGHLAND Financial Advisors, LLC devotes the majority of its time determining the percentage allocation among various asset classes, including, but not limited to, domestic stocks and bonds, international stocks and bonds, cash, large cap equities, small cap equities, real estate investment trusts, commodities, etc. The percentage allocations are designed with each individual client's investment goals and risk tolerance in mind.

The portfolio that the client ultimately agrees to will be managed by HIGHLAND Financial Advisors, LLC on a discretionary basis as per their Investment Policy Statement. The objective of the portfolio is to provide the expected returns of the client over the long-term while reducing the risk

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of the portfolio over the long-term. Long-term is defined as being a minimum of five years, but typically much longer.

HIGHLAND Financial Advisors, LLC's services include the following:

- Develop written Investment Policy
- Investment selection and execution of trades
- Periodic reporting
- Re-balance the portfolio
- Re-allocate the portfolio due to changes in the economy, client's objectives, or performance of the investment manager selected
- Tax loss harvesting (where applicable)

401(k) FIDUCIARY ADVISORY SERVICES

When HIGHLAND Financial Advisors, LLC is engaged as a discretionary investment manager under Section 3(38) of ERISA, the following scope of fiduciary services may be offered:

- Assist the Client in the development of an Investment Policy Statement (IPS).
- Offer an appraisal and evaluate Plan's current investment offering, if applicable.
- Offer fiduciary investment mapping, if applicable.
- Review the investment options available through the plan and notify the plan's record keeper as to HIGHLAND Financial Advisor, LLC's instructions to add, remove and/or replace specific designated investment alternatives "DIA" to be offered to plan participants that meet the criteria set forth in the IPS including, but not limited to, managed portfolios constructed from the specific designated investment alternatives.
- In providing Discretionary Fiduciary Services, HIGHLAND Financial Advisors, LLC will act as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), solely with respect to the provision of investment advice as that term is defined under ERISA and will serve as an "investment manager" as defined in Section 3(38) of ERISA.
- Assist the Client with the selection of a broad range of investment options consistent with ERISA section 404(c) and the regulations thereunder.
- Offer discretionary investment management to the Plan Sponsor with respect to the selection of a qualified default investment alternative ("QDIA") for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. The Client retains the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- Assist in the enrollment of the participants. Offer education of the participants in the Plan about general investment principles and advice on the investment alternatives available under the Plan.

Seminars

Additionally, advice may be rendered regarding securities and/or financial planning through seminars. Such seminars may be used as an introduction to the financial planning process as noted above. Generally such seminars are offered for free, on occasion a fee may be charged.

Client Imposed Investment Restrictions

Although it is rare, there may be circumstances whereby a client does not desire a particular security or asset to be included in their investment policy. If this were to occur, HIGHLAND Financial Advisors, LLC will discuss any possible implications and possible consequences such investment constraint may cause. HIGHLAND Financial Advisors, LLC will use best efforts to accommodate the client. However, if the client wishes to maintain the investment constraint, and HIGHLAND Financial Advisors, LLC believes there are negative implications or consequences to the client over the long-term, or, that HIGHLAND Financial Advisors, LLC will be incapable of delivering the results the client expects as a result of the constraint, HIGHLAND Financial Advisors, LLC reserves the right to terminate the client relationship.

5. FEES AND COMPENSATION

HIGHLAND Financial Advisors, LLC offers Wealth Management, Investment Advisory services, and 401(k) Fiduciary Advisory services on a fee-only basis. HIGHLAND Financial Advisors, LLC does not receive any third party compensation, 12b-1 fees, or commissions from any advice or products it recommends.

WEALTH MANAGEMENT SERVICES

As compensation for the services described in Section 4 above, Client shall pay HIGHLAND Financial Advisors, LLC an annual retainer that ranges from 0.48% to 1.00% of the Client's investable net worth. Investable net worth excludes personal property, primary and secondary residences, closely-held business interest, and up to 90% of any real estate investments.

Retainer fees are deducted from "Managed Assets". Retainer fees remain level for two years and are based on the investable net worth at the time of the engagement. Retainer fees will be adjusted on the second anniversary and every two years thereafter based on the investable net worth of Client at the end of each two year period. Retainer fees are due quarterly in advance and a pro-rata refund will be paid to Client if cancelled within any quarter. This quarterly retainer is cancelable anytime without restriction.

INVESTMENT ADVISORY SERVICES

As compensation for the services described in Section 4 above, Client shall pay HIGHLAND Financial Advisors, LLC a fee that ranges from 0.35% to 0.80% of the Client's assets under management. Fees are due quarterly in advance, beginning on the first business day of the month following the month in which the accounts are funded. Thereafter, the fee is due quarterly based on the value of the Client's account on the last business day of the previous month. A pro-rata refund will be paid to Client if canceled within any quarter.

401(k) FIDUCIARY ADVISORY SERVICES

The annual fee for 3(38) Investment Management Services ranges from 0.35% to 0.80% of the assets under management. Fees are due quarterly in advance, beginning on the first business day of the month following the month in which the accounts are funded. Thereafter, the fee is due quarterly based on the value of the Client's account on the last business day of the previous month. A pro-rata refund will be paid to Client if canceled within any quarter.

Typically, our minimum fee is \$5,000 per year and our minimum assets under management is \$500,000.

Clients with engagements starting prior to January 1, 2013 may have other fee schedules and agreements for services.

Other fees or expenses paid in connection with advisory services: products and custodians. All fees paid to HIGHLAND Financial Advisors, LLC for investment advisory and financial planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. Mutual fund expenses are generally described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. In addition, mutual funds incur transaction costs and opportunity costs, which are not disclosed in the fund's prospectus or Statement of Additional Information, but which may be estimated.

Clients may incur transaction fees or commissions in connection with trading of mutual funds, ETFs, individual stocks and bonds (and/or principal mark-ups and mark-downs for principal trades), which are charged by the custodian (brokerage firm holding the client's assets for safekeeping). Transaction costs for mutual funds and stocks charged by our recommended custodians, Fidelity Investments Institutional Wealth Services and TD Ameritrade Institutional, generally vary from \$0 to \$40 for each purchase and sale transaction.

Comparable services

HIGHLAND Financial Advisors, LLC believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. For example, a client could invest in mutual funds directly, without the services of HIGHLAND Financial Advisors, LLC. In that case, the client would not receive the services offered by HIGHLAND Financial Advisors, LLC, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives, undertake a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same, and to avoid ad hoc emotional reactions to short-term market events.

Proper management of conflicts of interest relating to the fees we receive from Client, relating to the receipt of percentage-based compensation

A conflict of interest can exist in any form of compensation; however, we have adopted internal policies to properly manage these and other potential conflicts of interest. HIGHLAND Financial Advisors, LLC goal is that advice to Client remains at all times in Client's best interest.

HIGHLAND Financial Advisors, LLC bills for services based on assets under management. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation (HIGHLAND Financial Advisors, LLC does not accept commission-based compensation of any nature, nor does HIGHLAND Financial Advisors, LLC accept 12b-1 fees). Asset-advised-upon percentage method of compensation can still, at times, lead to conflicts of interest between our firm and our client as to the advice we offer. For example, conflicts of interest may arise relating to paying down debt, gifting funds, the purchase of a lifetime immediate annuity, and investment in private equity investments (private real estate ventures, closely held businesses, etc.). We will always put the client's best interest first.

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Not applicable. HIGHLAND Financial Advisors, LLC does not offer performance-based fees or side-by-side management to our clients.

7. TYPES OF CLIENTS

HIGHLAND Financial Advisors, LLC generally offers investment advice to:

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

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Before investing a client's portfolio, HIGHLAND Financial Advisors, LLC will develop an Investment Policy Statement to establish a clear understanding between the client and HIGHLAND Financial Advisors, LLC as to the investment goals and objectives and management policies applicable to the client's investment portfolio. Clients should understand that buying securities involves risk and the Investment Policy Statement is created to provide a plan to manage the client's assets for an expected rate of return with an acceptable amount of risk.

Generally

HIGHLAND Financial Advisors, LLC offers the investment strategy and its implementation for all clients, utilizing a variety of securities. Clients of HIGHLAND Financial Advisors, LLC receive the benefit of HIGHLAND Financial Advisors, LLC's developed investment philosophies and strategies, research and due diligence, account monitoring, and personal financial planning recommendations. HIGHLAND Financial Advisors, LLC security analysis method is fundamental.

HIGHLAND Financial Advisors, LLC's Investment Committee establishes the overall investment strategies employed by the firm, reviews the brokerage/custodian firms we recommend to our clients, and approves of particular investments, which may be used by advisors of our firm.

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Expansive academic research, investment information, and certain proprietary analyses are drawn upon by HIGHLAND Financial Advisors, LLC, in order to offer innovative investment advisory services.

Specific no-load mutual funds and other investment products and securities are then recommended to clients. Clients' portfolios are periodically monitored, and adjustments to investment portfolios are suggested when appropriate. A disciplined approach to rebalancing is employed in order to maintain asset class exposures within desired risk tolerances, subject to variances permitted for tax reduction, tax planning or other reasons.

The basic tenets of HIGHLAND Financial Advisors, LLC investment strategy includes the following:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by potential portfolio returns.
- Markets are efficient. It is virtually impossible to anticipate the future direction of the market as a whole or of any individual security. It is therefore, unlikely that any security or fund will succeed in consistently "beating the market."
- The design of the portfolio as a whole is more important than the selection of any particular security within the portfolio. The appropriate allocation of capital among asset classes (stocks, bonds, cash, etc.) will have far more influence on long-term portfolio results than the selection of individual securities. Investing for the long term (minimum is five years, but preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- Portfolio risk can be decreased by increasing diversification of the portfolio and by lowering the correlation of market behavior among the asset classes selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.)
- Investing globally helps to minimize overall portfolio risk due to the imperfect correlation among economies of the world.
- Equities offer the potential for higher long-term investment returns than cash or fixed income investments. Equities are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of equities in their portfolio, while at the same time accepting greater variation of results, including occasional declines in value.
- Picking individual securities and timing the purchase or sale of investments in the attempt to "beat the market" are highly unlikely to increase long-term investment returns; this also can significantly increase portfolio operating costs. Such practices therefore are to be avoided.
- Some risk, primarily in the form of principal volatility, must be accepted in order to achieve your long-term investment objectives.

Clients should understand that there can be no guarantee about the attainment of any goals, investment objectives, or investment returns.

Methods of Analyses and Investment Strategies, In General

In designing investment plans for clients, HIGHLAND Financial Advisors, LLC relies upon the information supplied by the client and the client's other professional advisors. Such information may pertain to the client's financial situation, estate planning, tax planning, risk management planning,

short-term and long-term lifetime financial goals and objectives, investment time horizon, and perceived current tolerance for risk.

This information becomes the basis for the strategic asset allocation plan which we believe will best meet the client's stated long term personal financial goals. The strategic asset allocation provides for investments in those asset classes which HIGHLAND Financial Advisors, LLC believes (based on historical data and HIGHLAND Financial Advisors, LLC's proprietary analysis) will possess attractive combinations of return, risk, and correlation over the long term. A tremendous amount of academic research reveals that strategic asset allocation determines the majority of the expected long-term gross returns of investor's portfolios. Our selection of asset classes is driven by research into global asset classes by such academics as Professor Eugene Fama, Sr. of the University of Chicago Booth Graduate School of Business and the Center for Research in Security Prices, Professor Kenneth French of Dartmouth College, and many other academics and researchers.

Investment policy and overall portfolio weightings among equities, fixed income, alternatives, and cash equivalent investments are based upon each client's needs and desires, perceived risk tolerance and the need to assume various risks, and investment time horizon. The portfolios of clients may then follow models designed by HIGHLAND Financial Advisors, LLC to fit the overall weightings of equities (stocks, stock mutual funds, etc.) and fixed income investments (notes, bonds, bond funds, CDs, etc.) in an investor's portfolio. For other clients, the investment portfolio's strategic asset class allocation is customized to meet the specific circumstances of a client, the presence of investments in 401(k) or other accounts, as well as a perception of the client's understanding of the fundamental forces affecting risk and return in the capital markets.

To the extent possible, HIGHLAND Financial Advisors, LLC will utilize asset location to maximize after-tax returns by placing certain asset classes in taxable accounts and other asset classes in tax-deferred or tax-free accounts. For a client with multiple accounts, this will result in accounts with different holdings and each account performing differently. HIGHLAND Financial Advisors, LLC is primarily concerned with the performance and risk characteristics of the portfolio as a whole and not with each individual account.

Methods of Analysis; Sources of Information

Our security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, general economic and market and financial information, due diligence reviews, and specific investment analyses that clients may request. The main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, academic whitepapers and periodicals. Prospectuses, statements of additional information, other issuer prepared information, and data aggregation services are also utilized. Investment Committee members and advisors also attend various investment and financial planning conferences. Research is also received from consultants, including financial economists affiliated with Dimensional Fund Advisors (DFA), Fidelity Investments, TD Ameritrade Institutional, and other firms.

Types of Investments

Each client typically receives an investment portfolio which consists mainly of no-load stock and bond mutual funds. The stock mutual funds offered by Dimensional Fund Advisors (DFA) are

generally recommended for many, but not all, asset class allocations. DFA mutual funds offer broad diversification and most are structured for low turnover, so as to substantially lessen the often substantial transaction costs incurred by some mutual funds and ETFs as they trade securities within the fund. Consequently, the DFA stock mutual funds' total fees and costs are believed to be generally lower than the total fees and expenses incurred by most other stock mutual funds (including many ETFs and index funds) when comparing funds in the same asset class(es).

Investment portfolios will also include bond funds and/or individual fixed income investments (bonds, CD's, etc.). Client portfolios may also include some individual equity securities, but these are generally part of clients' investment holdings prior to becoming a client of HIGHLAND Financial Advisors, LLC. Publicly traded real estate investment trusts (REITS) and commodities-linked index or passive mutual funds or ETFs will be recommended for real estate or commodities asset allocation strategy. Insurance products such as annuities and various types of life insurance products may also be evaluated.

New clients' existing investments are evaluated in light of the desired investment policy objectives. We work with new clients to develop a plan to transition from a client's existing portfolio to the recommended portfolio.

Risk of Loss, In General

Investing in securities involves a risk of loss that clients should be prepared to bear on occasion. The investment recommendations seek to limit risk through broad global diversification in equities (through broadly diversified stock mutual funds) and investment in high quality fixed income securities or diversified bond funds. However, the investment methodology will still, at times, subject the client to declines in the value of their portfolios, which can at times be dramatic. We believe there exists a high probability in most market environments of a very long-term (15-years or greater) outperformance of small cap and value stocks, relative to large cap and growth stocks, and hence the stock (equities) portion of an investor's portfolio may be "tilted" toward small cap and value stocks. HIGHLAND Financial Advisors, LLC believes the primary use of bonds and cash equivalents in the portfolio is to counter the volatility of stocks over the short-term (less than 5 years).

Risk of Loss, Certain Higher-Risk Securities

Certain securities recommended, such as U.S. small cap and micro-cap mutual funds, commodities-linked mutual funds, and emerging markets mutual funds, possess higher levels of volatility (as individual asset classes within a portfolio). HIGHLAND Financial Advisors, LLC may employ these securities as part of an overall strategic asset allocation for a client, and when such is undertaken, HIGHLAND Financial Advisors, LLC possesses a reasonable belief that the risk-return relationship for these securities will likely be beneficial for the investor over the long term.

While HIGHLAND Financial Advisors, LLC does not recommend the purchase or holding of individual common stocks, clients at times desire to retain certain existing holdings, or to purchase a new position. Reasons for clients' desires might include emotional ties to the stock and/or the presence of substantial unrealized capital gains, or other reasons. When individual common stocks (and related types of individual securities, such as American Depositary Receipts – foreign stocks in

US currency) are held in a client's investment portfolio, the client remains exposed to "specific company risk" in addition to "general market risk".

Cash Balances in Client Accounts

Cash in clients' investment accounts are typically swept into the money market mutual fund accounts or money market bank accounts of Fidelity Investments or TD Ameritrade Institutional.

HIGHLAND Financial Advisors, LLC discusses with each client, during periodic reviews, conferences, and at other times, upcoming cash flow needs and seeks to plan accordingly to meet those needs. While it is not the practice to encourage clients to maintain a large amount of cash in their accounts, such may be undertaken depending on the planning needs of the client. For instance, HIGHLAND Financial Advisors, LLC advises clients to maintain an emergency fund at their local bank to cover a minimum of three to six months living expenses. Additionally, since the time horizon of their capital assets needs to be five years or longer, any capital they intend to consume over the next five years should be kept in a "reserve fund". This would be typical for a short-term goal or for someone in retirement needing income from their assets to support their lifestyle.

Should the client need a "cash reserve fund," HIGHLAND Financial Advisors, LLC may establish a separate cash reserve account or fund. The reserve account or fund is typically invested in money market funds, ultra-short-term bond funds, or CDs. HIGHLAND Financial Advisors, LLC will monitor the reserve account or fund and restore cash reserves from a portfolio rebalance when appropriate. HIGHLAND Financial Advisors, LLC includes separate accounts or funds established for cash reserve purposes in the calculation of HIGHLAND Financial Advisors, LLC's assets under management and the client's fee calculations.

9. DISCIPLINARY INFORMATION

There are no disciplinary actions to report for HIGHLAND Financial Advisors, LLC or any of its investment adviser representatives.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

HIGHLAND Financial Advisors, LLC is actively engaged in a business other than giving investment advice and offers services other than investment advice to clients. HIGHLAND Financial Advisors, LLC also offers pension and profit sharing plan consulting and administration services to businesses and individuals. This is known as Third Party Administration of qualified retirement plans.

Approximately 15% of the firm's time is spent in this area. HIGHLAND Financial Advisors, LLC charges fees for this service. Typically, HIGHLAND Financial Advisors, LLC will only offer these services to clients in conjunction with our Investment Advisory services. Clients are not required to use our Third Party Administration to obtain our Investment Advisory services.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Generally, We Seek to Avoid Material Conflicts of Interest

HIGHLAND Financial Advisors, LLC seeks to avoid material conflicts of interest. Accordingly, HIGHLAND Financial Advisors, LLC, its investment adviser representatives, or its team members do not receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies.

However, some additional services and non-direct monetary or other forms of compensation are offered and provided to HIGHLAND Financial Advisors, LLC as a result of its relationships with custodian(s) and/or providers of mutual fund products. For example, HIGHLAND Financial Advisors, LLC's investment advisors and employees may be invited to attend educational conferences and/or entertainment events sponsored by such brokerage firms or custodians or mutual fund companies. Other services may be provided as outlined below. HIGHLAND Financial Advisors, LLC believes that the services and benefits provided to it by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations made to clients of HIGHLAND Financial Advisors, LLC. However, in the interest of full disclosure of any potential conflicts of interest, we discuss the possible conflicts herein.

Although HIGHLAND Financial Advisors, LLC believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain, clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest.

About Our Relationships with Investment Product Providers and Custodians

Following a stringent interview process, HIGHLAND Financial Advisors, LLC was granted access by Dimensional Fund Advisors (DFA) to its mutual funds in March of 2008. Dimensional Fund Advisors is a Santa Monica, California-based mutual fund company with over 40 funds.

While there is no direct linkage between the investment advice given and the approval of HIGHLAND Financial Advisors, LLC to access the mutual funds of Dimensional Fund Advisors, economic benefits are received which would not be received if HIGHLAND Financial Advisors, LLC did not give investment advice to clients. These benefits, which are also received by other Registered Investment Adviser firms granted access to the DFA funds, include: (a) attendance at seminars hosted by Dimensional Fund Advisors at which the investment products of Dimensional Fund Advisors are explained, academic instruction is given on asset allocation strategies, and financial planning and practice management instruction is given.

HIGHLAND Financial Advisors, LLC is under no obligation to recommend the mutual funds of Dimensional Fund Advisors to HIGHLAND Financial Advisors, LLC's clients. HIGHLAND Financial Advisors, LLC recommends funds of Dimensional Fund Advisors or other mutual fund companies or other investment products only when HIGHLAND Financial Advisors, LLC believes they best suit the client's objectives. HIGHLAND Financial Advisors, LLC does not provide any

payment to Dimensional Fund Advisors for the access provided to HIGHLAND Financial Advisors, LLC's clients. Dimensional Fund Advisors does not pay to HIGHLAND Financial Advisors, LLC any direct monetary compensation in order to recommend the funds of Dimensional Fund Advisors.

HIGHLAND Financial Advisors, LLC receives benefits from its custodial relationships with Fidelity Investments Institutional Wealth Services and TD Ameritrade Institutional, which are also received by other Registered Investment Adviser firms who custody client's assets with these custodians. These benefits include attendance at seminars where financial planning, investment management and practice management instruction is given. HIGHLAND Financial Advisors, LLC pays all of the travel and hotel costs for members and staff attending these seminars. Fidelity Investments Institutional Wealth Services and TD Ameritrade Institutional provide, at no charge to HIGHLAND Financial Advisors, LLC and the other attendees at such seminars, the speakers and facilities for the seminar, occasional luncheons or dinners, and the materials provided at the seminar.

Our Code of Ethics

HIGHLAND Financial Advisors, LLC has adopted a Code of Ethics, to which all investment advisor representatives and employees are bound to adhere. The key components of our Code of Ethics reflect:

- The interests of clients will be placed ahead of the firm's or any employee's own investment interests.
- Employees are expected to conduct their personal securities transactions in accordance with the Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest with the client. Employees with questions regarding the appearance of a conflict with a client should consult with the CCO before taking action that may result in an actual conflict.
- Employees will not take inappropriate advantage of their position with the firm.
- Employees are expected to act in the best interest of each of our clients.
- Employees are expected to comply with federal securities laws. Strict adherence to this policy manual will assist the employee in complying with this important requirement.

HIGHLAND Financial Advisors, LLC adopted a detailed Code of Ethics expressing the firm's commitment to ethical conduct, which is utilized to guide the personal conduct of our various team members. This detailed Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth our practices of supervising the personal securities transactions of employees with prior or concurrent access to client trade information.

HIGHLAND Financial Advisors, LLC will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions and Personal Trading

HIGHLAND Financial Advisors, LLC does not currently participate in securities in which it has a material financial interest. HIGHLAND Financial Advisors, LLC and its related persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons has a material financial interest.

HIGHLAND Financial Advisors, LLC's Code of Ethics provides that individuals associated with our firm may buy or sell securities for their personal accounts identical or different than those

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recommended to clients. However, it is the expressed policy of our firm that no person employed by the firm shall prefer his or her own interest to that of an advisory client nor make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with the Code of Ethics, our firm requires that anyone associated with this advisory practice and who possesses access to advisory recommendations (before or at the time they are entered into) ("access persons") to provide annual securities holding reports and quarterly transaction reports to HIGHLAND Financial Advisors, LLC's Chief Compliance Officer or his or her designee. We also require access persons to receive advance approval from HIGHLAND Financial Advisors, LLC's Chief Compliance Officer or his designee prior to investing in any initial public offerings or private placements, and with regard to trading of certain individual securities.

The Code of Ethics further includes our firms' policy prohibiting the use of material non-public information and protecting the confidentiality of client information. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

In instances where HIGHLAND Financial Advisors, LLC and/or its associates buy or sell the same securities as those of their clients, the client's accounts are given priority. HIGHLAND Financial Advisors, LLC's representatives may not effect for himself or herself or his or her immediate family ("Covered Persons") any transactions in a security that is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any HIGHLAND Financial Advisors, LLC's clients, unless in accordance with the following Firm Procedures:

1. If HIGHLAND Financial Advisors, LLC is purchasing or considering for purchase any security on behalf of HIGHLAND Financial Advisors, LLC's client, no Covered Persons may transact in that security prior to the client's purchase having been completed by HIGHLAND Financial Advisors, LLC, or until a decision has been made not to purchase the security on behalf of the client; and
2. If HIGHLAND Financial Advisors, LLC is selling or considering the sale of any security on behalf of HIGHLAND Financial Advisors, LLC client, no Covered Persons may transact in that security prior to the sale on behalf of the client having been completed by HIGHLAND Financial Advisors, LLC, or until a decision has been made not to sell the security on behalf of the client.

General exceptions:

1. This Investment Policy has been established recognizing that some securities being considered for purchase and sale on behalf of HIGHLAND Financial Advisors, LLC's clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities.
2. Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and /or variable insurance products by Covered Persons are not likely to have an impact on the prices of the

fund shares in which clients invest, and are therefore not prohibited by the Advisory Firm's Investment Policy and Procedures.

In accordance with Section 204A of the Investment Advisors Act of 1940, HIGHLAND Financial Advisors, LLC also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by HIGHLAND Financial Advisors, LLC or any person associated with HIGHLAND Financial Advisors, LLC.

12. BROKERAGE PRACTICES

Use of Brokerage Firms (Custodians), In General

If a client requests a broker-dealer/custodian, HIGHLAND Financial Advisors, LLC utilizes the services of Fidelity Investments Institutional Wealth Services and TD Ameritrade Institutional. The client is however, under no obligation to transact securities through Fidelity Investments Institutional Wealth Services or TD Ameritrade Institutional. Fidelity Investments Institutional Wealth Services and TD Ameritrade Institutional provide our team members with access to institutional trading and custody services, which services are typically not available to retail investors.

The benefits provided by Fidelity Investments Institutional Wealth Services and TD Ameritrade Institutional include assistance with practice management and assistance with the management of client accounts, including but not limited to: (a) receipt of duplicate client confirmations; (b) receipt of electronic duplicate statements; (c) access to a trading desk serving investment adviser firm participants exclusively, and providing research, pricing information, and other market data; (d) access to the investment advisor portion of their web sites which includes practice management articles, compliance updates, and other financial planning related information and research materials (including, for example, rating reports on individual companies from Standard and Poor's or other sources); (e) access to other vendors (such as insurance or compliance providers, or providers of research or other materials) on a discounted fee basis through discounts arranged by the custodians; (f) permitting HIGHLAND Financial Advisors, LLC to access an electronic communication network for client order entry and to access clients' account information and which may otherwise assist HIGHLAND Financial Advisors, LLC with its back-office functions, including recordkeeping and client reporting; and (g) conferences at which advisors and employees of our firms may attend (with no registration fees) and receive education on issues such as practice management, marketing, investment theory, financial planning, business succession, regulatory compliance, and information technology.

In seeking "best execution", the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of the broker-dealer's services including execution capability, commission rates, and responsiveness.

Our Recommendations of Brokerage Firms

The client may direct HIGHLAND Financial Advisors, LLC to use a particular broker-dealer (subject to HIGHLAND Financial Advisors, LLC's right to decline and/or terminate the engagement). In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and HIGHLAND Financial Advisors, LLC will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by HIGHLAND Financial Advisors, LLC.

Further, if such brokers are utilized, HIGHLAND Financial Advisors, LLC may not possess access to certain mutual funds and other investments that are generally available only to institutional investors or which would require a significantly higher minimum initial investment, and commission rates paid or transaction fees paid may be higher than the fees negotiated by HIGHLAND Financial Advisors, LLC.

While as a fiduciary, HIGHLAND Financial Advisors, LLC endeavors to act in its clients' best interests, our desire that clients maintain much of their assets in accounts at Fidelity Investments Institutional Wealth Services or TD Ameritrade Institutional may be based in part on the benefit to our firm for the availability of some products and services (previously described) at no cost to our firm, or at reduced costs, and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest.

However, we have negotiated fees with the custodians we recommend, and we have selected these custodians for their generally low fees relative to another large custodian. Also, we prefer to recommend custodians whom possess significant size and financial resources, for purposes of enhanced safety of clients' funds. For all of these reasons, the lowest cost custodian for clients may not be recommended to clients by HIGHLAND Financial Advisors, LLC. Further, many of the benefits to HIGHLAND Financial Advisors, LLC of having significant volume with a custodian also benefits clients of HIGHLAND Financial Advisors, LLC with lower negotiated fees and services that otherwise may not be available with this custodian.

Aggregation of Client Trades

HIGHLAND Financial Advisors, LLC may aggregate sale and purchase orders of securities held by HIGHLAND Financial Advisors, LLC and clients with similar orders being made simultaneously for other clients if such aggregation is reasonably likely to result in overall economic benefit to clients based on an evaluation that the clients are benefited by relatively better purchase or sale prices, or beneficial timing of transactions, or a combination of these and other factors. In some instances, the purchase or sale of securities for clients will be affected simultaneously with the purchase or sale of like securities for other clients. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions is determined and the client may be charged or credited, as the case may be, the average transaction price.

HIGHLAND Financial Advisors, LLC is able to aggregate sale and purchase orders while still maintaining enhanced tax-efficient portfolio management and efficient rebalancing and asset location practices due to significant investment in trading software (Tamarac), which enables HIGHLAND Financial Advisors, LLC to offer our clients with the benefits of batched orders and tax-efficient portfolio management. Clients of other advisory firms may not be receiving these benefits.

Non-Participation in Client Referral Programs of Custodians

HIGHLAND Financial Advisors, LLC seeks to avoid certain relationships with custodians which it believes might materially hamper its independence in its providing advice to its clients or result in clients paying higher mutual fund management, administrative, or other product-related fees and costs. HIGHLAND Financial Advisors, LLC does not participate in the client referral programs that may be sponsored by such custodians.

Participation in Client Referral Programs of Investment Product Providers

HIGHLAND Financial Advisors, LLC, as an approved registered investment adviser firm with Dimensional Fund Advisors (DFA), is included in their public website's referral program. Because DFA does not sell directly to the public, public inquiries are referred out to those registered investment advisers whom are approved to work with DFA. HIGHLAND Financial Advisors, LLC does not pay any fees to be included in DFA's website database and we are under no obligation to recommend the mutual funds of DFA.

13. REVIEW OF ACCOUNTS

For those clients to whom HIGHLAND Financial Advisors, LLC will offer investment supervisory services, account reviews are conducted on an ongoing basis by the Principals of HIGHLAND Financial Advisors, LLC and/or its Associate Persons. All clients are advised to inform HIGHLAND Financial Advisors, LLC of any changes to their goals and objectives or financial situation that could impact their financial planning or investment objectives.

There are two reviewers of all clients' accounts. The Financial Planner and Portfolio Analyst reviews all accounts on at least a quarterly basis for consistency with investment objectives, including asset allocation, performance measures, and other investment policy criteria. The accounts administrator reviews accounts on a daily basis for accuracy of transactions, including, credits, debits, deposits and disbursements. The Portfolio Analyst reviews accounts for the accuracy of trades on an ongoing basis.

Clients receive a confirmation of each transaction and periodic statements from their broker-dealer/custodian. Those clients to whom HIGHLAND Financial Advisors, LLC offers wealth management and/or investment supervisory services will also receive updates and reports, including summaries of activity, analysis and performance, at least quarterly as specified in the advisory agreement. Wealth Management and Investment Advisory Performance Reports are typically updated and posted to a private client web page with secure user login at least quarterly, but may be more frequently. For instance, some performance reports are posted on a weekly basis. For those clients without access to the internet, reports are mailed at least quarterly.

14. CLIENT REFERRALS AND OTHER COMPENSATION

HIGHLAND Financial Advisors, LLC is not paid cash by and does not receive any economic benefit including commissions, equipment or non-research services from a non-client in connection with giving advice to clients. HIGHLAND Financial Advisors, LLC has a solicitation agreement with Kinder & Co., Inc. for client referrals. In compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940, prospective clients who are referred by Kinder & Co., Inc. are offered a separate disclosure document detailing the terms of the solicitation agreement between Highland Financial Advisors, LLC and Kinder & Co., Inc. Highland Financial Advisors, LLC compensates Kinder & Co., Inc. 0.15% of the first \$3,000,000 in assets under management and 0.25% of the assets above \$3,000,000.

15. CUSTODY

HIGHLAND Financial Advisors, LLC does not have custody of client funds or securities. Client funds and securities are held by the custodian (Fidelity Investments Institutional Wealth Services or TD Ameritrade Institutional). Clients will receive account statements and confirms directly from the custodian. Clients should carefully review the account statements they receive.

16. INVESTMENT DISCRETION

HIGHLAND Financial Advisors, LLC has 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. Typically, HIGHLAND Financial Advisors, LLC consults with client on the initial implementation of the client's investment policy as per the client's investment policy statement. After that time, HIGHLAND Financial Advisors, LLC will supervise and manage the client's portfolio including making buys and sells without obtaining client consent. The terms of the relationship is detailed in the Wealth Management or Investment Advisory agreement.

17. VOTING CLIENT SECURITIES

HIGHLAND Financial Advisors, LLC does not have authority to vote client securities. Clients will receive their proxies or other solicitations directly from Fidelity Investments Institutional Wealth Services, TD Ameritrade Institutional, or a transfer agent. Clients may contact HIGHLAND Financial Advisors, LLC with questions regarding any of these materials.

18. FINANCIAL INFORMATION

Not applicable. HIGHLAND Financial Advisors, LLC is not required to disclose financial information.

19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable. HIGHLAND Financial Advisors, LLC is federally registered with the Securities and Exchange Commission.

Privacy Notice

Our Promise to You

As a client of HIGHLAND Financial Advisors, LLC, you share both personal and financial information with us. Your privacy is important to us, and we are dedicated to safeguarding your personal and financial information.

Information Provided By Clients

In the normal course of doing business, we typically obtain the following non-public personal information about our clients:

- Personal information regarding our clients' identity such as name, address and social security number;
- Information regarding securities transactions effected by us; and
- Client financial information such as net-worth, assets, income, bank account information and account balances.

How We Manage and Protect Your Personal Information

We do not sell information about current or former clients to third parties, nor is it our practice to disclose such information to third parties unless requested to do so by a client or client representative or, if necessary, in order to process a transaction, service an account or as permitted by law.

Additionally, we may share information with outside companies that perform administrative services for us. However, our contractual arrangements with these service providers require them to treat your information as confidential.

In order to protect your personal information, we maintain physical, electronic and procedural safeguards to protect your personal information. Our Privacy Policy restricts the use of client information and requires that it be held in strict confidence.

Client Notifications

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy.

Please do not hesitate to contact us with questions about this notice.

**Brochure Supplement
for
Reed C. Fraasa**

**HIGHLAND Financial Advisors, LLC
44 Route 23 North – Ste. 11
Riverdale, NJ 07457**

**Phone: 973-557-2933
Fax: 973-858-0201
www.highlandplanning.com**

March 1, 2014

This brochure supplement provides information about Reed C. Fraasa that supplements the HIGHLAND Financial Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Reed C. Fraasa if you did not receive HIGHLAND Financial Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Reed C. Fraasa is available on the SEC's website at www.adviserinfo.sec.gov

REED C. FRAASA

DOB 3-26-58

Educational Background

College for Financial Planning (Denver, CO)

CFP® Certification 1993

Minimum Qualifications required:

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

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional*

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Conduct, to maintain competence and keep up with developments in the financial planning field; and

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

Center for Fiduciary Studies, LLC, Accredited Investment Fiduciary®, AIF®

The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

Kinder Institute, Registered Life Planner®, RLP® 2007

Minimum Qualifications required:

The Kinder Institute issues and controls the registered trademark for the Registered Life Planner® designation after a participant has completed the following three requirements:

- Completion of a two day workshop, The Seven Stages of Money Maturity
- Completion of a five day retreat on EVOKE™ training
- Completion of a six month mentorship in EVOKE® training through case studies, peer support, group teleconferences and one-on-one guidance from an experienced mentor.

Business Experience

HIGHLAND Financial Advisors, LLC
President, Founder, Financial Planner

October 1996 - Present

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

There are no other business activities to report.

Additional Compensation

There is no additional compensation to report. Reed C. Fraasa is solely compensated from the regular business activities of HIGHLAND Financial Advisors, LLC as disclosed in the Firm Brochure.

Supervision

Reed C. Fraasa is a managing member of HIGHLAND Financial Advisors, LLC.

Requirements for State-Registered Advisers

Not applicable. HIGHLAND Financial Advisors, LLC is federally registered with the Securities and Exchange Commission.

Brochure Supplement

for

Michael D. Gibney

**HIGHLAND Financial Advisors, LLC
44 Route 23 North – Ste. 11
Riverdale, NJ 07457**

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www.highlandplanning.com**

March 1, 2014

This brochure supplement provides information about Michael D. Gibney that supplements the HIGHLAND Financial Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Michael D. Gibney if you did not receive HIGHLAND Financial Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Michael D. Gibney is available on the SEC's website at www.adviserinfo.sec.gov.

MICHAEL D. GIBNEY

DOB 4-09-63

Educational Background

New York University Financial Planning Program

CFP® Certification 2006

Minimum Qualifications required:

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

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional*

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Conduct, to maintain competence and keep up with developments in the financial planning field; and

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

Center for Fiduciary Studies, LLC, Accredited Investment Fiduciary®, AIF®

The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

Pace University

B.B.A. 1985

Business Experience

HIGHLAND Financial Advisors, LLC
Financial Advisor, Financial Planner

May 2005 - Present

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

There are no other business activities to report.

Additional Compensation

There is no additional compensation to report. Michael D. Gibney is solely compensated from the regular business activities of HIGHLAND Financial Advisors, LLC as disclosed in the Firm Brochure.

Supervision

Michael D. Gibney is a member of HIGHLAND Financial Advisors, LLC.

Requirements for State-Registered Advisers

Not applicable. HIGHLAND Financial Advisors, LLC is federally registered with the Securities and Exchange Commission.

Brochure Supplement

for

Peter J. McKenna

**HIGHLAND Financial Advisors, LLC
44 Route 23 North – Ste. 11
Riverdale, NJ 07457**

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www.highlandplanning.com**

March 1, 2014

This brochure supplement provides information about Peter J. McKenna that supplements the HIGHLAND Financial Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Peter J. McKenna if you did not receive HIGHLAND Financial Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Peter J. McKenna is available on the SEC's website at www.adviserinfo.sec.gov.

PETER J. MCKENNA

DOB 10-19-63

Educational Background

New York University Financial Planning Program
CFP® Certification 2010

Zicklin School of Business, Baruch College,
MBA – concentration in Finance, 1995

State University of New York, College at Oswego,
B.S. Accounting, 1985

Minimum Qualifications required:

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

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

Business Experience

HIGHLAND Financial Advisors, LLC
Wealth Manager, Financial Planner

Lehman Brothers Holdings, Inc. 1991 – 2011
Senior Vice President, Finance Division

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

There are no other business activities to report.

Additional Compensation

There is no additional compensation to report. Peter J. McKenna is solely compensated from the regular business activities of HIGHLAND Financial Advisors, LLC as disclosed in the Firm Brochure.

Supervision

Peter J. McKenna is a member of HIGHLAND Financial Advisors, LLC.

Requirements for State-Registered Advisers

Not applicable. HIGHLAND Financial Advisors, LLC is federally registered with the Securities and Exchange Commission.

Brochure Supplement

for

Edward J. Leach

**HIGHLAND Financial Advisors, LLC
44 Route 23 North – Ste. 11
Riverdale, NJ 07457**

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Fax: 973-858-0201

www.highlandplanning.com

June 16, 2014

This brochure supplement provides information about Edward J. Leach that supplements the HIGHLAND Financial Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Edward J. Leach if you did not receive HIGHLAND Financial Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Edward J. Leach is available on the SEC's website at www.adviserinfo.sec.gov.

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EDWARD J. LEACH

DOB 09-09-87

Educational Background

Montclair State University Graduate School
Masters of Business Administration (MBA), 2014

Fairleigh Dickinson University Financial Planning Program
CFP® Certification, 2012

Ramapo College of New Jersey, Anisfield School of Business
B.S. Business Administration – Concentration in Finance & minor in Economics, 2010

Minimum Qualifications required:

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

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

Business Experience

HIGHLAND Financial Advisors, LLC Financial Planner	2014 - Present
Traphagen Financial Group, LLC Financial Planner	2013 – 2014
Toys”R”Us, Inc Financial Analyst, Corporate FP&A	2013 – 2013
HIGHLAND Financial Advisors, LLC Financial Analyst, Financial Planner	2010 – 2013

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

There are no other business activities to report.

Additional Compensation

There is no additional compensation to report. Edward J. Leach is solely compensated from the regular business activities of HIGHLAND Financial Advisors, LLC as disclosed in the Firm Brochure.

Supervision

Edward J. Leach is a member of HIGHLAND Financial Advisors, LLC.

Requirements for State-Registered Advisers

Not applicable. HIGHLAND Financial Advisors, LLC is federally registered with the Securities and Exchange Commission.