

**Item 1 – Cover Page**



[www.FirstOhioPlanning.com](http://www.FirstOhioPlanning.com)

**March 24, 2016**

This Brochure provides information about the qualifications and business practices of First Ohio Planning, LLC. If you have any questions about the contents of this Brochure, please contact us at 614-486-0691 or at [www.FirstOhioPlanning.com](http://www.FirstOhioPlanning.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

First Ohio Planning, LLC is an investment adviser registered with the SEC. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us and help you determine whether to hire or retain us.

Additional information about First Ohio Planning, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our Firm IARD/CRD number is 144498.

## **Item 2 – Material Changes**

At least annually, this section will discuss only specific material changes that are made to the Brochure of First Ohio Planning, LLC (“First Ohio Planning”) and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

Our last annual updating amendment occurred on March 4, 2015. The changes made to our Brochure since then are as follows:

## **Item 4 – Advisory Business**

Retirement Plan Consulting Services - Services have been clarified further. 3(38) and 3(21) services have been split out and clarified further.

Asset Management Services - Investment Adviser Representatives (IARs”) of First Ohio Planning are no longer associated with Royal Alliance Associates, Inc. (“Royal Alliance”) as broker/dealer Registered Representatives. Therefore, our IARs are no longer registered with the Financial Industry Regulatory Authority (“FINRA”).

We have also changed our Asset Management Services descriptions and no longer offer a Mini, Lite, and Comprehensive service. We now offer a Legacy Service, an Institutional Intelligent Portfolios™ through Schwab Wealth Investment Advisory, Inc. and a Select Portfolio Service. These changes may result in a change in the fees that you paid previously. The Institutional Intelligent Portfolios has been branded as First Ohio Planning Intelligent Portfolios. Services have been clarified further.

Objectives are now very conservative, conservative, moderate, moderately aggressive and aggressive.

## **Item 5 – Fees and Compensation**

Retirement Plan Consulting Services - The fixed fee range has been lowered to \$1,000 - \$20,000+/-.

Asset Management Services – Legacy Service – “Established Clients” has been changed to “Legacy Clients”. We have included a fee of 0.10%.

A copy of our updated Brochure is available to you free of charge and may be requested by contacting Lisa Miller, Administrative Assistant for James S. Ryan at 614-486-0691, Ext 3 or [lmiller@firstohioplanning.com](mailto:lmiller@firstohioplanning.com). Our Brochure is also available on our website [www.FirstOhioPlanning.com](http://www.FirstOhioPlanning.com), without charge.

## First Ohio Planning, LLC

Additional information about First Ohio Planning is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD number for First Ohio Planning is 144498. The SEC's website also provides information about any persons affiliated with First Ohio Planning who are registered, or are required to be registered, as Adviser Representatives of First Ohio Planning.

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### Brochure Supplements

## **Item 4 – Advisory Business**

First Ohio Planning is an investment advisory firm offering retirement plan consulting services, asset allocation, and financial planning/consulting services. The firm was formed in 1979 and was registered with the State of Ohio as an investment adviser from 1994 to April 2013. First Ohio Planning registered with the United States Securities and Exchange Commission in 2013. James S. Ryan, CRD number 1034191, is the sole owner, Managing Member, and Chief Compliance Officer. Jim has been in the financial services industry since 1979. Additional business information about Jim and the other IARs who work with clients is disclosed in the Supplemental Brochures.

First Ohio Planning offers the following advisory services, with each service more fully discussed below:

- Retirement Plan Consulting Services
- Asset Management Services
- Financial Planning Services
- Consulting Services.

### **Retirement Plan Consulting Services**

First Ohio Planning provides retirement plan consulting services to individuals, qualified and non-qualified retirement plan sponsors, and business entities.

First Ohio Planning clients include employers that provide their employees with a retirement plan benefit. First Ohio Planning's IARs provide research and analysis with regard to investment advice. First Ohio Planning also provides research and analysis that covers the investment products of retirement plan providers. The goal of the investment due diligence process is to establish a logical, technical, and comprehensive process that is consistently employed in the selection and ongoing monitoring of investments for plan sponsors and individuals, accompanied by an investment policy statement (for plan sponsors only), that defines the process utilized to recommend the investments to plan sponsors and individuals. The above process incorporates data and analytics provided by Retirement Plan Advisory Group (RPAG), as well as other publicly available data sources.

Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

*Strategic Planning and Investment Policy Development/Review.* First Ohio Planning provides a draft of the Investment Policy Statement for the plan sponsor's review. In addition, First Ohio Planning evaluates the plan sponsor's existing Investment Policy Statement and provides recommendations that are consistent with assisting the plan sponsor in meeting their fiduciary obligations, if applicable, under ERISA Section 404(c).

*Plan Participant Asset Allocation Models.* First Ohio Planning creates, monitors, adjusts (when prudent), and rebalances asset allocation models (“Models”) for a plan sponsor to offer among other investment option(s) provided to plan participants. The models are designed to have different investment objectives based on risk level and to meet varying investment needs.

The goal of the process is to assist plan participants in finding the asset mix which is most likely to meet their investment objectives within acceptable risk parameters. Asset class sub-types can include, among other types:

- domestic large cap value equity
- domestic large cap growth equity
- domestic mid-cap value equity
- domestic mid-cap growth equity
- domestic small cap value equity
- domestic small cap growth equity
- international equity
- core fixed income
- short term fixed income
- high-yield fixed income
- other appropriate asset classes and investments

Plan participants and beneficiaries alone bear the risk of investment results from the options and asset allocation that they select.

*Reports to Client:* For those services stated under the “Plan Participant Asset Allocation Models” based on the results of the periodic (quarterly or semi-annual) analysis, First Ohio Planning may recommend changes to the core group of investment recommendations offered by one or more of the investment managers included in the analysis. As such, First Ohio Planning will generally provide plan fiduciaries with a periodic report that includes fund rankings in each category.

*Termination of Agreement:* Plan sponsors who wish to terminate their agreement with First Ohio Planning without penalty must notify First Ohio Planning in writing within five (5) business days of its date of execution. If services are terminated within (5) business days from the date of executing their agreement, services will be terminated without penalty. After the initial (5) business days, the plan sponsor may be responsible for payment of fees for the number of days services are provided by First Ohio Planning prior to receipt of the notice of termination.

*Description of Discretionary - 3(38) Investment Management Services and Non-Discretionary 3(21) Investment Management Services:* In certain circumstances, the following services may be provided by First Ohio Planning acting as a fiduciary within the meaning of sections 3(21) or 3(38) of ERISA, if the plan is subject to ERISA:

- a) Section 3(21) engagement: Review the plan's investment objectives, risk tolerance and goals with the Plan Committee. If the plan does not have an investment policy statement (IPS), First Ohio Planning's IARs will recommend investment policies to assist the Plan Committee with establishing investment objectives. If the plan has an existing IPS, First Ohio Planning's IARs will review it for consistency with the plan's objectives and recommend revisions to the Plan Committee to establish investment policies that are congruent with the plan's objectives.
- b) Review the investment options available to the plan utilizing qualitative and quantitative analysis to provide the plan sponsor with recommendations regarding the plan's Designated Investments that meet the criteria set forth in the stated investment objectives. Should the engagement be for a new plan, investment options will be made available to the plan sponsor using the aforementioned process.
- c) Once First Ohio Planning's IARs' initial recommendations have been approved and implemented, First Ohio Planning will monitor the Designated Investments and conduct regularly scheduled meetings with the plan's Investment Committee and review said investments and recommend changes as appropriate.
- d) First Ohio Planning's IARs will not be responsible for selecting or monitoring, and will not make any recommendations to retain or remove employer stock or investment options beyond the Designated Investments (i.e., stable value funds, target date portfolios, mutual fund or brokerage windows, guaranteed investment contracts, unallocated accounts, etc.).
- e) Qualified Default Investment Alternative (QDIA) Management:
  - 1. First Ohio Planning's IARs will assist the plan sponsor in evaluating QDIA alternatives. The plan sponsor, however, retains the sole responsibility to provide all notices to participants as required under ERISA Section 404(c), including 404(c)(5).

Section 3(38) engagement:

- f) Review the plan's investment objectives, risk tolerance and goals with the Plan Committee. If the plan does not have an IPS, First Ohio Planning's IARs will recommend investment policies to assist the Plan Committee with establishing investment objectives. If the plan has an existing IPS, First Ohio Planning's IARs will review it for consistency with the plan's objectives and recommend revisions to the Plan Committee to establish investment policies that are consistent with the plan's objectives.
- g) Once First Ohio Planning's IARs' initial recommendations have been implemented, First Ohio Planning will monitor the Designated Investments and instruct the platform provider directly to remove and replace investments that no longer meet the IPS or investment objective criteria. First Ohio Planning's IARs will communicate any changes to the plan sponsor reasonably in advance of the proposed change. The plan sponsor understands that declining any of First Ohio Planning's IARs' recommendations may cause the services under the First Ohio Planning Retirement Plan Consulting Agreement to terminate.
- h) First Ohio Planning's IARs will not be responsible for selecting or monitoring, and will not make any recommendations to retain or remove, employer stock or investment options beyond the Designated Investments (i.e., stable value funds, target date portfolios, mutual fund or brokerage windows, guaranteed investment contracts, unallocated accounts, etc.).
- i) Qualified Default Investment Alternative Management:
  - 1. First Ohio Planning's IARs will assist the plan sponsor in evaluating QDIA alternatives. The plan sponsor, however, retains the sole responsibility to provide all notices to participants as required under ERISA Section 404(c), including 404(c)(5).
- j) Creation and Maintenance of Model Asset Allocation portfolios ("Model Portfolios")
  - 1. First Ohio Planning may create risk-based Model Portfolios to be offered to the plan participants through the Provider's platform.
  - 2. The Model Portfolios will be constructed so as to achieve varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures offered by investment alternatives available through the plan. First Ohio Planning's IARs will diversify, reallocate and rebalance the Model Portfolios and associated risk levels over time in accordance with generally accepted investment theories and in compliance with the plan's IPS. First Ohio Planning's IARs may make



changes to the underlying investments and/or the asset allocation percentages of the Model Portfolios and will communicate such instructions directly to the Platform Provider. First Ohio Planning's IARs will communicate any changes to the plan sponsor reasonably in advance of the proposed change.

- k) In addition, First Ohio Planning offers SIMPLE IRA services to employer groups. First Ohio will assist in establishing the SIMPLE Plan with Charles Schwab & Co., Inc., provide employee enrollment services and provide five (5) risk based models created according to j(2) above. Annual reports will be provided to all participants as well as an annual meeting.

## **Asset Management Services**

First Ohio Planning provides asset management services to individuals, trusts and estates, and for-profit and not-for-profit businesses. Our services are designed for long-term investors seeking to preserve capital and obtain capital growth and income. Following an initial consultation to assess the appropriateness of our services, we will examine your particular financial circumstances through personal discussions and information gathering. Based on your unique circumstance, First Ohio Planning will develop your Investment Policy Statement. First Ohio Planning considers your investment objectives, investment time horizon, and risk profile in creating a statement of investment policy for you.

First Ohio Planning offers continuous and ongoing asset management services. We will manage your accounts on a discretionary basis. Investment advisory account supervision is guided by the stated objectives (i.e., very conservative, conservative, moderate, moderately aggressive and aggressive) established by you and your IAR based on the information you provide as stated above. First Ohio Planning offers three different management services more fully explained below:

**LEGACY SERVICE** - In some cases, previously established clients may have purchased Class A share mutual funds through our IARs, in their role as Registered Representatives of our former broker/dealer, Royal Alliance. These shares held directly at the mutual fund companies or in a brokerage account, were purchased as a long-term investment. In these situations, and if so desired, clients may authorize First Ohio Planning to execute an intershare class exchange to the appropriate share class and then transfer these shares to Charles Schwab & Co., Inc. as custodian. First Ohio Planning will monitor these accounts and provide a summary report annually.

**FIRST OHIO PLANNING INTELLIGENT PORTFOLIOS** - We provide portfolio management services through a program called Institutional Intelligent Portfolios ("IIP"), an automated, online investment management platform for use by independent investment advisers and sponsored by Schwab Wealth Investment Advisory, Inc. (the "Program" and "SWIA," respectively). Through the Program, we offer clients a range of investment strategies we have constructed

and manage, each consisting of a portfolio of exchange traded funds (“ETF’s”) and a cash allocation. We have branded these as First Ohio Planning Intelligent Portfolios. The client may instruct us to exclude up to three ETFs from their portfolios. The client’s portfolio is held in a brokerage account opened by the client at SWIA’s affiliate, Charles Schwab & Co., Inc. (“CS&Co”). We are independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, “Schwab”). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the “Program Disclosure Brochure”), which is delivered to clients by SWIA during the online enrollment process.

We, and not Schwab, are the client’s investment adviser and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. SWIA’s role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that it operates as described in the Program Disclosure Brochure.

We have contracted with SWIA to provide us with the technology platform and related trading and account management services for the Program. This platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps us determine the client’s investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client’s answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, and indicate any reasonable restrictions he or she may wish to place on the management of his or her account, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We do not receive a portion of a wrap fee for our services to clients through the Program. Clients do not pay fees to SWIA in connection with the Program, but we charge clients a fee for our services as described below under *Item 5, Fees and Compensation*. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure.

We do not pay SWIA fees for its services in the Program so long as we maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If we do not meet this condition, then we pay SWIA an annual fee of 0.10% (10 basis points) on the value of our clients’ assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

**SELECT PORTFOLIO SERVICE** - We will construct a series of portfolios designed to meet the most common investment objectives of our clients consisting of mutual funds and exchange traded funds (ETF). Based on your Investment Policy Statement which in turn incorporates your investment objectives, investment time horizon, and risk profile, as defined by the client questionnaire, we will select the portfolio that best meets your investment objective.

You may select from 3 different levels of service based on the frequency of meetings and reporting. You may also impose holding limits (both minimum and maximum) for each asset class. For example, you may stipulate no commodities in the portfolio, or that your commodity allocation will not exceed 5%. First Ohio Planning will provide at least annual performance reports and will be available at any time for consultations.

## **Financial Planning Services**

First Ohio Planning also provides advice in the form of Financial Plans. Clients will meet with the planner at least twice per year. You will receive, in the form of meeting notes, a written financial plan containing recommendations designed to achieve your stated financial goals and objectives.

First Ohio Planning gathers required information through in-depth personal interviews with you. Information gathered includes current financial status, future goals, and attitudes toward risk. We will ask you to complete our questionnaire to assist us in obtaining information about your financial situation and history. We will carefully review any related documents that you supply. Once we complete our analysis of your situation, we will prepare a draft plan for your approval that is customized to your needs. If you choose to implement the recommendations contained in the plan, First Ohio Planning suggests you work closely with your attorney, accountant, insurance agent, and/or stockbroker and the planner. Implementation of financial planning recommendations is entirely at your discretion.

In general, the financial plan will address any or all of the following areas of concern:

**Personal** areas include family records, budgeting, personal liability, estate information and financial goals.

**Tax & Cash Flow** includes income tax and spending analysis and planning for past, current and future years. First Ohio Planning will discuss the impact of various investments and actions on a client's current income tax and future tax liability.

**Death & Disability** includes cash needs at death, income needs of surviving spouses and dependents, estate planning and disability income analysis.

Retirement Analysis includes use of current and alternative strategies and investment plans to help the client achieve his or her retirement goals.

**Investments** include analysis of investment alternatives and their effects on a client's portfolio.

**Dependent and College Planning** includes a college needs assessment and any special considerations for children or other dependents.

## **Consulting Services**

First Ohio Planning provides investment advice on a more limited basis regarding investment and financial concerns of the client. We offer a "financial checkup" consultation service, which is composed of 2 hours of in-person consultation and 1 hour for the planner to prepare a written report recapping the topics discussed during the meeting.

## **Assets under Management**

As of 12/31/15, First Ohio Planning's total assets under management were \$ 253,329,825 . First Ohio Planning managed \$170,179,391 discretionary client assets and \$ 83,150,433 in non-discretionary client assets.

## **Item 5 – Fees and Compensation**

### **General Information**

*Negotiability of Fees:* In certain circumstances, First Ohio Planning's fees may be negotiable. First Ohio Planning may charge different fees to different clients receiving the same services. The fee schedules below are the firm's basic fee schedules generally charged to clients absent any fee negotiation.

*Fee Calculation:* The fees charged are calculated as described below and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

*Termination of Advisory Relationship:* A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any agreement, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

*Termination of Financial Planning Agreement:* The agreement may be terminated: (1) by the client, without penalty, upon written notice within five (5) business days after entering into the agreement; or (2) thereafter, upon receipt of written notice, by either the client or First Ohio Planning. In the event of termination after five (5) business days from the execution of the agreement, the client will be entitled to a prorated refund not to exceed 50% of any unearned financial planning fees.

*Mutual Fund and Exchange Traded Fund (ETF) Fees and Expenses:* All fees paid to First Ohio Planning for investment advisory services are separate and distinct from the fees and expenses

charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or ETF directly, without the services of First Ohio Planning. In that case, the client would not receive the services provided by First Ohio Planning which are designed, among other things, to assist the client in determining which mutual funds or ETFs may help the client meet his or her investment objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by First Ohio Planning to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

*Advisory Fees in General:* Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees. First Ohio Planning's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to First Ohio Planning's fee, and First Ohio Planning shall not receive any portion of these commissions, fees, and costs.

As described in Item 12, First Ohio Planning does not select or recommend broker-dealers for *client* transactions.

IARs of First Ohio Planning may also be insurance agents or brokers for one or more insurance companies. As such, these individuals, in their separate capacities as insurance agents or brokers, will be able to purchase insurance and insurance-related investment products for you, for which they will receive separate and customary compensation.

You are not under any obligation to engage First Ohio Planning and/or these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at your discretion.

Although we endeavor at all times to put the interest of the clients first as part of First Ohio Planning's fiduciary duty, you should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect our judgment when making recommendations.

## **Retirement Plan Consulting Services**

The fee for these services may be charged either at a pre-determined hourly rate, a fixed fee or based upon a percentage of the plan assets. The exact fee will be negotiated in advance of services rendered and shall be clearly set forth in the executed agreement for services between

## First Ohio Planning, LLC

First Ohio Planning and the Company. Fees will be billed quarterly in arrears within 30 days of the quarter end. In special circumstances, other fee-paying arrangements may be negotiated.

Hourly fees are based on an estimate of hours needed as provided in the engagement agreement (client must approve, in writing, hours above original engagement); considering geographical location, complexity of engagement, size of plan, and other relevant factors.

RANGE: \$50-\$300 per hour

A fixed fee is based on scope of services agreed upon in the engagement agreement, considering geographical location, complexity of engagement, size of plan, and other relevant factors.

RANGE: \$1,000 -\$20,000 +/-

A basis points (“bps”) fee is based on specific asset levels in the plan for dates provided in the engagement agreement.

RANGE:	\$0 to \$20,000,000	10-100 bps of AUM
	\$20,000,001 to \$40,000,000	5-50 bps of AUM
	\$40,000,001 and above	3-25 bps of AUM

With the client’s consent, First Ohio Planning may bill out-of-pocket expenses (such as overnight mailings, messenger, translation fees, etc.) to the client.

### Asset Management Services

The annual fee for investment management services will be charged as a percentage of assets under management, dependent on the particular service and accounting period selected by the client as follows:

#### SELECT PORTFOLIO SERVICE:

##### OPTION A: Quarterly meeting and quarterly reporting

Portfolio Value	Maximum Fee
From \$0 - \$249,999	1.2500%
Next \$250,000 to \$499,999	0.9375%
Next \$500,000 to \$749,999	0.6250%
\$750,000 and above	0.3125%

**OPTION B: Semi-annual meeting and semi-annual reporting for any portfolio value .75%**

**Fees are debited from client account(s) quarterly in arrears. Fees are calculated on the average portfolio value for the quarter.**

**FIRST OHIO PLANNING INTELLIGENT PORTFOLIOS**

Your First Ohio Planning Intelligent Portfolios investment management fee is calculated as a percentage of the market value of the assets in your account(s) quarterly and debited from your account(s) in arrears.

<b>Portfolio Value</b>	<b>Maximum Fee</b>
\$5,000 up to \$1,000,000	.50%
\$1,000,000 and above	.35%

As described in Item 4 Advisory Business, clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

The minimum investment required to open an account in the Program is \$5,000.00

**LEGACY SERVICE**

Fees will be established to approximate the 12b-1 fees paid previously on the funds in the account.

**Householding**

Until 2015, fees may have been calculated on a “household” basis. A household is generally defined as a group of accounts that share a common employer, family member(s) or both. Each household is unique. In such cases, a household fee is calculated. To calculate the household fee, the aggregate value of all accounts comprising a household is determined as of December 31 of the preceding year. The resulting aggregate values of the household accounts are then used to calculate the household fee as if they were one account as of the December 31 date, using the aforementioned comprehensive fee structure. A household fee percentage is then determined by dividing the calculated household fee by the gross market value of the aggregated household accounts. The resulting percentage is the fee which will be applied to all accounts of a given defined household for the following year.

As of 2015, First Ohio Planning has discontinued this broad householding practice and redefined “household” to include husbands and wives and their children under age 25 and any

trust accounts for which they are trustees. For those clients previously afforded householding discounts that no longer meet the revised definition of household, First Ohio Planning will phase out the prior householding discounts over three calendar years based on the following formula:

- 75% of the discounted formula in 2015
- 50% of the discounted formula in 2016
- 25% of the discounted formula in 2017

By 2018, householding discounts will no longer be provided to this group of clients unless they qualify for a discount under the revised definition.

#### *Previously Legacy Clients*

A fee will be applied to accounts transferred to Charles Schwab & Co., Inc. from other brokerage relationships or fund families. The fee will be 0.10%, 0.15%, 0.20% or 0.25%. The fee will be determined based on the mix of assets being transferred. If all assets are bond funds, a 0.10% fee may be applied. If all assets transferred are equity based, a fee of 0.25% may be applied. If there is a stock to bond mix, then a fee reflecting the stock-to-bond ratio will be calculated and rounded to the closest fee of 0.10%, 0.15%, 0.20% or 0.25%. In no case will the fee be established without prior client notification and written approval.

Clients will be billed in arrears at the end of each 90-day period following inception of services based upon a percentage of the average monthly value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance) of the client's account at the end of the previous quarter.

### **Financial Planning Services**

Financial Planning is included in the investment management fees for those clients who have \$1,000,000 or more under Select Portfolio management at First Ohio Planning. For those with less than \$1,000,000 under management, annual financial planning fees range from \$3,500 – \$25,000, depending on the nature and complexity of each client's circumstances. One-half of this fee may be due upon signing the financial planning agreement and covers the first 6 months of services, with the balance due during the second 6-month period.

The fee has three components:

1. A flat 0.5% is applied to assets managed outside of First Ohio Planning.
2. 0.15% applied to the client's total assets less the total of the investment assets, regardless of where those investment assets are managed.
3. 0.8% of client's prior year adjusted gross income.



The financial planning fees are invoiced to the client, one-half during the first 6 months of the engagement period and one-half during the second 6 months of the engagement period. Should the client terminate the engagement the unearned fees will be refunded.

First Ohio Planning's minimum financial planning fee is \$3,500/year.

## **Consulting Services**

Our "financial checkup" consulting service will be billed at a fixed rate of \$750.00 and shall be due and payable as earned. If this service is purchased by an employer for a block of executives/associates, this fee will be negotiated at a lower rate. Fees for specific administrative and consulting services will be billed at an hourly rate of up to \$300.00 per hour, upon mutual agreement with the client, and shall be due and payable as earned.

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

First Ohio Planning does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

First Ohio Planning provides portfolio management services to individuals, high-net-worth individuals, corporate pension and profit-sharing plans, charitable institutions, trusts, estates, and corporations or business entities other than those listed above. Please see Item 5 for minimum account requirements.

**First Ohio Planning Intelligent Portfolios.** Clients eligible to enroll in the First Ohio Planning Intelligent Portfolios Program can select account options including, but not limited to individual, joint tenant, tenants in common, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

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

First Ohio Planning's investment strategy is based on asset allocation analysis. An asset allocation plan is designed to help you determine how to divide your investment assets among the available alternatives, based upon your financial objectives, time horizons, current financial situation, and risk tolerance, providing a long-term (at least 5 years) disciplined and systematic approach to investment.

In arriving at an asset allocation mix, a hypothetical illustration is developed using historical rates of return from sources we believe to be reliable and the Modern Portfolio Theory, which

states that through diversification, an investor may be able to minimize the effects of investment risks and that gains in one investment class may help offset losses in another. Depicted rates of return are not representative of the actual rate of return that the investment will experience with any particular insurance or financial product. There is no certainty that any investment or strategy will be profitable or successful in achieving specific investment objectives. Each investor's principal values will fluctuate and when redeemed, may be worth more or less than his original investment. Asset allocation does not ensure a profit or protect against losses in a declining market. Asset mixes presented to the client are derived using available historical information for each asset class based on the selected index for that class. They are meant only to illustrate the relative experience between asset classes and portfolios. Security selection is based on the fundamental analysis method. Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. In utilizing various funds, consideration is also given to past performance, the funds sponsor, and the fund managers. Exchange Traded Funds "ETF's" are also utilized in our asset allocations. ETF's are passively managed funds comprised of a group of stocks intended to replicate the performance of a specific index. ETF's may have market values that are higher or lower than the underlying values due to the principle of supply and demand. We rely on, among other things, information found in research prepared by others (e.g., Morningstar), financial publications, and annual reports, prospectuses, and filings with the Securities and Exchange Commission.

**First Ohio Planning Intelligent Portfolios Program.** The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in the ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

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

## **Item 9 – Disciplinary Information**

First Ohio Planning is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. First Ohio Planning has no information applicable to this Item.

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

Neither First Ohio Planning nor any management person is registered, or has an application pending to register as a broker-dealer or registered representative of a broker dealer, or; futures commission merchant, commodity pool operator, or commodity trading adviser or an associated person of the foregoing entities. First Ohio Planning does not have a related person who is a: municipal securities dealer, or government securities dealer, or broker; investment company or other pooled investment vehicle; other investment adviser or financial planner;

banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or; sponsor or syndicator of limited partnerships.

Certain IARs 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 and we do not concentrate resources in this area. However, since our IARs 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.

IARs may spend as much as 10% of their time with all of these related activities. It is a conflict of interest for us to recommend a product to you for which we will receive compensation. First Ohio Planning 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.

First Ohio Planning and its IARs are not actively engaged in any other financial industry entity.

## **Item 11 – Code of Ethics**

Our firm has a commitment to ethical conduct and has adopted a Code of Ethics requiring Supervised Persons to adhere to our firm's fiduciary duties and responsibilities to clients. Our Code of Ethics sets forth our practice of supervising the personal securities transactions of Supervised Persons with access to client information. Individuals associated with our firm may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is our expressed policy that no person employed by our firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

We require anyone associated with this advisory practice with access to advisory recommendations to provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. We further require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. We also have a policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline. A copy of First Ohio Planning's Code of Ethics is available to advisory clients and prospective advisory clients upon request at First Ohio Planning's principal office address.

You may request a copy of the firm's Code of Ethics by contacting Lisa Miller at 614-486-0691, Ext 3 or at by email at [lmiller@firstohioplanning.com](mailto:lmiller@firstohioplanning.com).

## **Item 12 – Brokerage Practices**

First Ohio Planning does not request or accept the discretionary authority to determine the broker-dealer to be used for client accounts. Due to the administrative burden created by arranging client securities transactions through multiple brokers, First Ohio Planning does not accept clients who do not agree to direct the use of Charles Schwab & Co., Inc. for securities transactions.

First Ohio Planning participates in the Schwab Adviser Services division of Charles Schwab & Co., Inc., a FINRA registered broker dealer. Clients in need of brokerage and custodial services will have Charles Schwab & Co., Inc. (Schwab) recommended to them. As part of the Schwab program, First Ohio Planning receives benefits that it would not receive if it did not offer investment advice. First Ohio Planning has reviewed the services of Schwab and recommends the services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. Based on its business model, First Ohio Planning will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients so clients may pay more for such trades. First Ohio Planning will, however, periodically attempt to negotiate lower commission rates for its clients with Schwab.

Schwab also makes available to First Ohio Planning other products and services that benefit the firm but may not benefit its clients' accounts. Some of these other products and services assist First Ohio Planning in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (First Ohio Planning does not aggregate trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of advisory fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Schwab also makes available to First Ohio Planning other services intended to help the firm manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

In addition, Schwab may make available, arrange and/or pay for these types of services rendered to First Ohio Planning by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to First Ohio Planning. While as a fiduciary, First Ohio Planning endeavors to act in its clients best interests, our requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to First Ohio Planning of the availability of some of the foregoing products and services. The availability of the foregoing products and services is not contingent upon First Ohio Planning's committing to Schwab any specific amount of business (assets in custody or trading).

We do not aggregate the purchase or sale of securities for various client accounts. As stated in Item 4, we construct customized portfolios using open end mutual funds and exchange traded funds (ETFs).

**First Ohio Planning Intelligent Portfolios Program.** Our Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While you are required to use CS&Co as custodian/broker to enroll in the First Ohio Planning Intelligent Portfolios Program, you decide whether to do so and open an Account with CS&Co by entering into an Account agreement directly with CS&Co. We do not open the Account for you. If you do not wish to place your assets with CS&Co, then we cannot manage your Account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across Accounts enrolled in the Program, including both Accounts for you and Accounts for clients of other independent investment advisory firms using the Program.

Schwab Advisor Services (SAS, formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like First Ohio Planning. Through SAS, CS&Co provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help us manage or administer our client accounts while others help us management and grow our business. CS&Co's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of CS&Co products and services is not based on us giving particular investment advice, such as buying particular securities for you.

CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through CS&Co include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by you. CS&Co's services described in this paragraph generally benefit you and your account.

CS&Co also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering your accounts. They include investment research, but CS&Co's own and that of third parties. We may use this research to service all or some substantial number of your accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);

## First Ohio Planning, LLC

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Assist with back-office functions, recordkeeping and client reporting.

CS&Co also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Technology, compliance, legal and business consulting;
- Publications and conferences of practice management and business succession; and
- Access to employee benefit providers, human capital consultants and insurance providers.

CS&Co may provide some or all of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the Program, as described above in Item 4, we do not pay SWIA fees for its services in connection with the Program as long as we maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. In light of our arrangements with CS&Co, we may have an incentive to recommend that our clients maintain their accounts with CS&Co based on our interest in receiving CS&Co's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however that our selection of CS&Co as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of CS&Co's services and not CS&Co's services that benefit only us.

## Item 13 – Review of Accounts

First Ohio Planning measures the performance of client investment portfolios in compliance with the Investment Policy Statement that is specifically developed for each client's investment objectives. If you are participating in our asset management services, the custodian will provide

you with confirmations of each transaction in your account and quarterly statements. In addition, First Ohio Planning may provide more comprehensive reports quarterly, semiannually, or annually.

Each report contains three sections:

- 1) An Executive Summary which contains information covering various time periods, funds invested, cumulative market values of the investments
- 2) A Current Position Report with specific information on each investment held in the account(s)
- 3) A Historical Position Report with similar information as found in the current position report covering all investments in the account(s) since inception.

Portfolios are reviewed either by James S. Ryan, Supervisor, David W. Wright, IAR, or Jane Prause, IAR. All instructions concerning each client portfolio, if any, are reviewed at each client meeting, when such meetings take place.

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

First Ohio Planning may recommend product vendors who 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. Our due diligence of a product does not take into consideration any assistance we may receive. While the receipt of products or services is a benefit for you and us, it also presents a potential conflict of interest.

Our choice of custodian may be influenced by the services that the custodians available to us provide but do not necessarily benefit your account. Such services include software and technology that assist in the management and administration of your account and a mix of services to manage and further develop our business. A conflict of interest may exist because when we evaluate whether to recommend or require that you custody your assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely factors that are beneficial to you such as nature, cost or quality of custody and brokerage services.

First Ohio Planning does not compensate any person or entity to provide client referrals.

**First Ohio Planning Intelligent Portfolios Program.** We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Item 15 – Custody**

First Ohio Planning has custody only to the extent that it withdraws advisory fees from client accounts. The qualified custodian maintains actual custody of your assets.

You will receive at least quarterly statements from Charles Schwab & Co, Inc. First Ohio Planning urges all clients to carefully review such statements and compare such official custodial records to the account statements that we provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**First Ohio Planning Intelligent Portfolios Program.** We are deemed to have custody of a client's assets if the client authorizes us to instruct CS&CO to deduct our advisory fees directly from the client's account. This is the case for accounts in the Program. CS&Co maintains actual custody of clients' assets. Clients receive account statements directly from CS&Co at least quarterly. They will be sent to the email or postal mailing address the client provides to CS&Co. Clients should carefully review those statements promptly when received. We also urge clients to compare CS&Co's account statements to the periodic report balances clients receive from us.

## **Item 16 – Investment Discretion**

We offer discretionary asset management services. By execution of our advisory agreement and selecting discretionary management services, you will grant First Ohio Planning 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. You may terminate discretionary authorization at any time upon receipt of written notice by First Ohio Planning.

Discretionary trading authority facilitates placing trades in client accounts so that we may promptly implement the investment policy statement 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.

In all cases, 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 First Ohio Planning in writing.

We also offer discretionary and non-discretionary retirement plan consulting services and non-discretionary financial planning services as described in Item 4 Fees and Compensation.

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

As a matter of firm policy, First Ohio Planning does not vote proxies on your behalf. You are responsible for voting your proxies. Unless you suppress proxies, the account custodian or



transfer agent will send securities proxies directly to you. We may provide you with consulting assistance regarding proxy issues.

**First Ohio Planning Intelligent Portfolios Program.** As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.

## **Item 18 – Financial Information**

First Ohio Planning will not require you to prepay more than \$1,200 and 6 or more months in advance of receiving the advisory service; therefore, a balance sheet is not required to be attached.

If you grant First Ohio Planning discretionary authority over your account(s), that authority does not extend to the withdrawal of any of your assets, with the exception of deduction of First Ohio Planning'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 contractual commitment to you or any other client.

Neither First Ohio Planning nor any of its IARs has ever been the subject of a bankruptcy petition.

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

This section is not applicable to First Ohio Planning since it is not state registered. First Ohio Planning is registered with the United States Securities and Exchange Commission.