

# FinancialAdvice4Me, LLC

## Fee-Only Financial Planning & Investment Advice

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## Firm Brochure

(Part 2A of Form ADV)

October 2016

This Brochure provides information about the qualifications and business practices of FinancialAdvice4Me, LLC dba Plan & Act. If you have any questions about the contents of this Brochure, please contact us at (719) 539-1040 or by email at [info@planandact.com](mailto:info@planandact.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.

FinancialAdvice4Me, LLC is a registered internet investment adviser. Please note that the use of the term “registered investment adviser” and description of our firm and/or our associates as “registered” does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise clients for more information on the qualifications of our firm and our employees.

Additional information about FinancialAdvice4Me, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

FinancialAdvice4Me, LLC is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Since the last annual amendment filed on 3/30/2016, the following material changes have been made:

- Our firm has a new mailing address which is:  
123 G Street  
PO Box 1340  
Salida, CO 81201
- Our also maintains affiliations with FinancialIndependence4Me, LLC. Please See Item 10 for additional information.

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## Item 4 – Advisory Business

### *Firm Description*

FinancialAdvice4Me, LLC (“FA4Me”) was founded in 2008 by David Ron, Robert J. Schumann, Larry J. Soukup and Eldad Taub under the legal name of FinancialAdvice4Me, LLC. The business purpose is to deliver affordable, fee-only, financial planning to Middle America. Each client is interviewed in an online “chat”. A rules- based “expert system” synthesizes client data and develops a comprehensive plan for wealth accumulation, conservation or distribution. The expert system is based on thirty years of experience and several thousand cases. The system applies current tax law and the most recent developments in those areas of personal finance that affect the majority of US households.

FA4Me is an SEC-registered internet investment adviser relying on rule 203A-2(e) under the Investment Advisers Act of 1940. An internet investment adviser provides investment advice to all its clients exclusively through an “interactive website”. A limited exception, however, permits an adviser relying on the rule to provide investment advice to fewer than 15 Clients through other means during the preceding 12 months. The rule defines “interactive website” as a website in which computer software-based models or applications provide investment advice to Clients based on personal information provided by each Client through the website.

### *Principal Owners*

Ownership is as follows:

TKT, LTD	80.89%
Financial Stages, LLC	17.40%
Online365, LTD	1.71%

### *Types of Advisory Services*

#### Financial Planning:

We provide a provide clients with a SUM180 Plan, a written summary of their financial situation with observations and recommendations for their goals of either building, conserving or distributing wealth through its interactive website. These written financial plans usually include recommendations for a course of action to be taken by the client. For example, there may be anywhere from 10-30+ recommendations for saving a certain percentage of income, reducing income taxes, reducing spending, increasing income, how to select mutual funds, how to reduce investment expenses, recommendations for obtaining or revising insurance coverage, commencing or altering retirement savings, suggestions for creating wills or trusts, or establishing education or charitable giving programs. The plans generally include investment education and asset allocation models, but do not include specific investment advice. Implementation of the recommendations is at the discretion of the client.

For those clients who desire personal assistance or specific investment advice not available through FA4Me's interactive website, our affiliated entity FinancialIndependence4Me, LLC ("FI4Me") makes available a choice of registered investment advisers and CFP® practitioners who will answer questions about previously delivered financial plans. FI4Me performs due diligence on independent investment advisors to be sure they are properly licensed or registered, meet our published standards of experience and are trained in the wealth building and conservation principles and algorithms which drive our technology. These principles and practices include but are not limited to:

1. Determination of age and wealth positions on a ten stage financial life cycle
2. Calculation of net worth
3. Recommendation of an appropriate accumulation, conservation or distribution strategy
4. Income tax planning
5. Budgeting/cash flow
6. Real estate analysis
7. Debt or wealth restructuring
8. Life insurance analysis
9. Retirement accumulation planning
10. Retirement income planning
11. Children's education planning
12. Liquidity (emergency fund) planning
13. Portfolio analysis
14. Measurement of investor risk profile which includes:
  - a. Risk capacity (financial)
  - b. Risk required (financial)
  - c. Risk tolerance (psychological)
15. Asset allocation model to match risk profile
16. Investor education and principles for security selection

Additional information regarding our affiliated entities services can be located on their FI4Me's appropriate firm brochure.

After the Client engages the services of FA4Me by signed acknowledgement of the Financial Planning Agreement, the Client will answer questions to create a secure Client vault on FA4Me servers. The client is NOT asked for personal information such as Social Security number, driver's license or numbers on personal accounts. If financial statements are submitted, the Client is asked to black out Social Security and account numbers.

In performing its services, FA4Me, LLC shall not be required to verify any information received from the Client or from the Client's other professionals, and is expressly authorized to rely thereon. If Client wishes to change his or her financial situation or investment objectives for the purpose of reviewing, evaluating, and revising, Client may choose to engage FA4Me for additional project based services.

## Item 5 – Fees and Compensation

We are required to describe our brokerage, custody, fees, and fund expenses so you will know how much you are charged for the advisory services provided and by whom they are charged.

FA4Me offers Subscription and Premium Subscription Services through its interactive website. These services are charged on a flat fee basis and are not negotiable.

FA4Me charges an annual flat fee of \$129 for our **Subscription Service**.

FA4Me charges an annual flat fee of \$199 for our **Premium Subscription Service**. After the plan has been delivered, clients have the ability to obtain Additional Adviser Services through FI4Me. FI4Me charges a fee of \$99 for each 30-minute block for our **Additional Adviser Services**. For example, \$198 will purchase one hour of consulting time. One hour of time will be banked in the clients account until used. Usage will be tracked and recorded in 30 minute increments. Our hourly fees are as listed below, and are not negotiable.

## Termination & Refunds

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Since the FinancialAdvice4Me automated financial plans are a low cost subscription services there is no refund, even if the client does not use the services. The agreements with both FinancialAdvice4Me and FinancialIndependence4Me will terminate automatically unless subscription is renewed by the client. Client may terminate the financial consulting portion of this Agreement at any time by providing written notice via email to Admin@sum180.com. Termination will be effective upon receipt of such notice. For purposes of calculating prorated refunds for consulting services, all work performed by FI4Me up to the point of termination shall be calculated at the hourly rate in effect at time of termination. If the appropriate disclosure statements were not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with FA4Me or FI4Me, the client has the right to terminate this agreement without penalty within five business days after entering into it.

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

FA4Me 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). Such fees may create a conflict of interest and incentives to take more risk.

## Item 7 – Types of Clients

FA4Me has delivered about 300 financial plans to individuals and families with a net worth ranging from -\$30,000 to +\$7,000,000. FA4Me's target market is individuals with investable assets of \$10,000 to \$1,000,000.

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

### *Methods of Analysis*

FA4Me accepts the underlying assumptions of Nobel Prize winning Modern Portfolio Theory (1990) and the Efficient Market Hypothesis (2013) that capital markets work and offer returns commensurate to the risks investors are willing to take. While methods of fundamental analysis are used, the market price is probably the best estimate of a security's intrinsic value.

Investment strategies based on these assumptions may have a higher probability of success than theories based on speculation about “mispriced” securities and costly analysis of those securities. The biggest drag on investment performance is cost. Costs are incurred by trading, taxes, security analysis, and management fees. Mispricing may occur, but an active money manager must recover the cost of his or her services just to take advantage of it. The evidence suggests that a proven way to enhance investment performance is through diversification. Diversification means building portfolios with non-correlated asset classes and categories. Wherever possible, asset allocation recommendations are implemented with low cost, passively managed mutual funds and Exchange Traded Funds (ETF) from companies like Vanguard, Dimensional Fund Advisors and Fidelity. Where passively managed securities are not available, low cost actively managed funds may be recommended.

### *Investment Strategies*

The portfolios of our individual clients differ from institutional portfolios. An institutional portfolio is usually very large (hundreds of millions of dollars) with a single goal and a single time horizon. Individual portfolios are significantly smaller (less than 1-5 million dollars) with multiple goals such as new home purchase, emergency fund, college funding, retirement, long term care, etc. FA4Me investment strategies account for these differences by applying a model of “Functional Asset Allocation” (FAA) as an overlay to Modern Portfolio Theory. FAA includes the personal residence which is usually the biggest investment for most US households. FAA also includes other personal and business real estate.

### *Risk of Loss*

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

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FA4Me or the integrity of FA4Me's management. FA4Me has no information applicable to this Item.

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

### *Activities*

FA4Me does NOT engage in any other activities other than financial planning.

### *Affiliations*

One of the owners, Cambridge Financial Advisors, LLC, is a Colorado Registered Investment Adviser.

FinancialAdvice4Me, LLC also maintains affiliations with FinancialIndependence4Me, LLC. In addition, FA4Me may also form affiliations with other Registered Investment Advisers who wish to license FA4Me technology. Third party advisers define the scope of their services and set their own prices. This may create an opportunity for different prices for essentially the same financial plan. FA4Me manages this conflict by charging the same fee to third party advisers and to clients of third parties as it charges to its own clients. The only exception is Cambridge Financial Advisors, LLC which receives a \$100 discount as an acknowledgement of the investment and contributions to FA4Me.

Representatives of our firm are Certified Public Accountants and licensed attorneys. These services are independent of investment advisory services and are governed under a separate engagement agreement. Clients may be solicited to utilize these services, however, they are under no obligation to do so.

## **Item 11 – Code of Ethics**

An investment adviser is considered a fiduciary and our firm has a fiduciary duty to all of our clients. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes policies and procedures to avoid Insider Trading, as well as Personal Securities Transactions Policies and Procedures. Upon employment or affiliation, and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Related persons of our firm may buy or sell securities and other investments that are also owned by our clients. In order to minimize this potential conflict of interest, our related



persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons' accounts will be traded in the same manner every time.

## **Item 12 – Brokerage Practices**

Not applicable. See Item 4.

## **Item 13. – Review of Accounts or Financial Plans**

Financial planning clients do not receive reviews of their written plans. However, clients can update their financial plans by entering into a new financial plan engagement. We generally recommend that this be done every one to three years depending on the financial circumstances of the client.

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

FA4Me may pay referral fees (non-commission) to independent solicitors (nonregistered representatives) for the referral of their Clients to Plan and Act in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940. This arrangement will not result in higher costs to the Client. In this regard, FA4Me maintains *Solicitors Agreements* in compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940. In addition, all applicable federal and state laws will be observed. All Clients referred by Solicitors to FA4Me will be given full written disclosure describing the terms and fee arrangements between FA4Me and its Solicitor(s).

## **Item 15. – Custody**

Not applicable. See Item 4.

## **Item 16. – Investment Discretion**

Not applicable. See Item 4.

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

Not applicable. See Item 4.

## **Item 18 – Financial Information**

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year. Registered investment advisers are required in this item to provide you with certain financial information or disclosures about FA4Me financial condition. FA4Me has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.