

**Hefty Wealth Partners, Inc.**  
**SEC File # 801-71660**

**ADV Part 2A, Firm Brochure**  
**Dated: February 27, 2018**

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This brochure provides information about the qualifications and business practices of Hefty Wealth Partners, Inc. If you have any questions about the contents of this brochure, please contact Christina Martinez at 260-927-1830 or [christina.martinez@heftywealth.com](mailto:christina.martinez@heftywealth.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.

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

References herein to Hefty Wealth Partners, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training

## Item 2 – Material Changes

Since last year's Annual Amendment filing on January 19, 2017, this ADV Part 2A Firm Brochure has not been materially amended.

## Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	2
Item 4 – Advisory Business .....	3
Item 5 – Fees and Compensation .....	15
Item 6 – Performance-Based Fees and Side-By-Side Management .....	20
Item 7 – Types of Clients .....	20
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	21
Item 9 – Disciplinary Information .....	23
Item 10 – Other Financial Industry Activities and Affiliations .....	24
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	24
Item 12 – Brokerage Practices .....	25
Item 13 – Review of Accounts .....	29
Item 14 – Client Referrals and Other Compensation .....	30
Item 15 – Custody .....	30
Item 16 – Investment Discretion .....	30
Item 17 – Voting Client Securities .....	31
Item 18 – Financial Information .....	31

#### **Item 4 – Advisory Business**

- A. Hefty Wealth Partners, Inc. (“Hefty Wealth Partners”) was formed in 2010 in the State of Indiana. It became an SEC-Registered investment adviser on July 26, 2010. Hefty Wealth Partners’ principal owners are: David Hefty - Chief Executive Officer and Stacy Hefty - President.
- B. As discussed below, Hefty Wealth Partners offers to its clients (individuals, high net worth individuals, charitable organizations and business entities), asset management services on a discretionary wrap fee basis; and comprehensive financial planning and consulting services on an hourly or fixed-fee basis.

#### **Asset Management Services – Hefty Wealth Portfolios Wrap Fee Program**

Hefty Wealth Partners provides asset management services on a discretionary wrap fee basis in accordance with Hefty Wealth Partners’ wrap fee program (the “Program”). The services offered and the corresponding terms and conditions pertaining to the Program are discussed in the ADV Part 2A, Appendix 1, Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants. Under the Program, Hefty Wealth Partners is able to offer participants discretionary asset management services for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. All prospective Program participants are encouraged to review and ask any questions about both this Brochure and the Wrap Fee Program Brochure before choosing to participate in the Program. Program accounts are established at LPL Financial, a FINRA and SIPC member broker-dealer/custodian (“LPL”) and/or TD Ameritrade, a FINRA and SIPC member broker-dealer/custodian (“Ameritrade”). LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for Hefty Wealth Partners’ clients through the Program.

The Program’s discretionary basis allows for allocating to numerous investments, including but not limited to, individual equities, individual bonds, open-end mutual funds, closed-end mutual funds, exchange traded funds (ETFs), and exchange traded notes (ETNs). Asset allocation guidelines within the Program will be pursuant to the client’s investment objective and may entail an allocation to multiple strategies within an account. Client understands that achievement of the stated investment objective is a long-term goal.

Additional deposits in the Program will be invested in securities consistent with the current target allocation for the model portfolio, but such deposits (or a portion thereof) may remain in cash until certain conditions are met related to trade size and position deviation from the target allocation. Hefty Wealth Partners may accommodate requests for all or a portion of the assets in the account(s) to remain unallocated and allocated to cash for a period of time.

Liquidation requests in connection with withdrawals, and changes to the model portfolios or investment objective selected may take up to 5 business days to process, and, in certain circumstances, may take longer.

If client advises Hefty Wealth Partners that restrictions be placed on certain assets while account(s) are invested in the Program, Hefty Wealth Partners will not manage those assets in accordance with the Program’s guidelines. Only assets contained within the Program’s models will be continuously managed.

Hefty Wealth Partners coordinates the trades among the various securities and model portfolio(s) of the account(s). After the account(s) is opened, and upon deposit of funds or securities by the client, Hefty Wealth Partners will invest the assets based on the model portfolio(s) selected. It generally will take up to 5 business days from the date the account(s) is fully funded for all assets to be fully allocated across the model portfolio(s). In certain cases, it may take longer to allocate assets, for example, depending on the ability of Hefty Wealth Partners to liquidate the securities transferred into the account(s).

In the event that the client transfers assets to Hefty Wealth Partners that are not publicly traded, or when liquidity is minimal, costs for the liquidation of such assets will be borne by the client and will not be incurred by Hefty Wealth Partners. The costs associated with liquidation will be determined by the custodian.

If client transfers into the Program with a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption.

#### **Asset Management Services – Hefty Wealth Portfolios High Net Worth Wrap Fee Program**

For clients who have at least \$1,000,000 under management with Hefty Wealth Partners or who pay a minimum annual advisory fee of \$10,000 as of the most recently completed fiscal year, Hefty Wealth Partners may offer its high net worth service offering on a wrap fee basis (the “High Net Worth Program”). Under the High Net Worth Program, Hefty Wealth Partners is able to offer participants the same discretionary asset management services that are offered under the Program, in addition to the following offered services:

- One Dedicated Wealth Partner whom is an equity partner of the firm
- One Dedicated Financial Advisor
- One Dedicated Paraplanner
- Direct access to all members of the High Net Worth team
- Six stay in touch calls annually
- Comprehensive annual reviews
- Miscellaneous meetings as necessary
- Weekly eNewsletter
- Exclusive High Net Worth only educational events
- Free Document shredding
- Legacy for Life® set up and ongoing services
- Complementary advanced estate and charitable planning
- Online and mobile access to your comprehensive plan
- Online and mobile access to your investment accounts
- Full capabilities of Hefty Wealth Portfolios

#### **Asset Management Services – Hefty Wealth Portfolios Wealth Management Wrap Fee Program**

For clients who have at least \$250,000 under management with Hefty Wealth Partners or who pay a minimum annual advisory fee of \$4,000 as of the most recently completed fiscal year, Hefty Wealth Partners may offer its Wealth Management service offering on a wrap fee basis (the “Wealth Management Program”). Under the Wealth Management Program, Hefty Wealth Partners is able to

offer participants the same discretionary asset management services that are offered under the Program, in addition to the following offered services:

- One Dedicated Wealth Partner
- One Dedicated Financial Advisor
- One Dedicated Paraplanner
- Four stay in touch calls annually
- Comprehensive annual reviews
- Weekly eNewsletter
- Client educational events
- Free Document shredding
- Legacy for Life® set up and ongoing services
- Online and mobile access to your comprehensive plan
- Online and mobile access to your investment accounts
- Full capabilities of Hefty Wealth Portfolios

#### **Asset Management Services – Hefty Wealth Portfolios Financial Planning Wrap Fee Program**

For clients who have at least \$100,000 under management with Hefty Wealth Partners or who pay a minimum annual advisory fee of \$1,750 as of the most recently completed fiscal year, Hefty Wealth Partners may offer its Financial Planning service offering on a wrap fee basis (the “Financial Planning Program”). Under the Financial Planning Program, Hefty Wealth Partners is able to offer participants a limited amount of discretionary asset management services that are offered under the Program, in addition to the following offered services:

- One Dedicated Financial Advisor
- Access to a Paraplanner
- Four stay in touch calls
- Comprehensive annual reviews
- Weekly eNewsletter
- Client educational events
- Free Document shredding
- Financial Planning set up and ongoing services
- Online and mobile access to your financial plan
- Online and mobile access to your investment accounts

#### **Asset Management Services – Hefty Wealth Portfolios Hefty Direct Wrap Fee Program**

For clients who have at least \$5,000 under management with Hefty Wealth Partners. Hefty Wealth Partners may offer its Hefty Direct service offering on a wrap fee basis (the “Hefty Direct Program”). Under the Hefty Direct Program, Hefty Wealth Partners is able to offer participants a limited amount of discretionary asset management services that are offered under the Program, in addition to the following offered services:

- Access to a Financial Advisor over the phone
- Annual Electronic Investment review
- Weekly eNewsletter
- Online and mobile access to your retirement analysis
- Online and mobile access to your investment accounts

Before engaging Hefty Wealth Partners to provide asset management services clients are required to enter into an agreement with Hefty Wealth Partners setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

**Please Note:** As indicated in the Wrap Fee Program Brochure, participation may cost more or less than purchasing such services separately. If the client were to engage Hefty Wealth Partners on a non-wrap fee basis, the client would select individual services on an unbundled basis, paying for each service separately (i.e. asset management, brokerage, custody). When managing a client's account on a wrap fee basis, Hefty Wealth Partners shall receive as payment for its asset management services, the balance of the wrap fee after all other costs (including account transaction fees) incorporated into the wrap fee have been deducted. As also indicated in the Wrap Fee Program Brochure, the fee charged by Hefty Wealth Partners for participation may be higher or lower than those charged by other sponsors of comparable wrap fee programs. **Conflict of Interest.** Because transaction fees and/or commissions are being paid by Hefty Wealth Partners to the account custodian/broker-dealer, Hefty Wealth Partners could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. **Hefty Wealth Partner's Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create.**

Under each Program, Hefty Wealth Partners provides asset management services specific to the needs of each client. Before providing asset management services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Hefty Wealth Partners will allocate investment assets consistent with the designated investment objective(s). Hefty Wealth Partners primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, no load mutual funds, and/or exchange traded funds ("ETFs"). Once allocated, Hefty Wealth Partners provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

#### **Asset Management Services – Hefty Wealth Strategy Portfolios**

When consistent with a particular client's designated investment objective(s), Hefty Wealth Partners may recommend that clients invest in any one or more of the following Strategy Portfolios, which are selected and managed at the individual client level. Hefty Wealth Partners may also implement "Custom Strategy Portfolios," which are typically comprised of a blend of the holdings contained in one or more of Strategy Portfolios described below, and may also include additional common stocks, individual bonds, options, preferred stocks, ETFs, mutual funds, private or direct placements or annuities.

Each Strategy Portfolio carries an additional fee and/or a minimum investment as fully described in Item 5 below.

The relative investment philosophies, asset selection process, independent manager selection process (as applicable), general product types and anticipated trading frequency for the Strategy Portfolios are as follows:

#### **U.S. Focused Strategy Portfolio**

This is a United States concentrated buy-and-hold indexed strategy with no active or tactical investment management. The asset allocation guidelines are driven by Morningstar Ibbotson Asset Allocation models. Hefty Wealth Partners will select passively managed mutual funds for this Strategy Portfolio by seeking those with the highest correlation to each respective asset and style class. The holdings will be comprised of between 3 and 10 mutual funds meeting the following general descriptions: asset preservation; income; growth & income; growth, and aggressive growth. The

holdings will be traded as conditions warrant. This strategy may also hold individual bonds, alternative investments, annuities, individual equities and preferred stocks.

### **Global Multi-Strategy Portfolio**

This is a tactical investment management strategy constructed entirely with exchange traded funds (ETFs). The strategy is comprised of five different allocations that include: Passive exposure to U.S. equity markets, quantitative based sector rotation of the underlying sectors of the U.S. market, individual country rotation exposure that is guided by relative strength and other quantitative factors, a momentum based global equity exposure, and a rotation allocation that is dictated by technical analysis tied to U.S. and global equity indices. The broad base case asset allocation of the strategy is guided by Hefty Wealth Partners and changes may take place monthly. The underlying holdings of the strategy will be selected on their ability to maintain low expenses and produce a low tracking error to the benchmark. All holdings will be passively constructed and will be tactically managed in the strategy. At any point in time, the equity allocation of the strategy will contain a minimum 35% international exposure and may contain as much as 60% given the monthly and quarterly tactical allocations of the strategy. The holdings in the strategy will be comprised of between 5-32 exchanges traded funds meetings the following descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth. The holdings will be traded as conditions warrant.

### **USA Multi-Strategy Portfolio**

This is a tactical investment management strategy constructed entirely with exchange traded funds (ETFs) with exposure aimed solely to U.S. markets. The strategy is comprised of four different allocations that include: Passive exposure to U.S. equity markets that is designed to include factor based investing, momentum exposure designed to drive directional indicators across major domestic indices, technical analysis focused on price, volume, and risk, and a quantitative factor aimed at rotating amongst 25 different industries in the U.S. market. The broad base case asset allocation of the strategy is guided by Hefty Wealth Partners and changes may take place monthly. The underlying holdings of the strategy will be selected on their ability to maintain low expenses and produce a low tracking error to the benchmark. All holdings will be passively constructed and will be tactically managed in the strategy. The holdings in the strategy will be comprised of between 5-25 exchanges traded funds meetings the following descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth. The holdings will be traded as conditions warrant.

### **Tax Advantaged ETF Strategy**

This is a passive strategy constructed solely with exchange traded funds (ETFs) and aimed at producing long-term capital gains and tax-free income from fixed income municipal bond holdings. The strategy's equity allocation contains provides a global exposure with a bias to U.S. based holdings. The underlying holdings of the strategy will be selected on their ability to maintain low expenses and produce a low tracking error to the benchmark. Systematic rebalancing will be kept at a minimum and may occur in the event that assets are swapped. All underlying fixed income holdings will be AMT free (alternative minimum tax free). The holdings in the strategy will be comprised of between 4-12 exchanges traded funds meetings the following descriptions: fixed income; asset preservation; income and growth & income.

### **Passive Core Strategy**

This is a passive strategy constructed solely with exchange traded funds (ETFs) and aimed at producing long-term capital gains through global exposure. The underlying holdings of the strategy will be selected on their ability to maintain low expenses and produce a low tracking error to the

benchmark. Systematic rebalancing will be kept at a minimum and may occur in the event that assets are swapped. The holdings in the strategy will be comprised of between 3-15 exchanges traded funds meeting the following descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth.

#### **Global Diversified Strategy Portfolio**

This is a tactical investment management strategy executed by overweighting and underweighting asset and style classes as well as geographical regions on an ongoing basis. The tactical process is overlaid with a continuous active management across the same asset and style classes, as well as geographical regions. 50% of the asset allocation guidelines are driven by Morningstar Ibbotson Asset Allocation models; and the other 50% is driven by internal independent research guided at qualitative and quantitative factors. Hefty Wealth Partners will select actively managed mutual funds utilized for this Strategy Portfolio by using qualitative and quantitative screening criteria as compared to internal and external research, in addition to discussions with analysts and managers. The holdings will be comprised of between 8 and 35 mutual funds meeting the following general descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth. The holdings will be traded as conditions warrant. This strategy may also hold individual bonds, alternative investments, annuities, individual equities and preferred stocks.

#### **Tax Advantaged Strategy Portfolio**

This is a tactical and active fixed income investment management strategy coupled with a passive equity strategy. The asset allocation guidelines are driven by Morningstar Ibbotson Asset Allocation models. Hefty Wealth Partners will select passively managed equity mutual funds and actively managed municipal bond mutual funds for this Strategy Portfolio by using qualitative and quantitative screening criteria as compared to internal and external research, in addition to discussions with analysts and managers. The holdings will be comprised of between 5 and 20 mutual funds meeting the following general descriptions: fixed income; asset preservation; income; and growth with income. The holdings will be traded as conditions warrant. This strategy may also hold individual bonds, alternative investments, annuities, individual equities and preferred stocks.

#### **Global Equity Income Strategy Portfolio**

This investment management strategy is focused upon quality and long-term sustainability of balance sheet strength relative to market fundamentals. The asset allocation guidelines are comprised of large capitalization on the individual equities and blended geographic and capitalization exposure on the ETFs. Hefty Wealth Partners will select dividend focused ETFs utilized for this Strategy Portfolio by using rigorous qualitative and quantitative screening criteria that encompasses global dividend paying equities. The holdings will be comprised of approximately 10 US equity income equities (stocks) and up to 10 ETFs. The fixed income portion of the portfolios will be comprised of municipal bond ETFs. The general descriptions are global equity income aggressive growth, global equity income growth and global equity income balanced. The holdings will be traded every 366 days. This strategy may also hold individual bonds, alternative investments, annuities, and preferred stocks.

#### **Equity Enhanced Core**

This is a core-satellite strategy designed to provide broader diversification across passive global equity markets. The strategy is designed to produce only long-term capital gains and seeks indirect global exposure through its individual equity holdings. Systematic rebalances will occur annually with ad-hoc changes taking place as needed. The core component of the strategy will be comprised of no more than 5 individual ETFs while the satellite exposure will be constructed with ten equally weighted individual large capitalization equities. The total holdings in the strategy will be comprised of between 13-18 assets meeting the following descriptions: growth & income; growth; and aggressive growth.



**Alpha Driven Strategy Portfolio**

This investment management strategy is based on a combination of quantitative and qualitative criteria aimed at relative risk, correlations, various coefficients, sector analysis, balance sheet strengths and overall market capitalization. The asset allocation guidelines are driven by quarterly data and vary between large, medium, and small capitalization style classes. Hefty Wealth Partners will internally manage this strategy incorporating fundamental, quantitative, and passive strategies. The holdings will be comprised of between 20 and 35 equities (stocks) and ETFs meeting the following general descriptions: ADS core aggressive growth; ADS core growth; and ADS core growth & income. The holdings will be traded quarterly. This strategy may also hold individual bonds, alternative investments, annuities, and preferred stocks.

**(Small Account Solution) SAS Active Strategy Portfolio**

This is a buy-and-hold active strategy. The asset allocation guidelines will match the client's investment objective. Hefty Wealth Partners will select one actively managed mutual fund per strategy Portfolio using qualitative and quantitative screening criteria as compared to internal and external research, in addition to discussions with analysts and managers. The holdings will be comprised of one mutual fund per strategy portfolio meeting the following general descriptions: asset preservation; income; growth & income; growth; and aggressive growth. The holdings will be traded as conditions warrant.

**CrescendoMAX Direct**

When consistent with a client's investment objectives, Hefty Wealth Partners may provide portfolio management services, on a wrap fee basis, through an automated, online investment management platform (CrescendoMAX Direct), custodied with Ameritrade. Through CrescendoMAX Direct, Hefty Wealth Partners offers clients a range of investment portfolios it has constructed and manages.

Hefty Wealth Partners is the client's investment adviser and primary point of contact with respect to CrescendoMAX Direct. Hefty Wealth Partners is solely responsible for determining the appropriateness of CrescendoMAX Direct 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.

Hefty Wealth Partners has contracted with Orion Advisor Services and Riskalyze to provide it with the technology platform and related services for CrescendoMAX Direct. This platform enables Hefty Wealth Partners to make CrescendoMAX Direct available to clients online and includes a system that automates certain key parts of Hefty Wealth Partners' investment process (the "System"). The System includes an online questionnaire that helps Hefty Wealth Partners determine the client's investment objectives and risk tolerance and select an appropriate investment portfolio. Hefty Wealth Partners will recommend a portfolio via the system in response to the client's answers to the online questionnaire. The system also includes an automated investment engine through which Hefty Wealth Partners manages the client's portfolio on an ongoing basis.

**Please Note:** As indicated in the Wrap Fee Program Brochure, participation in CrescendoMAX Direct may cost more or less than if the client paid for investment management and securities transaction services separately. If the client were to engage Hefty Wealth Partners on a non-wrap fee basis, the client would select individual services on an unbundled basis, paying for each service separately (i.e. asset management, brokerage, custody). When managing a client's account through CrescendoMAX Direct on a wrap fee basis, Hefty Wealth Partners shall receive as payment for its asset management services, the balance of the wrap fee after all other costs (including account transaction fees)

incorporated into the wrap fee have been deducted. As also indicated in the Wrap Fee Program Brochure, the fee charged by Hefty Wealth Partners for participation may be higher or lower than those charged by other sponsors of comparable wrap fee programs. **Conflict of Interest.** Because transaction fees and/or commissions are being paid by Hefty Wealth Partners to the account custodian/broker-dealer, Hefty Wealth Partners could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. **Hefty Wealth Partner's Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create.**

#### **Playbook and Coaching Sessions**

CrescendoMAX Direct participants may, for a separate and additional fee, elect to receive access to certain financial and economic planning tools available through the CrescendoMAX automated platform. In addition to receiving access to these tools, these CrescendoMAX participants will also have the ability to schedule telephone planning sessions with certain Hefty Wealth Partners professionals to discuss general financial planning concepts and issues.

#### **Financial Planning and Consulting Services**

Financial planning and consulting helps clients to identify long-term financial goals intended to be achieved through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. Hefty Wealth Partners provides financial planning and consulting services, which focus upon a client's overall financial situation. Before engaging Hefty Wealth Partners to provide financial planning or consulting services, clients may be required to enter into a Financial Planning and Consulting Agreement with Hefty Wealth Partners setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Hefty Wealth Partners commencing services. If requested by the client, Hefty Wealth Partners may recommend the services of other professionals for implementation purposes, including Hefty Wealth Partners' representatives in their individual capacities as registered representatives of LPL. (See disclosure at Item 10 C). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Hefty Wealth Partners.

**Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** Each client is advised that it remains the client's responsibility to promptly notify Hefty Wealth Partners if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising Hefty Wealth Partners' previous recommendations and/or services.

Hefty Wealth Partners offers three basic forms of financial planning and consulting services: "Legacy for Life® Services," "Financial Planning," and "Stand-Alone Financial Consulting Services."

#### **Legacy for Life® Services**

Hefty Wealth Partners provides financial planning and/or estate planning services to individual clients through its Legacy for Life® Program in which financial plans are updated as often as daily; but no less frequently than weekly, by automatically downloading the client's various investment accounts into Hefty Wealth Partners' financial planning software. Depending on the scope of the engagement,

areas covered through Legacy for Life® may include, but are not necessarily limited to: retirement planning, major purchase planning, education planning, estate planning, small business planning, risk management planning, corporate services, and consulting for non-for-profit organizations.

In certain instances where clients do not meet Hefty Wealth Partners' advisory fee minimum requirements, Hefty Wealth Partners may make its Legacy for Live ® Services and Financial Planning Services available through a separate service agreement.

To initiate the Legacy for Life® engagement, Hefty Wealth Partners will meet with these clients to determine the scope of services and financial planning topics to be covered. Once defined and agreed upon, the client and Hefty Wealth Partners will enter into a Legacy for Life® - Financial Planning Agreement.

#### Financial Planning Services

Hefty Wealth Partners provides financial planning services to individual clients through its Financial Planning and Hefty Direct Programs in which financial plans are updated as often as daily; but no less frequently than weekly, by downloading the client's various investment accounts into Hefty Wealth Partners' financial planning software. Depending on the scope of the engagement, areas covered through Financial Planning Services may include, but are not necessarily limited to: retirement planning, major purchase planning, education planning and risk management planning.

In certain instances where clients do not meet Hefty Wealth Partners' advisory fee minimum requirements, Hefty Wealth Partners may make Financial Planning Services available through a separate service agreement.

To initiate the Financial Planning Services engagement, Hefty Wealth Partners will meet with these clients to determine the scope of services and financial planning topics to be covered. Once defined and agreed upon, the client and Hefty Wealth Partners will enter into a Financial Planning Agreement.

#### Stand-Alone Financial Consulting Services

Hefty Wealth Partners may also provide financial planning and consulting services on a one-time-only basis. Topics covered as part of these services may include any particular issue of concern to the client as agreed to between the Client and Hefty Wealth Partners, which generally include retirement planning, major purchase planning, education planning, estate planning, small business planning, risk management planning, corporate services, consulting for non-for-profit organizations and estate settlement.

#### Miscellaneous

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by a client, Hefty Wealth Partners may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Hefty Wealth Partners **does not** serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, Hefty Wealth Partners **does not** prepare estate planning documents or tax returns. To the extent requested by a client, Hefty Wealth Partners may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.), including representatives of Hefty Wealth Partners in their separate individual capacities as representatives of LPL, a FINRA member broker-dealer and/or as licensed insurance agents. The client is under no obligation to engage the services of any such recommended

professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Hefty Wealth Partners and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by Hefty Wealth Partners' representative that a client purchase a securities or insurance commission product through Hefty Wealth Partners' representative in their separate and individual capacity as a registered representative of LPL and/or as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through such a representative. Clients are reminded that they may purchase securities and insurance products recommended by Hefty Wealth Partners through other, non-affiliated registered representatives of a broker-dealer and/or insurance agents. .

#### **Trade Error Policy**

Hefty Wealth Partners has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Hefty Wealth Partners to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Hefty Wealth Partners if the error was caused by our Firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. Hefty Wealth Partners may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons). Hefty Wealth Partners and its supervised persons will never retain any portion of any gains made as a result of trade error corrections or profit in any way from trade errors. If the gain does not remain in the account and LPL is the custodian, LPL as the broker/dealer, will maintain gains that may result from correcting a trade error and in some instances may use such gains to offset overall losses LPL incurs from trading errors.

**Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Hefty Wealth Partners may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Hefty Wealth Partners' advisory fee. Please Further Note: When the account is holding cash positions, those cash positions will be subject to the same fee schedule as set forth above for fixed income. Hefty Wealth Partners' Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.

**Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are

permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee as a result of the rollover. To the extent that Registrant recommends that clients roll over assets from their retirement plan to an IRA managed by Registrant, then Registrant represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974 ("ERISA"), or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. The Registrant's Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the for conflict of interest presented by such a rollover recommendation.**

ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then the Registrant represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by the Registrant or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

Sub-Advisory Engagements. Hefty Wealth Partners may serve as a sub-advisor to unaffiliated registered investment advisors according to the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisors that engage the Firm's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Hefty Wealth Partners' designated investment strategies and/or programs. If the custodian/broker-dealer is determined by the unaffiliated investment adviser, Hefty Wealth Partners will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Hefty Wealth Partners. Higher transaction costs adversely impact account performance.

Use of Mutual and Exchange Traded Funds. Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by Hefty Wealth Partners independent of engaging Hefty Wealth Partners as an investment advisor. However, if a prospective client determines to do so, he/she will not receive the Hefty Wealth Partners' initial and ongoing investment advisory services. **Please Note:** In addition to Hefty Wealth Partners' investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity. Hefty Wealth Partners has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Hefty Wealth Partners will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift,

account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Hefty Wealth Partners determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Hefty Wealth Partners will be profitable or equal any specific performance level(s).

eMoney Advisor Platform. Hefty Wealth Partners may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that Hefty Wealth Partners does not manage (the "Excluded Assets"). Hefty Wealth Partners does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Hefty Wealth Partners shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Hefty Wealth Partners, shall be exclusively responsible for such investment performance. The client may choose to engage Hefty Wealth Partners to manage some or all of the Excluded Assets pursuant to the terms and conditions of an *Investment Advisory Agreement* between Hefty Wealth Partners and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Hefty Wealth Partners. Finally, Hefty Wealth Partners shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Hefty Wealth Partners' assistance or oversight.

Client Obligations. In performing its services, Hefty Wealth Partners 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. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Hefty Wealth Partners if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Hefty Wealth Partners' previous recommendations and/or services.

Disclosure Statement. A copy of Hefty Wealth Partners': written Brochure as set forth on ADV Part 2A, Wrap Fee Program Brochure as set forth on ADV Part 2A Appendix 1 (as applicable), and ADV Part 2B Brochure Supplement shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

- C. Hefty Wealth Partners provides asset management services specific to the needs of each client. Before providing asset management services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Hefty Wealth Partners will allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Hefty Wealth Partners' services.
- D. Hefty Wealth Partners only provides asset management services on a discretionary wrap fee basis. If a client determines to engage Hefty Wealth Partners on a wrap fee basis the client will pay a single fee for bundled services (i.e. asset management, brokerage, custody) (See Item 4.B). The services included in a wrap fee agreement will depend upon each client's particular need. **Please Note:** When managing a client's account on a wrap fee basis, Hefty Wealth Partners shall receive as payment for its asset management services, the balance of the wrap fee after all other costs (including account transaction fees) incorporated into the wrap fee have been deducted. **Conflict of Interest.** Because Program transaction fees and/or commissions are being paid by Hefty Wealth Partners to the account

custodian/broker-dealer, Hefty Wealth Partners could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. **Hefty Wealth Partner's Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create.**

- E. As of December 31, 2017, Hefty Wealth Partners maintained \$207,817,710 in client assets under management on a discretionary basis.

## Item 5 – Fees and Compensation

A.

### **Asset Management Services – Hefty Wealth Portfolios Wrap Fee Program**

If a client determines to engage Hefty Wealth Partners to provide investment management services on a wrap fee basis in accordance with the Program, the services offered under, and the corresponding terms and conditions pertaining to the Program are discussed in the Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants.

Under the Program, the Wealth Management Program and the Financial Planning Program, Hefty Wealth Partners is able to offer participants discretionary asset management services for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees, and depending on the Program, certain financial planning services. The negotiable annual fee is based upon a percentage (%) of the total market value and type of assets placed under Hefty Wealth Partners' management (generally between 0.75% and 1.75%, subject to the minimum fees disclosed in Item 7 below), to be charged quarterly in advance on a tiered basis as follows:

<u>Market Value of Portfolio</u>	<u>Annual Tiered Fee %</u>
Assets equal to \$100,000 and below	1.75%
Next Assets between \$100,001 and \$250,000	1.50%
Next Assets between \$250,001 and \$500,000	1.15%
Next Assets between \$500,001 and \$750,000	0.90%
Next Assets exceeding \$750,000	0.75%

### **Asset Management Services – Hefty Wealth Portfolios High Net Worth Wrap Fee Program**

For clients who have at least \$1,000,000 under management with Hefty Wealth Partners or who pay an annual advisory fee of \$10,000 as of the most recently completed fiscal year, Hefty Wealth Partners may offer its high net worth service offering on a wrap fee basis. For those clients, the negotiable annual High Net Worth Program fee is based upon a percentage (%) of the total market value and type of assets placed under Hefty Wealth Partners' management (generally between 0.50% and 1.00%, subject to the minimum fees disclosed in Item 7 below), to be charged quarterly in advance on a tiered basis, as follows:

<u>Market Value of Portfolio</u>	<u>Annual Tiered Fee %</u>
Assets equal to \$1,000,000 and below	1.00%
Next Assets between \$1,000,001 and \$2,500,000	0.75%
Next Assets exceeding \$2,500,000	0.50%

**Asset Management Services – Hefty Wealth Portfolios Institutional Wrap Fee Program**

For our institutional clients, Hefty Wealth Partners may offer its institutional service offering on a wrap fee basis (the “Institutional Program”). For those clients, the negotiable annual Institutional Program fee is based upon a percentage (%) of the total market value and type of assets placed under Hefty Wealth Partners’ management (generally between 0.25% and 0.60%, subject to the minimum fees disclosed in Item 7 below), to be charged quarterly in advance on a tiered basis, as follows:

<u>Market Value of Portfolio</u>	<u>Annual Tiered Fee %</u>
Total Assets equal to \$1,000,000 and below	0.60%
Next Assets between \$1,000,001 and \$2,500,000	0.40%
Next Assets exceeding \$2,500,000	0.25%

**Please Note:** As indicated in the Wrap Fee Program Brochure, participation in the Program, the High Net Worth Program, or the Institutional Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Fee Program Brochure, either Program fee charged by Hefty Wealth Partners for participation in either Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

**Asset Management Services – Hefty Wealth Strategy Portfolios**

In addition to the fees stated above, clients who select the Hefty Wealth Strategy Portfolios will pay an additional non-negotiable quarterly strategy fee based upon the percentage (%) of Portfolio Strategy assets under management, and are also subject to the following minimum investment requirements as follows:

<u>Strategy Portfolio</u>	<u>Strategy Fee</u>	<u>Minimum Required Investment</u>
*SAS Active	\$0 + 0.05%	\$1,000
U.S. Focused	\$50 + 0.05%	\$15,000
Global Diversified	\$100 + 0.10%	\$30,000
Tax Advantaged	\$100 + 0.10%	\$30,000
Tax Advantaged ETF	\$500 + 0.25%	\$100,000
Equity Enhanced	\$500 + 0.25%	\$100,000
Global Multi-Strategy	\$500 + 0.25%	\$100,000
USA Multi-Strategy	\$500 + 0.25%	\$100,000
Global Equity Income	\$500 + 0.25%	\$100,000
Alpha Driven	\$750 + 0.25%	\$250,000

\* SAS Active has a maximum investment amount of \$15,000.

Strategy fees for Custom Strategies are assessed on a case by case basis and range from \$0 - \$1,000 + 0.10% - 0.25%, with a minimum required investment of \$100,000.

**Please Note:** Hefty Wealth Partners will screen client accounts invested in the Hefty Wealth Strategy Portfolios, and will automatically reallocate investment assets to other strategies matching the same investment objective as follows: SAS Active accounts with over \$20,000 will be transferred to U.S. Focused; and Tactical accounts that are valued below \$30,000 are moved to an U.S. Focused.



### **Asset Management Services – Hefty Wealth Portfolios Hefty Direct Wrap Fee Program**

For our Hefty Direct clients, Hefty Wealth Partners may offer its Hefty Direct service offering on a wrap fee basis (the “Hefty Direct Program”). For those clients, the negotiable annual Hefty Direct Program fee is based upon a percentage (%) of the total market value and type of assets placed under Hefty Wealth Partners’ management of 0.99% subject to the minimum account size disclosed in Item 7 below, to be charged quarterly in advance on a flat basis.

**Please Note:** As indicated in the Wrap Fee Program Brochure, participation in the Program, the High Net Worth Program, or the Institutional Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Fee Program Brochure, either Program fee charged by Hefty Wealth Partners for participation in either Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

### **CrescendoMAX Direct**

When consistent with a client’s investment objectives, Hefty Wealth Partners may provide portfolio management services, on a wrap fee basis, through an automated, online investment management platform. Through the CrescendoMAX Direct, Hefty Wealth Partners offers clients a range of investment portfolios it has constructed and manages. Hefty Wealth Partners’ wrap fee for CrescendoMAX accounts shall be 0.85% of the market value of the assets placed under Hefty Wealth Partners’ management.

### **Playbook and Coaching Sessions**

CrescendoMAX Direct participants may choose to receive access to certain financial and economic planning tools available through the CrescendoMAX automated platform and have the ability to schedule telephone planning sessions with certain Hefty Wealth Partners professionals to discuss general financial planning concepts and issues. These services are available to CrescendoMAX Direct participants for a separate and additional monthly fee of \$50 (or \$25 if made via direct payroll deduction).

### **Financial Planning and Consulting Services**

#### **Legacy for Life® Services**

##### **High Net Worth Program**

Hefty Wealth Partners may charge a negotiable flat fee for the preparation of the initial base plan, generally between \$10,000 and \$25,000, depending upon: the client’s financial situation, complexity of services rendered and the scope of the topics covered in the plan. Hefty Wealth Partners may also waive this fee entirely with respect to any client whose advisory fees exceed \$10,000 per year. The initial base plan fee will be discussed with the client and incorporated into the Legacy for Life® - Financial Planning Agreement, which must be executed before Hefty Wealth Partners commences Legacy for Life® services. The initial base plan fee is due from the client upon conclusion of the meeting during which the initial findings, recommendations and initial base plan are presented to the client.

Once the initial base plan fee is paid, Hefty Wealth Partners does not charge for on-going Legacy for Life® services to clients who maintain at least \$1,000,000 under management through the Program. All other clients are charged an annual flat fee of \$10,000 for the on-going Legacy for Life® services, which are pro-rated and billed semi-annually, in advance.

### Wealth Management Program

Hefty Wealth Partners may charge a negotiable flat fee for the preparation of the initial base plan, generally between \$4,000 and \$10,000, depending upon: the client's financial situation, complexity of services rendered and the scope of the topics covered in the plan. Hefty Wealth Partners may also waive this fee entirely with respect to any client whose advisory fees exceed \$4,000 per year. The initial base plan fee will be discussed with the client and incorporated into the Legacy for Life® - Financial Planning Agreement, which must be executed before Hefty Wealth Partners commences Legacy for Life® services. The initial base plan fee is due from the client upon conclusion of the meeting during which the initial findings, recommendations and initial base plan are presented to the client.

Once the initial base plan fee is paid, Hefty Wealth Partners does not charge for on-going Legacy for Life® services to clients who maintain at least \$250,000 under management through the Program. All other clients are charged an annual flat fee of \$1,200 to \$4,000 for the on-going Legacy for Life® services, which are pro-rated and billed semi-annually, in advance.

### Financial Planning Services

#### Financial Planning Program

Hefty Wealth Partners may charge a negotiable flat fee for the preparation of the initial base plan, generally between \$1,500 and \$4,000, depending upon: the client's financial situation, complexity of services rendered and the scope of the topics covered in the plan. Hefty Wealth Partners may also waive this fee entirely with respect to any client whose advisory fees exceed \$1,750 per year. The initial base plan fee will be discussed with the client and incorporated into the Financial Planning Agreement, which must be executed before Hefty Wealth Partners commences financial planning services. The initial base plan fee is due from the client upon conclusion of the meeting during which the initial findings, recommendations and initial base plan are presented to the client.

Once the initial base plan fee is paid, Hefty Wealth Partners does not charge for on-going financial planning services to clients who maintain at least \$100,000 under management through the Program. All other clients are charged an annual flat fee of \$1,200 to \$2,400 for the on-going financial planning services, which are pro-rated and billed semi-annually, in advance.

### Hefty Direct Program

Hefty Wealth Partners charges a flat \$50 per month for this service. The Hefty Direct Program is intended to be a first step toward a financial goal for an individual with limited assets. Through a series of 15 minute phone calls Hefty Wealth Partners helps clients aggregate their assets, understand where they stand financially, set goals and then give them advice on how to get there.

Hefty Direct Program clients have the option to purchase additional modules at any time as part of Stand-Alone Financial Consulting services as described immediately below.

### Stand-Alone Financial Consulting Services

Hefty Wealth Partners generally charges an hourly fee between \$75 and \$350, billed in 15 minute increments, for stand-alone financial consulting services in excess of the initial base plan. This fee may be reduced or waived in Hefty Wealth Partners' sole discretion. This fee will be discussed with the client and incorporated into a Financial Consulting Services Agreement, which must be executed before Hefty Wealth Partners commences the services. The fee is due from the client within 30 days

of the client's receipt of Hefty Wealth Partners' invoice. Plans provided to clients receiving financial planning/consulting services on a limited scope basis shall be reviewed only as part of the client's year end Annual Review.

- B. Clients may elect to have Hefty Wealth Partners' fees deducted from their custodial account. Both Hefty Wealth Partners' Asset Management Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Hefty Wealth Partners' fee and to directly remit that fee to Hefty Wealth Partners in compliance with regulatory procedures. If Hefty Wealth Partners bills the client directly, payment is due within 30 days of receipt of the invoice. Hefty Wealth Partners shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Hefty Wealth Partners will generally recommend that LPL and/or Ameritrade serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as LPL or Ameritrade charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Participants in the Program will not incur brokerage commissions and/or transaction fees in addition to the Program fees. Clients may also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees, IRA and qualified retirement plan fees, surrender charges and other fund expenses).

Asset Based Pricing Limitations: Hefty Wealth Partners may recommend to clients that they enter into an asset based pricing agreement with their account custodian. Under an asset based pricing arrangement, the amount paid to the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of the account, generally expressed in basis points. One basis point is equal to one one-hundredth of one percent (1/100th of 1%, or 0.01% (0.0001) (generally, the greater the market value, the lower the %)). This differs from transaction-based pricing, which assesses a separate commission/transaction fee against your account for each account transaction. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by you to the account custodian. Hefty Wealth Partners does not receive any portion of the asset based transaction fees payable to the account custodian. You can request at any time to switch from asset based pricing to transactions based pricing. However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in the market and security selection. Thus, given the variances in trading volume, any decision by you to switch to transaction based pricing could prove to be economically disadvantageous. Please Note: Those clients who choose to engage Hefty Wealth Partners on a wrap fee basis are not responsible for these fees, instead Hefty Wealth Partners shall be responsible for compensating the custodian for the cost of these services.

- D. Hefty Wealth Partners' annual Program fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The respective Agreement between Hefty Wealth Partners and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the respective Agreement. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

- E. Securities Commission Transactions. In the event that the client desires, the client can engage Hefty Wealth Partners' representatives, in their individual capacities, as registered representatives of LPL, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through LPL, LPL will charge brokerage commissions to effect securities transactions, a portion of which commissions LPL shall pay to Hefty Wealth Partners' representatives, as applicable. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker-dealers. In addition, LPL, as well as Hefty Wealth Partners' representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.
1. **Conflict of Interest**: The recommendation that a client purchase a commission product from LPL presents a **material conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Hefty Wealth Partners' representatives. **Hefty Wealth Partners' Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
  2. **Please Note**: Clients may purchase investment products recommended by Hefty Wealth Partners through other, non-affiliated broker dealers or agents.
  3. Hefty Wealth Partners does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Hefty Wealth Partners recommends to its clients.
  4. When Hefty Wealth Partners' representatives sell an investment product on a commission basis, Hefty Wealth Partners does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on a management fee basis, Hefty Wealth Partners' representatives do not also receive commission compensation for such advisory services. However, a client may engage Hefty Wealth Partners to provide asset management services on a management fee basis and separate from such management services purchase an investment product from Hefty Wealth Partners' representatives on a separate commission basis.

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

Neither Hefty Wealth Partners, nor any supervised person of Hefty Wealth Partners accepts performance based fees.

## **Item 7 – Types of Clients**

Hefty Wealth Partners' clients generally include individuals, high net worth individuals, charitable organizations and business entities. For the Program and the Institutional Program, Hefty Wealth Partners generally requires a \$100,000 minimum asset level. For the High Net Worth Program Hefty Wealth Partners generally requires a minimum quarterly fee of \$2,500. Please note that the combined minimum fee will never exceed 3% of assets under Hefty Wealth Partners' management. The minimum investment amounts for the respective Hefty Wealth Strategy Portfolios range between \$1,000 and \$250,000, as set forth in Item 5 above. The Hefty Direct Program generally requires minimum assets of

\$5,000. Hefty Wealth Partners, in its sole discretion, may reduce the minimum asset level and/or minimum quarterly fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. Hefty Wealth Partners' primary method of security analysis is a blend of fundamental, quantitative, and technical analysis. Each form of analysis is described below:

### Fundamental Analysis

This method attempts to measure a security's intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price to determine what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

### Technical Analysis

This method attempts to measure a security's value by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

### Quantitative Analysis

This method attempts to measure a security's risk and value by analyzing its relative metrics to the broad market. Such metrics include standard deviation, correlations, expected return metrics, balance sheet ratio analysis, and overall outputs tied to multiple regression analysis.

Hefty Wealth Partners uses the following investment strategies when implementing investment advice given to clients:

### Long Term Purchases

This refers to investments that are purchased with the intention of being held for at least one year.

### Short Term Purchases

This refers to investments that are purchased with the intention of being sold within one year.

### Option Writing

Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time. Option writing includes covered options, uncovered options, or spreading strategies.

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Hefty Wealth Partners) will be profitable or equal any specific performance level(s).

- B. Hefty Wealth Partners' methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. In particular, clients face the following potential investment risks:

**Market Risk:** Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

**Equity (stock) market risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Fixed Income Risk:** When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

**Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

**ETF and Mutual Fund Risk:** When Hefty Wealth Partners invests in a an ETF or mutual fund, the client will bear additional expenses based on its pro-rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs if they do so outside of the Program.

**Management Risk:** Client investment success varies with the success and failure of Hefty Wealth Partners' strategies, research, analysis and determination of portfolio securities. If Hefty Wealth Partners' investment strategies do not produce the expected returns, the value of the investment will decrease.

- C. Hefty Wealth Partners primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, no load mutual funds, and/or ETFs.

Hefty Wealth Partners' asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Hefty Wealth Partners' asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Hefty Wealth Partners' management of client assets:

1. Initial Interview – at the opening of the account, Hefty Wealth Partners, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly Hefty Wealth Partners shall notify the client to advise Hefty Wealth Partners whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, Hefty Wealth Partners shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – Hefty Wealth Partners shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Hefty Wealth Partners not to purchase certain mutual funds;
8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Hefty Wealth Partners believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*, and (2) the fees charged by other investment advisers offering similar services/programs. However, Hefty Wealth Partners' annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Hefty Wealth Partners' annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** Hefty Wealth Partners' investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account

## **Item 9 – Disciplinary Information**

Hefty Wealth Partners has not been the subject of any disciplinary actions.

## Item 10 – Other Financial Industry Activities and Affiliations

- A. Certain of Hefty Wealth Partners' management persons are registered representatives of LPL.
- B. Neither Hefty Wealth Partners, nor its representatives are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agents**  
Certain of Hefty Wealth Partners' representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage those individuals, in an individual capacity, to effect insurance transactions on a commission basis.

**Conflict of Interest:** The recommendation by Hefty Wealth Partners' representatives, that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Hefty Wealth Partners' representatives. Clients are reminded that they may purchase insurance products recommended by Hefty Wealth Partners through other, non-affiliated insurance agents. **Hefty Wealth Partners' Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.**

### **Registered Representatives of a Broker/Dealer**

As indicated in Item 5 above, certain of Hefty Wealth Partners' representatives are registered representatives of LPL, a registered broker/dealer, member SIPC/FINRA. Clients can choose to engage representatives Hefty Wealth Partners, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Conflict of Interest:** The recommendation by Hefty Wealth Partners' representatives that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any securities commission products from Hefty Wealth Partners' representatives. Clients are reminded that they may purchase securities commission products through other, non-affiliated registered representatives. Hefty Wealth Partners' Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.

- D. Hefty Wealth Partners does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

## Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

- A. Hefty Wealth Partners maintains an investment policy relative to personal securities transactions. This investment policy is part of Hefty Wealth Partners' overall Code of Ethics, which serves to establish a standard of business conduct for all of Hefty Wealth Partners' representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.



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

- B. Neither Hefty Wealth Partners nor any related person of Hefty Wealth Partners recommends, buys, or sells for client accounts, securities in which Hefty Wealth Partners or any related person of Hefty Wealth Partners has a material financial interest.
- C. Hefty Wealth Partners and/or representatives of Hefty Wealth Partners may buy or sell securities that are also recommended to clients. This practice may create a situation where Hefty Wealth Partners and/or representatives of Hefty Wealth Partners are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Hefty Wealth Partners did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Hefty Wealth Partners’ clients) and other potentially abusive practices.

Hefty Wealth Partners has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Hefty Wealth Partners’ “Access Persons”. Hefty Wealth Partners’ securities transaction policy requires that Access Person of Hefty Wealth Partners must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Hefty Wealth Partners selects; provided, however that at any time that Hefty Wealth Partners has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Hefty Wealth Partners and/or representatives of Hefty Wealth Partners may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Hefty Wealth Partners and/or representatives of Hefty Wealth Partners are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11 C, Hefty Wealth Partners has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Hefty Wealth Partners’ Access Persons.

## **Item 12 – Brokerage Practices**

- A. In the event that the client requests that Hefty Wealth Partners recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Hefty Wealth Partners to use a specific broker-dealer/custodian), Hefty Wealth Partners generally recommends that investment advisory accounts be maintained at LPL and/or Ameritrade. LPL Financial generally is compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL or that settle into LPL accounts. For IRA accounts, LPL generally charges account maintenance fees. In addition, LPL also charges clients miscellaneous fees and charges,

such as account transfer fees. Prior to engaging Hefty Wealth Partners to provide investment management services, the client will be required to enter into a formal Agreement with Hefty Wealth Partners setting forth the terms and conditions under which Hefty Wealth Partners shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Hefty Wealth Partners considers in recommending LPL AND/OR AMERITRADE (or any other broker-dealer/custodian to clients) include historical relationship with Hefty Wealth Partners, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Hefty Wealth Partners' clients shall comply with Hefty Wealth Partners' duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Hefty Wealth Partners determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Hefty Wealth Partners will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Hefty Wealth Partners' investment advisory fee. Hefty Wealth Partners' best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

While LPL does not participate in, or influence the formulation of, the investment advice Hefty Wealth Partners provides, certain supervised persons of Hefty Wealth Partners are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL. As a result, the use of other trading platforms must be approved not only by Hefty Wealth Partners, but also by LPL.

Clients should also be aware that for accounts where LPL serves as the custodian, Hefty Wealth Partners is limited to offering services and investment vehicles that are approved by LPL, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL.

Clients should understand that not all investment advisers recommend that clients custody their accounts and trade through specific broker-dealers.

#### 1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Hefty Wealth Partners may receive from LPL and/or Ameritrade (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Hefty Wealth Partners to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Hefty Wealth Partners may be investment-related research, pricing information and market data, software and other technology that provide access to client account

data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Hefty Wealth Partners in furtherance of its investment advisory business operations.

LPL makes available to Hefty Wealth Partners various products and services designed to assist Hefty Wealth Partners in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of Hefty Wealth Partners' accounts, including accounts not held with LPL. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Hefty Wealth Partners' fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL also makes available to Hefty Wealth Partners other services intended to help Hefty Wealth Partners manage and further develop its business. Some of these services assist Hefty Wealth Partners to better monitor and service program accounts maintained at LPL, however, many of these services benefit only Hefty Wealth Partners, for example, services that assist Hefty Wealth Partners in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by Hefty Wealth Partners in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL will either make a payment to Hefty Wealth Partners to cover the cost of such services, reimburse Hefty Wealth Partners for the cost associated with the services, or pay the third party vendor directly on behalf of Hefty Wealth Partners.

The products and services described above are provided to Hefty Wealth Partners as part of its overall relationship with LPL. While as a fiduciary Hefty Wealth Partners must always act in its clients' best interests, the receipt of these benefits creates a conflict of interest because Hefty Wealth Partners' recommendation that clients custody their assets at LPL may be based in part on the benefit to Hefty Wealth Partners of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. Hefty Wealth Partners' receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL platform.

As indicated above, certain of the support services and/or products that may be received may assist Hefty Wealth Partners in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Hefty Wealth Partners to manage and further develop its business enterprise.

Hefty Wealth Partners' clients do not pay more for investment transactions effected and/or assets maintained at LPL and/or Ameritrade as a result of this arrangement. There is no corresponding commitment made by Hefty Wealth Partners to LPL and/or Ameritrade or any other entity to

invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Hefty Wealth Partners also receives certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors. Specifically, the Additional Services include payment to third party vendors toward the cost of holding marketing events attended by Hefty Wealth Partners' principals and certain of its clients; and/or Hefty Wealth Partners employee events. Over last year, the following entities (each, a "Contributing Entity" and collectively, the "Contributing Entities") attended and contributed the following approximate amounts toward the costs of such events: Goldman Sachs: \$781, Blackrock: \$2,000, JP Morgan: \$500, State Street: \$1,009, Janus Henderson: \$1,000, PowerShares: \$750, John Hancock: \$150, Lord Abbett: \$300, and Prudential: \$492. All of these Additional Services are non-recurring and individually negotiated. Hefty Wealth Partners does not expect to receive these Additional Services again; however, Hefty Wealth Partners reserves the right to negotiate for these Additional Services in the future. The Contributing Entities provide the Additional Services to Hefty Wealth Partners in their respective sole discretion and at their respective own expense. Hefty Wealth Partners does not pay any fees or agree to any express reciprocation benefitting any Contributing Entity for the Additional Services. Hefty Wealth Partners and the Contributing Entities have not entered into any written agreement to govern the Additional Services.

Hefty Wealth Partners' receipt of Additional Services raises conflicts of interest. In providing Additional Services to Hefty Wealth Partners, the Contributing Entities most likely consider the amount and profitability of the assets in, and trades placed for, Hefty Wealth Partners' client accounts to determine if they want to provide the Additional Services moving forward. Each Contributing Entity has the sole discretion to not offer these Additional Services in the future. Consequently, in order to be able to negotiate for these Additional Services, Hefty Wealth Partners may have an incentive to recommend to its Clients that they invest in products and/or utilize the services offered by the Contributing Entities. However, Hefty Wealth Partners' receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts. Hefty Wealth Partners therefore reminds its clients that they may receive similar products and/or services from other entities besides the Contributing Entities.

**Hefty Wealth Partners' Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. Hefty Wealth Partners does not receive referrals from broker-dealers.
3. Hefty Wealth Partners does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Hefty Wealth Partners 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 Hefty Wealth Partners. As a result, client may pay higher commissions or other transaction costs or greater spreads, or

receive less favorable net prices, on transactions for the account than would otherwise be the case. Higher transaction costs adversely impact account performance.

**Please Note:** In the event that the client directs Hefty Wealth Partners to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Hefty Wealth Partners.

- B. To the extent that Hefty Wealth Partners provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless Hefty Wealth Partners decides to purchase or sell the same securities for several clients at approximately the same time. Hefty Wealth Partners may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Hefty Wealth Partners' clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Hefty Wealth Partners shall not receive any additional compensation or remuneration as a result of such aggregation. Clients wishing to implement Hefty Wealth Partners' advice are free to select any broker they wish and are so informed. If clients wish to have Hefty Wealth Partners' investment advisor representatives implement the advice in their capacity as registered representative, LPL will be used.

### **Item 13 – Review of Accounts**

- A. For those clients who engage in the Program, Hefty Wealth Partners' representatives conduct account reviews on an ongoing basis. All clients are advised that it remains their responsibility to advise Hefty Wealth Partners of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Hefty Wealth Partners on an annual basis.
- B. Hefty Wealth Partners may conduct account reviews on an-other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. During any month that there is activity in a Hefty Wealth Portfolios managed account (and no less frequently than quarterly); the client receives an account statement, from LPL and/or Ameritrade, showing account activity as well as positions held in the account at month end. Additionally, the client receives a confirmation of each transaction that occurs within the account unless the transaction is the result of a systematic purchase, redemption or exchange. The client will also receive from their custodian a detailed quarterly report showing performance, positions, and activity. All account data and statements are also generally available on-line through the account view portal provided by their custodian. In addition, Hefty Wealth Partners may provide newsletters covering general financial planning and investment topics.

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

- A. As referenced in Item 12 above, Hefty Wealth Partners may receive an indirect economic benefit, support services and/or products from LPL and/or Ameritrade or other broker dealers. Hefty Wealth Partners' clients do not pay more for investment transactions effected and/or assets maintained at LPL and/or Ameritrade as a result of this arrangement. There is no corresponding commitment made by Hefty Wealth Partners to LPL and/or Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Hefty Wealth Partners' Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Hefty Wealth Partners does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

#### **Item 15 – Custody**

Hefty Wealth Partners shall have the ability to have its fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Hefty Wealth Partners may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that Hefty Wealth Partners provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Hefty Wealth Partners with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Hefty Wealth Partners' advisory fee calculation.

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

Through the Hefty Wealth Portfolios program and upon receiving written authorization from a client, Hefty Wealth Partners will maintain trading authorization over client accounts. Upon receiving written authorization from the client, Hefty Wealth Partners may implement trades on a discretionary basis. When discretionary authority is granted, Hefty Wealth Partners will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction. However, it is the policy of Hefty Wealth Partners to consult with the client before making significant changes in the account even when discretionary trading authority is granted by the client.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our Firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

- A. Hefty Wealth Partners does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Hefty Wealth Partners to discuss any questions they may have with a particular solicitation.

#### **Item 18 – Financial Information**

- A. Hefty Wealth Partners does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Hefty Wealth Partners is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Hefty Wealth Partners has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Hefty Wealth Partners' Chief Compliance Officer, Christina Martinez, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**