

## **Item 1 – Cover Page**

### **Hefty Wealth Partners, Inc.**

112 East 7<sup>th</sup> Street

Auburn, IN 46706

260-927-1830

<http://www.heftywealth.com/>

Date of Brochure: March 2011

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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 David Hefty at 260-927-1830. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Hefty Wealth Partners, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view Hefty Wealth Partners, Inc.'s information on this website by searching for Hefty Wealth Partners, Inc. You may search for information by using the Firm's name or by using its CRD number. The CRD number for Hefty Wealth Partners, Inc. is 153880.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that Hefty Wealth Partners provides to clients as required by applicable rules and regulations. This Disclosure Brochure dated March 2011 is a new document prepared according to the new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous Form ADV Part II and Schedule F did not require. In the future, this item will discuss only specific material changes that are made to the Disclosure Brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of the brochure.

Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after my fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Advisory Business

Hefty Wealth Partners is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”). Our company is a corporation formed under the laws of the State of Indiana.

- We have been registered as an investment advisor since July 26, 2010. Prior to forming our own investment advisory firm, the investment advisor representatives that were affiliated with our Firm at that time provided fee-based, investment advisory services through LPL Financial. During the summer of 2010 we decided to register Hefty Wealth Partners as an investment advisor and subsequently withdraw our investment advisor representative affiliations with LPL Financial after transferring our advisory clients to Hefty Wealth Partners.

More information about our investment advisor representatives’ business and education background can be found in the *Information Required by Part 2B of Form ADV: Brochure Supplement* section of this Disclosure Brochure.

- The investment advisor representatives of Hefty Wealth Partners are also registered representatives of LPL Financial, a registered broker/dealer, member SIPC/FINRA, and our offices are also LPL Financial branch office locations. More details regarding our affiliation with LPL Financial is provided at *Item 5, Item 10 and Item 12 of this Disclosure Brochure*.
- The Firm is ultimately owned and controlled by David Hefty: Chief Executive Officer, Chief Compliance Officer and Investment Advisor Representative, and Stacy Hefty: President, Vice President, Secretary, Treasurer and Investment Advisor Representative.
- We provide fee-only investment advisory services through Hefty Wealth Partners. The nature and extent of the specific services provided to clients, including you, will always depend on each client’s financial status, objectives and needs, time horizons, concerns, expectations and risk tolerance.

### **General Description of Primary Advisory Services**

The following are brief descriptions of our primary services. A detailed description of our services is provided in *Item 5 – Fees and Compensation of this Disclosure Brochure* so that clients and prospective clients can review the services and description of fees in a side-by-side manner.

**Financial Planning Services** – We provide advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

**Asset Management Services** – We provide advisory services in the form of asset management services through the Hefty Wealth Portfolios program. Asset management services involve providing clients with continuous and on-going supervision over client accounts. This means we will continuously monitor a client’s account and make trades in client accounts when necessary.

**Specialization** - Hefty Wealth Partners considers itself to specialize in the following areas:

- Financial planning services provided based on the individual needs of each client.
- Investment management services using the following forms of analysis: charting, fundamental, technical and cyclical.
- Investment management services that are provided on an individualized basis. This means services are provided specific to each client's different needs and objectives. Strategies will focus on long-term strategies, short-term strategies, short-selling techniques, methods requiring margin accounts and option writing.

### ***Types of Investments.***

Hefty Wealth Partners is willing to offer advice on the following general categories of securities.

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- 529 Education Plans
- Foreign issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Structured Notes
- Interests in partnerships investing in real estate, oil and gas interests

When providing asset management services, the Firm will typically construct each client's account holdings using, but not necessarily limited to, no-load mutual funds, funds at NAV, equity positions, and exchange traded funds.

It is not Hefty Wealth Partners typical investment strategy to attempt to time the market but we may increase cash holdings modestly or drastically as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations like: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

## **Participation in Wrap Fee Programs**

Hefty Wealth Partners offer services through both a wrap-fee option and a non-wrap fee option (See *description of Hefty Wealth Portfolios in Item 5 – Fees and Compensation*). A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), Hefty Wealth Partners will receive all or a portion of the fee charged.

There is no material difference in the way we manage client accounts on wrap-fee basis versus non-wrap fee accounts other than one group of clients will pay ticket charges (non-wrap) and for the other group, ticket charges are paid by Hefty Wealth Partners. Please refer to *Item 5 – Fees and Compensation for more details*.

## **Tailor Advisory Services to Individual Needs of Clients**

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews to determine the client's investment objectives and suitability information.

When managing client accounts, we typically manage a client's account in accordance with one or more investment models that we have developed. When client accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

*Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information about our Firm's models.*

## **Client Assets Managed by Hefty Wealth Partners**

The amount of client assets managed by Hefty Wealth Partners totaled \$110,100,976 as of February 11, 2011. The entire amount is managed on a discretionary basis. In addition, our investment advisor representatives, in their separate capacities as LPL Financial registered representatives, oversee \$54,950,083 (also as of February 11, 2011) of client assets held in traditional LPL Financial brokerage-based accounts.

## **Item 5 – Fees and Compensation**

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our Firm's services along with descriptions of each service's fees and compensation arrangements.

### **A. Financial Planning and Consulting Services**

#### **1. Initial Base Plan Services**

For clients selecting this service, Hefty Wealth Partners provides holistic financial planning and/or estate planning services to individual clients through its Legacy for Life® program. These services include both investment and non-investment related matters. To initiate the Legacy for Life® process, Hefty Wealth

Partners will meet with the client 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.

Hefty Wealth Partners will meet with the client to identify and clarify their financial goals and current financial position. Our Firm will gather data and secure other information so that we may understand the client's current financial situation and planning considerations. 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.

Hefty Wealth Partners generally expects to spend 20 to 30 hours building each client's base plan. During the initial process we will meet with the client at least three times for 90 to 120 minutes each time.

Services covering the preparation and presentment of the initial base plan are billed on a flat-fee basis that typically ranges between \$1,500 and \$3,500. The exact fee will be quoted to the client in advance of commencing any services. Fees range, and are determined by Hefty Wealth Partners, based on the client's financial situation, complexity of services covered and the total number of topics covered in a plan. The initial flat fee will be due and payable upon conclusion of the third-phase meeting during which the initial findings, recommendations and plan are presented to the client.

Clients have the right to terminate Legacy for Life® base plan services without penalty (i.e. no fees due) within five (5) business days after executing the agreement for services. After that, services terminate upon thirty (30) days after presentation of the written plan and conclusion of the third Advisor-client meeting, unless otherwise mutually agreed upon by Hefty Wealth Partners and client in writing. The client may terminate financial planning services at any time by providing notice to our Firm without penalty; however, client will owe advisor a fee for the Firm's time expended prior to notification of the termination request.

Clients are under no obligation to use Hefty Wealth Partners or our Firm's investment advisor representatives for the implementation of financial planning recommendations and/or the purchase of financial products and services. Clients may work with any financial professional they choose to implement Hefty Wealth Partners' Legacy for Life® services. If clients choose to implement financial planning advice through Hefty Wealth Partners, clients must select one of the other advisory programs detailed in this brochure. Clients must pay additional investment advisory fees to Hefty Wealth Partners for participation in the other advisory programs detailed in this brochure. Clients may also work with one of our Firm's investment advisor representatives in their separate capacities as independent insurance agents and/or registered representatives of a broker/dealer. When doing so, Hefty Wealth Partners' associated person will earn commissions in addition to the financial planning fees charged by Hefty Wealth Partners.

## **2. On-going Planning Services**

While not required to do so, clients may chose to engage Hefty Wealth Partners for on-going Legacy for Life® services. For clients contracting for on-going services, financial plans are updated as often as daily; but no less frequently than weekly, by downloading the client's various investment accounts into the Firm's financial planning software. Financial plans are reviewed at least quarterly to make sure circumstances have not changed and the plan is still appropriate based upon the client's individual investment goals. Clients may contact Hefty Wealth Partners throughout the year to discuss changes in



their financial planning situation or ask questions concerning the plan. Hefty Wealth Partners will contact client at least annually to ensure all information and client assumptions are accurate.

On-going Legacy for Life® services may be provided in connection with the Hefty Wealth Portfolios program detailed below. Therefore, it is expected that clients will work with our Firm or our Firm's investment advisor representatives for the implementation of the financial planning recommendations and/or the purchase of financial products and services. However, clients are not required to do so and may work with any financial professional to implement Hefty Wealth Partners' financial planning recommendations.

No fees for on-going Legacy for Life® services are charged to clients that maintain at least \$100,000 under management through the Hefty Wealth Portfolios program (detailed below). For clients that have less than \$100,000 under management in the Hefty Wealth Portfolios program, choose to establish only commission-based brokerage accounts through an associated person of Hefty Wealth Partners, or choose to implement recommendations with a third-party financial professional; Hefty Wealth Partners charges an annual retainer fee of \$1,200 for the on-going services.

The annual fee will be divided and billed semi-annually, in advance.

When fees are charged for on-going services, the financial planning agreement shall remain in effect until terminated by either party. Clients may terminate the agreement upon notice to Hefty Wealth Partners and termination shall be effective upon our Firm's receipt of termination. Hefty Wealth Partners may terminate the agreement upon written notice to the client with termination effective five (5) days after the written termination notice was sent to client. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty (no fees due and/or a complete refund of any fees paid in advance). After the initial five (5) business days, a pro-rated refund will be made to client, based upon the number of months remaining in the final year.

### **3. Disclosure of Other Fees**

When implementing Hefty Wealth Partners' recommendations or any other investment recommendation, clients need to be aware that standard commissions, custodial fees, and transaction fees may be charged to the client. Clients may incur certain charges imposed by third parties, other than Hefty Wealth Partners, in connection with investments made through an investment account, including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, IRA and qualified retirement plan fees.

### **B. Financial Consulting Services**

Upon execution of a client agreement, Hefty Wealth Partners provides financial consulting services on a one-time basis. Topics covered as part of Hefty Wealth Partners' consulting services may include any particular issue of concern to the client as agreed to by our Firm. We generally provide advice on, but is not necessarily limited to discussing, 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.

Hefty Wealth Partners charges an hourly fee of \$150, billed in 15 minute increments, for consulting services. The hourly fee may be waived or reduced at our discretion. The hourly fee charged to a client (including reductions and waivers) and the total number of hours required to complete consulting services will depend upon factors such as, but not limited to, the complexity of the client's situation, the types of topics covered, the number of topics to be covered, and other services Hefty Wealth Partners provides to

client. We will provide, in advance, the client with a written estimate of the amount of hours needed to complete financial consulting services, the hourly rate, and the terms of payment. If it is later determined that the total cost will exceed the maximum amount quoted, the Firm will contact the client to receive authorization to provide additional services. Hourly fees are billed by invoice sent directly to the client upon completion of the consultation of services and the amount owed is due no later than 30 days after client's receipt of invoice.

Consulting services automatically terminate upon thirty (30) days after completion of the consultation services, unless mutually agreed upon by Hefty Wealth Partners and client in writing. The client may terminate consulting services prior to completion of services at any time by providing notice to our Firm. If services are terminated within five (5) business days of executing the client agreement and prior to completion of services, services shall terminate with no penalty and no fees due. After the initial 5 (five) business day period, client will owe Hefty Wealth Partners a fee for the hours worked prior to notification of the termination.

Clients are under no obligation to use Hefty Wealth Partners or our Firm's investment advisor representatives for the implementation of consulting recommendations. Clients may work with any financial professional they choose to implement our recommendations. If clients choose to implement financial advice through Hefty Wealth Partners, clients must select one of the other advisory programs detailed in this brochure. Clients must pay additional investment advisory fees to Hefty Wealth Partners for participation in the other advisory programs detailed in this brochure. Clients may also work with one of our investment advisor representatives in their separate capacities as independent insurance agents and/or registered representatives of a broker/dealer. When doing so, Hefty Wealth Partners' associated person will earn commissions in addition to the financial planning fees charged by Hefty Wealth Partners.

### **C. Hefty Wealth Portfolios**

Hefty Wealth Partners is the sponsor of Hefty Wealth Portfolios, a wrap-fee program developed through an arrangement using LPL Financial's Strategic Wealth Management platform and referred to as "Program" throughout this section. Through the Program, Hefty Wealth Partners provides investment management services which are defined as providing continuous investment advice to a client and making investments for the client based on the individual needs of the client. Through this service, Hefty Wealth Partners offers a customized and individualized investment program for clients. A specific asset allocation strategy and investment policy statement (IPS) is crafted to focus on the specific client's goals and objectives. The IPS will define the risk tolerance and investment objective of the client. The IPS should be updated regularly, but at a minimum every 2 years.

Program accounts allow clients to authorize Hefty Wealth Partners to purchase and sell on a discretionary basis (*Please refer to Item 16 – Investment Discretion for more information*) portfolios consisting of the investments listed at *Item 4 – Advisory Business of this Disclosure Brochure*. Hefty Wealth Partners may limit its discretion with respect to the client account and the securities eligible to be purchased for the client account.

Program accounts are established at LPL Financial (referred to as "LPL Financial" or "LPL" throughout) in its capacity as a registered broker/dealer, member Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC). LPL Financial is also an investment advisor registered with the SEC, but does not serve as an investment advisor for the Firm's clients through the Program. Clearing, custody and other brokerage services are provided by LPL Financial for accounts established through the Program. Therefore, clients will be required to establish a brokerage account(s) through LPL Financial's Strategic Wealth Management platform. Separate accounts are maintained for

each client. Each client retains all rights of ownership of their accounts (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations). *Please refer to Item 12 – Brokerage Practices for more information.*

### **Description of Fees**

The annual investment advisory fee charged for Aggressive Growth portfolios is 2.25% (with no breakpoints and no discounts) of the assets held in the account. Aggressive Growth portfolios must be established as Program II accounts, which mean Hefty Wealth Partners will cover all trading costs in such accounts.

The annual investment advisory fee charged for all other portfolios shall vary between 0.50% - 1.80% of the assets held in the account) and is determined based upon the market value of the account. Fees are non-negotiable; however, at Hefty Wealth Partners' discretion, we may reduce its standard fee. For example, as a company benefit, we charge our employee's 10 basis points (0.10%) if they would like to participate in our program.

Accounts may be aggregated for fee break purposes. The following is the standard fee schedule to determine the client's annual fee and is provided for illustrative purposes. Each client's specific fee arrangement will be determined based on factors such as, but not limited to, the total assets under management, the number of accounts managed, the client's financial situation, and the client's relationship with Hefty Wealth Partners.

- Clients with assets under management between \$100,000 and \$500,000 will be charged an annual fee of 1.8%;
- Clients with assets under management between \$500,001 and \$999,999 will be charged an annual fee of 1.45%;
- Clients with assets under management between \$1,000,000 and \$4,999,999 will be charged an annual fee of 1.25%;
- Clients with assets under management between \$5,000,000 and \$9,999,999 will be charged an annual fee of 0.85%; and
- Clients with assets under management above \$10,000,000 will be charged an annual fee of 0.5%.

The annual fee shall be divided and payable quarterly in advance through a direct debit in the client account. LPL Financial is responsible for calculating and debiting all fees from client accounts. Clients must provide LPL Financial written authorization to debit advisory fees from their accounts and pay such fees to Hefty Wealth Partners. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

Prior to engaging Hefty Wealth Partners to provide investment management services, the client will be required to enter into a formal investment advisory agreement with Hefty Wealth Partners setting forth the terms and conditions, including the amount of investment advisory fees, under which Hefty Wealth Partners shall manage the client's assets, and a separate custodial/clearing agreement with LPL Financial.

Clients will open a Program I or Program II account (Aggressive Growth portfolio accounts must open Program II accounts). In a Program I account, in addition to the investment advisory fee, the client will pay certain transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform brokerage account and application agreement. In the Program II account, the client does not pay transaction charges associated with trade execution. With limited exceptions, clients with combined Program assets less than \$1,000,000 will be enrolled into Program I, and clients with combined Program assets greater than \$1,000,000 will be enrolled into Program II.

Clients may incur certain charges imposed by third parties other than Hefty Wealth Partners in connection with investments made through the account, including but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by Hefty Wealth Partners (which include transaction and execution fees charged by LPL Financial for Program II accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus. Associated persons of Hefty Wealth Partners will not retain a portion of the commissions charged to the client. However, the commissions will be kept by LPL Financial. These commissions may include 12b-1 fees, surrender charges, and IRA and qualified retirement plan fees. Because no one affiliated with our Firm receives any portion of such charges, we do not offset our advisory fees by the amount of additional charges.

The fact that certain charges and expenses associated with managing accounts through our program will be retained by LPL Financial creates a potential conflict of interest because it could create an incentive for us to recommend investment products based on the compensation received rather than on a client's needs. However, we control for this conflict by the fact that neither Hefty Wealth Partners nor our advisor representatives (even in their separate capacities as registered representatives of LPL Financial) receive any portion of such commissions, charges, expenses, etc.

The Firm does not permit its advisor representatives to offer loaded mutual funds if an account is over \$15,000. When loaded mutual funds are purchased, they are always purchased in commission-based (i.e. non fee-based) LPL Financial brokerage accounts through our advisor representatives in their separate capacities as LPL Financial registered representatives. When recommending commission-based products through traditional LPL Financial commission-based accounts, our associates only use Class C share mutual funds for such accounts so that the advisor representatives, in the capacity as LPL Financial registered representatives, do not receive up-front commissions from the client. Also, clients should find that as they build their accounts to the \$15,000 level, it is cheaper than purchasing Class A mutual funds.

Program I / Program II may cost the client more or less than if the assets were held in a traditional brokerage account. In a brokerage account, the client is charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold investment strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a Program I or Program II account. *Please refer to Item 7 – Types of Clients for more information regarding our minimum requirements.*

Hefty Wealth Partners does not always charge a lower advisory fee for Program I accounts versus Program II accounts. Therefore, there is the potential for Program I account clients to pay higher overall costs which are derived from the amount of trading activity within an account. This is because transaction

costs are passed along to the client in Program I accounts whereas transactions costs are covered under the overall fee charged for Program II accounts.

Either party may terminate the agreement for services at any time. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and a full refund of all fees paid in advance will be provided. If services are terminated after the initial five day period, Hefty Wealth Partners shall provide the client with a pro-rated refund of fees paid in advance. The refund will be based on the number of days service was actually provided during the final billing period. Termination shall be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There will be no penalty charge by our Firm upon termination; however, LPL may assess a transfer or termination fee on the account.

This section is intended to be a summary of the Program. All clients contracting for Program services will be provided a copy of the Hefty Wealth Portfolios Wrap Fee Program Brochure.

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because Hefty Wealth Partners **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

#### **Item 7 – Types of Clients**

Hefty Wealth Partners generally provides investment advice to the following types of clients.

- Individuals
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an agreement for services in order to establish a client arrangement with Hefty Wealth Partners.

#### **Minimum Investment Amounts Required**

The minimum account size allowed is \$250,000 for Aggressive Growth portfolios (exceptions are provided to Hefty Wealth employees) and \$15,000 for all other portfolios. Clients maintaining less than \$100,000 in Hefty Wealth Portfolios are required to contract for Hefty Wealth Partners' Legacy for Life® services and will be subject to a \$1,200 annual retainer fee for Hefty Wealth Partners' Legacy for Life® services. Clients with Hefty Wealth Portfolios assets above \$100,000 are not required to sign up for Legacy for Life®. At Hefty Wealth Partners' discretion, we may waive the minimum account size requirement for participation in the Hefty Wealth Portfolios Program or may waive the requirement for a client with total investable assets less than \$100,000 to contract for the Legacy for Life® services subject to a \$1,200 annual retainer fee.

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

### **Advisor uses the following methods of analysis in formulating investment advice.**

Hefty Wealth Partners' primary method of analysis or strategy is a blend of fundamental and technical analysis. A risk involved with using this method include being whip-sawed in highly volatile markets that are trading within a defined range. The following are descriptions of our methods of analysis.

**Fundamental** - A method of evaluating a security by attempting to measure its 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 in hopes of figuring out 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** - A method of evaluating securities 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.

### **Advisor uses the following investment strategies when managing client assets and/or providing investment advice.**

Long term purchases - Investments held at least a year.

Short term purchases - Investments sold within a year.

Option writing including covered options, uncovered options, or spreading strategies. 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.

While Hefty Wealth Partners will manage each client's individual account(s) based on the individual needs of the client, the Program offers four basic portfolios:

- Moderate (includes a higher mix of fixed income securities),
- Balance (includes a relatively balanced mix of fixed income and equities along with other securities);
- Growth (includes a higher mix of equity securities); and
- Aggressive Growth (includes a mix of approximately fifteen individual stocks or ETFs representing five distinct trends within the stock market. If an individual stock, ETFs or a complete trend cannot be replaced with another upward trending investment; the position will be replaced with a cash investment or a short sell.

Each portfolio is based on Hefty Wealth Partners' "advance and protect" investment management style which can be defined as a disciplined buy and sell strategy that is systematic, repeatable and non-emotional by utilizing technical indicators. Specific to the Moderate, Balance and Growth portfolios, when

upward trends cannot be identified, both the equity and fixed income investments will be replaced with cash holdings.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- 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 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 will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### **Item 9 – Disciplinary Information**

This item is not applicable to Hefty Wealth Partners' brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

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

Hefty Wealth Partners is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

While Hefty Wealth Partners does not sell products or services other than investment advice, our investment advisor representatives may sell other products or provide services outside of their role with Hefty Wealth Partners. Our investment advisor representatives concentrate the majority of their efforts toward sales of investments and investment advisory services.

#### **Insurance Activities**

Investment advisor representatives are licensed to provide insurance services to clients. Insurance products are provided to clients for personal, estate and business need to minimize clients' exposure to identified risks. Although clients are under no obligation to purchase insurance products recommended by Hefty Wealth Partners' investment advisor representatives in their separate capacities as insurance agents, clients often purchase such products when needs arise.

When clients purchase insurance products through one of our investment advisor representatives, the commissions are retained by the Firm and not directly by the investment advisor representative. This is done to reduce the conflict of interest an investment advisor representative could have to recommend insurance products solely for commissions received rather than what is in the best interests of the client.

The amount of time our advisor representatives spend recommending and analyzing insurance needs is not significant and varies throughout the year.



### **Arrangement with LPL Financial**

If the client wants to, the client can engage the investment advisor representatives of the Firm (but not the Firm) in their separate capacities as registered representatives of LPL, to render securities brokerage services under a commission arrangement. Brokerage commissions may be charged by LPL to effect these securities transactions and, thereafter, a portion of these commissions will be paid by LPL to David Hefty as registered representatives of LPL. Please note that all commission business generated by our advisor representatives in their capacities as registered representatives of LPL are paid to David Hefty and not directly to the advisor representative. Advisor representatives are paid a salary from Hefty Wealth Partners. This is done even for straight commission-based brokerage accounts in order to reduce the conflict of interest our investment advisor representatives could have to recommend investments solely for commissions rather than what is in the best interests of the client.

Prior to effecting any transactions, the client will be required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

Depending on the type of LPL account that could be used to implement a financial plan or investment strategy, such compensation may include (but is not limited to) advisory program fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with LPL's insured deposit account program; administrative services fees for trust accounts; referral fees; compensation for directing order flow; and bonuses, awards or other things of value offered by LPL to the IAR.

This compensation to IAR and LPL may be more or less depending on the product or service that IAR recommends. Therefore, the IAR may have a financial incentive to recommend that a financial plan be implemented using a certain product or services.

The investment advisor representatives of Hefty Wealth Partners may recommend securities or insurance products offered by LPL (or other insurance firms), and will receive the normal commissions if products are purchased through them; thus a conflict of interest exists between their interests and those of Hefty Wealth Partners' Clients. Clients are under no obligation to purchase products recommended by investment advisor representatives or to purchase products either through Hefty Wealth Partners or LPL.

As a result of the LPL relationship, LPL will have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Hefty Wealth Partners' clients, even if the client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Hefty Wealth Partners.

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

### **Code of Ethics Summary**

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. Hefty Wealth Partners has established a Code of Ethics that will apply to all of its supervised persons. An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all

times. Hefty Wealth Partners has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for Hefty Wealth Partners' Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. Hefty Wealth Partners requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the Hefty Wealth Partners' Code of Ethics. Hefty Wealth Partners has the responsibility to make sure that the interests of all clients are placed ahead of Hefty Wealth Partners' or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. Hefty Wealth Partners and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

This disclosure is provided to give all clients a summary of Hefty Wealth Partners' Code of Ethics.

**However, if a client or a potential client wishes to review Hefty Wealth Partners' Code of Ethics in its entirety, a copy will be provided promptly upon request.**

#### **Affiliate and Employee Personal Securities Transactions Disclosure**

Hefty Wealth Partners or its supervised persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of Hefty Wealth Partners that all persons associated in any manner with Hefty Wealth Partners must place the interests of our clients ahead of their own when implementing personal investments. In fact, most of our supervised persons' accounts are in one (or more) of the four investment models we offer. We use a computerized trading system offered through the LPL Financial system to trade all accounts (including our supervised persons' accounts managed by our Firm) at the same time in groups related to investment objectives. See the description for Block Trading in Item 12 – Brokerage Practices.

Hefty Wealth Partners and its supervised persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by Hefty Wealth Partners are widely held and publicly traded.

### **Item 12 – Brokerage Practices**

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.

Not all investment advisors require the use of a particular broker/dealer. Some investment advisors allow their clients to establish managed accounts at any broker/dealer of the client's own choosing. Because of our affiliation with LPL Financial and subsequent LPL Financial policies, we require the use of LPL Financial when opening an account through the Hefty Wealth Portfolios program.

Hefty Wealth Partners does not have any verbal or written agreements whereby it receives soft dollars from a broker/dealer firm. Hefty Wealth Partners does not pay for any research received from LPL or any other broker/dealer.

Associated persons of Hefty Wealth Partners are registered representatives of LPL and are required to use the services of LPL when acting in their capacity as registered representatives. LPL has a wide range of approved securities products for which LPL performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. Because the investment advisor representatives of Hefty Wealth Partners are also registered representatives of LPL, LPL provides compliance support to Hefty Wealth Partners' supervised persons. In addition to compliance support, LPL also provides the supervised persons of Hefty Wealth Partners, and therefore Hefty Wealth Partners, with back-office operational, technology, and other administrative support.

If clients wish to implement the advice of Hefty Wealth Partners through any of the programs described in this document, LPL will be used as the broker/dealer and/or custodian. LPL will be the primary broker/dealer and custodian recommended due to Hefty Wealth Partners' relationship with LPL. Hefty Wealth Partners recommends broker/dealers and custodians that our Firm feels will provide services in a manner and at a cost that will allow Hefty Wealth Partners to meet its duty of best execution. However, Hefty Wealth Partners may be limited in the broker/dealer or custodians that it is allowed to use due to our relationship with LPL. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to clients and Hefty Wealth Partners' recommendation of LPL, economic benefits may be provided by LPL to Hefty Wealth Partners that will not be provided if the client selects another broker/dealer or account custodian. These benefits may include: negotiated costs for transaction implementation, a dedicated trade desk that services LPL participants exclusively, a dedicated service group and an account services manager dedicated to our Firm's accounts, access to a real-time order matching system, electronic download of trades, balances and position information, access, for a fee, to an electronic interface with the account custodian's software, duplicate and batched client statements, confirmations and year-end reports.

We also receive from LPL Financial production bonuses, stock options, reimbursement of fees paid to LPL Financial for items such as administrative services, and other things of value such as free or reduced-cost attendance at LPL Financial's national sales conference or top producer forums and events. Production bonuses, administrative fee reimbursements, and awards for conference attendance are based on overall business produced by [associated person] and do not favor one product or program over others. The awarding of stock options is based on total production, recurring revenue and growth rate of production. Advisory fees are considered recurring revenue and, thus, there is a financial incentive for our investment advisor representatives to recommend clients establish advisory accounts so we will receive recurring revenue and possibly receive stock options from LPL Financial.

### **Aggregate Trades**

We will execute block trades when we determine it is most beneficial for our clients. For example, we initiate a block trade when selling out of one position to cash. Typically, when multiple changes are made on the same trading day we use our trading software which places all of the orders at once but they will fill independently of each other. This process is used more often than block trading.

The process of aggregating client orders (whether filled together or independently) is done in order to achieve better execution, to attain more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. We have implemented procedures to ensure all trading opportunities are allocated and implement on a fair and equitable basis (for example first-in/first-out). We are not currently aware of any material savings that would be obtained by block trading for our clients on the LPL platform.

#### 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.

### **Item 13 – Review of Accounts**

#### Account Reviews and Reviewers

One-time Legacy for Life® services terminate upon completion of the third client-Advisor meeting and presentment of the base plan. Therefore, no reviews are conducted for these clients. If clients elect to have a review and update to an original consultation, additional fees may be charged and clients may be required to sign a new client agreement.

Ongoing Legacy for Life® services will include periodic meetings with clients to review and update the information, assumptions and advice within the base plan. As changes happen throughout the year, Hefty Wealth Partners will meet either in person or over the phone to render financial advice on an ongoing basis.

Account reviews are provided in connection with Hefty Wealth Portfolios accounts. For clients participating in this program, one of our Firm's representatives will contact clients at least annually for the purpose of reviewing their account and to determine if there have been changes in their financial situation or investment objectives. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in the client's circumstances, client request, or changes within the market.

The underlying investments held in client accounts are reviewed on a more frequent basis. Portfolios constructed by Hefty Wealth Partners are usually reviewed weekly. Triggering factors for changes to underlying portfolios include the relative valuation changes between asset classes, deviation from management style by fund, or fund closures. Portfolios constructed by third-party investment advisors will be monitored by the third-party investment advisor.

Members of the Investment Policy Committee, led by the Chief Investment Officer, are responsible for determining all investment advisory recommendations.

### **Statements and Reports**

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 Financial, 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 LPL Financial a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL Financial.

In addition, Hefty Wealth Partners may provide newsletters covering general financial planning and investment topics.

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

Hefty Wealth Partners does not directly or indirectly compensate anybody for client referrals,

If client transactions are executed through LPL or any insurance company with whom representatives are licensed, commissions will be received. Please refer to Item 10 regarding our policy not permitting investment advisor representatives to receive commissions directly. All advisor representatives are paid a salary.

As detailed in Item 5 of this Disclosure Brochure, our advisor representatives do not receive commissions, 12b-1 fees and other “brokerage” compensation from fee-based accounts managed by Hefty Wealth Partners. However, when serving in their separate capacities as registered representatives of LPL Financial, commissions from the execution of securities transactions will be paid to David Hefty as an LPL Financial registered representative. In addition, 12b-1 fees from certain mutual fund companies will be received as outlined in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for investment advisor representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. While Hefty Wealth Partners endeavors at all times to put the interest of the clients firms as part of its fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations. In addition, please refer to Item 10 regarding our policy not permitting investment advisor representatives to receive commissions directly. All advisor representatives are paid a salary.

David Hefty may be eligible to receive various incentives that may be based upon production levels. These incentives may include marketing reimbursements, educational conference trips or discounts on various software or investment-related research materials. Hefty Wealth Partners may also be provided with various newsletters or publications from financial services firms as a customary consideration.

## Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. According to this definition, Hefty Wealth Partners does not have custody of client funds or securities.

Although the Firm does not have custody, Hefty Wealth Partners has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any reports received directly from Hefty Wealth Partners. When clients have questions about their account statements, they should contact Hefty Wealth Partners or the qualified custodian preparing the statement.

## 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 prior to making significant changes in the account even when discretionary trading authority is granted by the client.

If you decide to grant trading authorization on a **non-discretionary** basis, our Firm will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject my investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, our Firm will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

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 my Firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

Hefty Wealth Partners will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, our Firm has determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our Firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

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

This item is not applicable to this brochure. Hefty Wealth Partners does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. Hefty Wealth Partners is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Hefty Wealth Partners has not been the subject of a bankruptcy petition at any time.

## Information Required by Part 2B of Form ADV: *Brochure Supplement*

### **David W. Hefty, Chief Executive Officer, Investment Advisor Representative and Investment Policy Committee Member**

#### ***Item 1 – Cover Page***

This brochure supplement provides information about David Hefty that supplements the information previously provided in this brochure. Please contact our Operations Manager if you have any questions about the contents of this supplement.

Additional information about David Hefty is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### ***Item 2 – Educational Background and Business Experience***

Born 01/1977

##### Education Background:

Bachelor of Science – Agriculture Economics, Purdue University, 1999

##### Business Background & Other Business Activity:

Hefty Wealth Partners, Inc. (formerly known as Cornerstone Wealth Management, Inc.) CEO, 12/2006 – Present and Chief Compliance Officer & Investment Advisor Representative, 07/2010 – Present;

LPL Financial Corporation, Registered Representative/ Investment Advisor Representative, 09/2002 – Present; and

Cornerstone Wealth Management, LLC (formerly Cornerstone Financial Services, LLC), CEO, 06/2000 – 12/2006.

#### ***Item 3 – Disciplinary Information***

Mr. Hefty has never been subject to a legal or disciplinary event required to be reported by the Form ADV Part 2B – Brochure Supplement instructions.

#### ***Item 4 – Other Business Activities***

Registered Representative with LPL Financial Corporation. Mr. Hefty is separately licensed as a registered representative with LPL Financial Corporation, a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in his separate capacity as a registered representative of LPL Financial, Mr. Hefty may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Mr. Hefty may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based LPL Financial account in addition to an advisory account.

The receipt of commissions creates an incentive for Mr. Hefty to recommend those products for which he will receive a commission. Consequently, the objectivity of the advice rendered to clients could be biased. Mr. Hefty controls for this potential conflict of interest by discussing with clients the benefits and negatives of establishing a fee-based account through Hefty Wealth Partners versus establishing a commission-based account through LPL Financial.

Clients are never obligated or required to establish accounts through Hefty Wealth Partners, Inc. or LPL Financial. However, if a client does not choose to accept Mr. Hefty's advice or decides not to establish an account through LPL Financial, Mr. Hefty may not be able to provide management and advisory services to the client. Clients should understand that, due to certain regulatory constraints, Mr. Hefty, in his



capacity as a LPL Financial registered representative must place all purchases and sales of securities products in commission-based brokerage accounts through LPL Financial or other LPL Financial approved institutions.

Insurance Agent. Mr. Hefty is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Mr. Hefty will receive commissions for selling insurance and annuity products. Mr. Hefty may also receive other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of compensation and other incentive benefits may affect the judgment of Hefty Wealth Partners' investment advisor representatives when recommending products to its clients. While Mr. Hefty endeavors at all times to put the interest of his clients first as a part of Hefty Wealth Partners' overall fiduciary duty to clients, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest.

Clients are never obligated or required to purchase insurance products from or through Mr. Hefty and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

#### ***Item 5 – Additional Compensation***

In addition to the description of additional compensation provided in Item 4 above, certain product sponsors may provide Mr. Hefty with other economic benefits as a result of Mr. Hefty's recommendation or sale of the product sponsors' investments. The economic benefits received by Mr. Hefty from Hefty Wealth Partners and product sponsors can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist Mr. Hefty in providing various services to clients. Although Hefty Wealth Partners and LPL Financial endeavor at all times to put the interest of its clients ahead of its own or those of its officers, directors, or representatives, these arrangements present a conflict of interest that may affect the judgment of Mr. Hefty.

#### ***Item 6 – Supervision***

Mr. Hefty is the Chief Compliance Officer of Hefty Wealth Partners and ultimately responsible for supervising activities and services provided by the Firm. Investment accounts and investment programs are reviewed as frequently as weekly. Mr. Hefty is responsible for monitoring investment accounts under his control, but actively seeks the assistance of other Hefty Wealth Partners investment advisor representatives when needed.

## **Stacy E. Hefty, President and Investment Advisor Representative**

### **Item 1 – Cover Page**

This brochure supplement provides information about Stacy Hefty that supplements the information previously provided in this brochure. Please contact our Operations Manager if you have any questions about the contents of this supplement.

Additional information about Stacy Hefty is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 2 – Educational Background and Business Experience**

Born 10/1976

#### **Education Background:**

Bachelor of Science – Agriculture Economics, Purdue University, 1999

#### **Business Background & Other Business Activity:**

Hefty Wealth Partners, Inc. (formerly known as Cornerstone Wealth Management, Inc.), President, Vice President, Secretary, & Treasurer, 12/2006 – Present; Investment Advisor Representative, 07/2010 – Present;  
LPL Financial Corporation, Registered Representative/ Investment Advisor Representative, 09/2002 – Present; and  
Cornerstone Wealth Management, LLC (formerly Cornerstone Financial Services, LLC), President, Vice President, Secretary, & Treasurer, 06/2000 – 12/2006.

### **Item 3 – Disciplinary Information**

Ms. Hefty has never been subject to a legal or disciplinary event required to be reported by the Form ADV Part 2B – Brochure Supplement instructions.

### **Item 4 – Other Business Activities**

Registered Representative with LPL Financial Corporation. Ms. Hefty is separately licensed as a registered representative with LPL Financial Corporation, a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in her separate capacity as a registered representative of LPL Financial, Ms. Hefty may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Ms. Hefty may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based LPL Financial account in addition to an advisory account.

The receipt of commissions creates an incentive for Ms. Hefty to recommend those products for which he will receive a commission. Consequently, the objectivity of the advice rendered to clients could be biased. Ms. Hefty controls for this potential conflict of interest by discussing with clients the benefits and negatives of establishing a fee-based account through Hefty Wealth Partners versus establishing a commission-based account through LPL Financial.

Clients are never obligated or required to establish accounts through Hefty Wealth Partners, Inc. or LPL Financial. However, if a client does not choose to accept Ms. Hefty's advice or decides not to establish an account through LPL Financial, Ms. Hefty may not be able to provide management and advisory services to the client. Clients should understand that, due to certain regulatory constraints, Ms. Hefty, in his capacity as a LPL Financial registered representative must place all purchases and sales of securities

products in commission-based brokerage accounts through LPL Financial or other LPL Financial approved institutions.

Insurance Agent. Ms. Hefty is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Ms. Hefty will receive commissions for selling insurance and annuity products. Ms. Hefty may also receive other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of compensation and other incentive benefits may affect the judgment of Hefty Wealth Partners' investment advisor representatives when recommending products to its clients. While Ms. Hefty endeavors at all times to put the interest of her clients first as a part of Hefty Wealth Partners' overall fiduciary duty to clients, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest.

Clients are never obligated or required to purchase insurance products from or through Ms. Hefty and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

#### ***Item 5 – Additional Compensation***

In addition to the description of additional compensation provided in Item 4 above, certain product sponsors may provide Ms. Hefty with other economic benefits as a result of Ms. Hefty's recommendation or sale of the product sponsors' investments. The economic benefits received by Ms. Hefty from Hefty Wealth Partners and product sponsors can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist Ms. Hefty in providing various services to clients. Although Hefty Wealth Partners and LPL Financial endeavor at all times to put the interest of its clients ahead of its own or those of its officers, directors, or representatives, these arrangements present a conflict of interest that may affect the judgment of Ms. Hefty.

#### ***Item 6 – Supervision***

David Hefty is the Chief Compliance Officer of Hefty Wealth Partners and ultimately responsible for supervising activities and services provided by the Firm including the services provided by Ms. Hefty. Investment accounts and the advice provided by Ms. Hefty are reviewed as frequently as weekly by Mr. Hefty. Mr. Hefty can be contacted at 260-927-1830.

**Douglas E. Lockwood, Chief Investment Officer, Investment Advisor Representative and Investment Policy Committee Member**

**Item 1 – Cover Page**

This brochure supplement provides information about Doug Lockwood that supplements the information previously provided in this brochure. Please contact our Operations Manager if you have any questions about the contents of this supplement.

Additional information about Doug Lockwood is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Educational Background and Business Experience**

Born 09/1965

Education Background:

Bachelor of Arts – Economics, Wabash College, 1988

Master of Business Administration, Anderson University, 2000

Business Background & Other Business Activity:

Hefty Wealth Partners, Inc. (formerly known as Cornerstone Wealth Management, Inc.), Employee, 12/2006 - Present; Chief Investment Officer 11/2008 – Present & Investment Advisor Representative, 07/2010 – Present;

LPL Financial Corporation, Registered Representative/ Investment Advisor Representative, 10/2005 – Present;

Cornerstone Wealth Management, LLC (formerly Cornerstone Financial Services, LLC), Employee, 09/2005 – 12/2006;

AMI Investment Management, Inc., Investment Advisor Representative, 10/1999 – 8/2005.

**Item 3 – Disciplinary Information**

Mr. Lockwood has never been subject to a legal or disciplinary event required to be reported by the Form ADV Part 2B – Brochure Supplement instructions.

**Item 4 – Other Business Activities**

Registered Representative with LPL Financial Corporation. Mr. Lockwood is separately licensed as a registered representative with LPL Financial Corporation, a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in his/her separate capacity as a registered representative of LPL Financial, Mr. Lockwood may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Mr. Lockwood may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based LPL Financial account in addition to an advisory account.

This type of business represents a minimal amount of Mr., Lockwood's overall services. Any commissions generated by Mr. Lockwood are paid to David Hefty, in his capacity as an LPL Financial registered representative. Mr. Lockwood is in turn paid a salary for all work performed through Hefty Wealth Partners and LPL Financial. Therefore, although David and Stacy Hefty may have an incentive to generate commission-based business, the fact that Mr. Lockwood is paid a salary reduces his incentive to recommend commission-based accounts.

Clients are never obligated or required to establish accounts through Hefty Wealth Partners, Inc, or LPL Financial. However, if a client does not choose to accept Mr. Lockwood's advice or decides not to establish an account through LPL Financial, Mr. Lockwood may not be able to provide management and advisory services to the client. Clients should understand that, due to certain regulatory constraints, Mr. Lockwood, in his capacity as a LPL Financial registered representative must place all purchases and sales of securities products in commission-based brokerage accounts through LPL Financial or other LPL Financial approved institutions.

Insurance Agent. Mr. Lockwood is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Mr. Lockwood can receive commissions for selling insurance and annuity products. However, similar to business through LPL Financial, all commissions from insurance products sold by Mr. Lockwood are paid to David Hefty thus reducing Mr. Lockwood's incentive to recommend insurance products for the commissions received.

Clients are never obligated or required to purchase insurance products from or through Mr. Lockwood and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

#### ***Item 5 – Additional Compensation***

In addition to his regular salary, Mr. Lockwood receives bonuses based on Firm total revenue and revenue growth. The bonuses are indirectly tied to new client referrals.

#### ***Item 6 – Supervision***

David Hefty is the Chief Compliance Officer of Hefty Wealth Partners and ultimately responsible for supervising activities and services provided by the Firm including the services provided by Mr. Lockwood. Investment accounts and the advice provided by Mr. Lockwood are reviewed as frequently as weekly by Mr. Hefty. Mr. Hefty can be contacted at 260-927-1830.

**Nicholas H. Scheumann, Investment Advisor Representative**

**Item 1 – Cover Page**

This brochure supplement provides information about Nick Scheumann that supplements the information previously provided in this brochure. Please contact our Operations Manager if you have any questions about the contents of this supplement.

Additional information about Nick Scheumann is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Educational Background and Business Experience**

Born 06/1980

Education Background:

Bachelor of Science – Economics, Manchester College, 2002

Business Background & Other Business Activity:

Hefty Wealth Partners, Inc. (formerly known as Cornerstone Wealth Management, Inc.), Employee, 12/2006 – Present; Investment Advisor Representative, 07/2010 – Present; and LPL Financial Corporation, Registered Representative/ Investment Advisor Representative, 11/2002 – Present.

Cornerstone Wealth Management, LLC (formerly Cornerstone Financial Services, LLC), Employee, 8/2002 – 12/2006.

**Item 3 – Disciplinary Information**

Mr. Scheumann has never been subject to a legal or disciplinary event required to be reported by the Form ADV Part 2B – Brochure Supplement instructions.

**Item 4 – Other Business Activities**

Registered Representative with LPL Financial Corporation. Mr. Scheumann is separately licensed as a registered representative with LPL Financial Corporation, a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in his/her separate capacity as a registered representative of LPL Financial, Mr. Scheumann may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Mr. Scheumann may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based LPL Financial account in addition to an advisory account.

This type of business represents a minimal amount of Mr. Scheumann's overall services. Any commissions generated by Mr. Scheumann are paid to David Hefty, in his capacity as an LPL Financial registered representative. Mr. Scheumann is in turn paid a salary for all work performed through Hefty Wealth Partners and LPL Financial. Therefore, although David and Stacy Hefty may have an incentive to generate commission-based business, the fact that Mr. Scheumann is paid a salary reduces his incentive to recommend commission-based accounts.

Clients are never obligated or required to establish accounts through Hefty Wealth Partners, Inc, or LPL Financial. However, if a client does not choose to accept Mr. Scheumann's advice or decides not to establish an account through LPL Financial, Mr. Scheumann may not be able to provide management and advisory services to the client. Clients should understand that, due to certain regulatory constraints,

Mr. Scheumann, in his capacity as a LPL Financial registered representative must place all purchases and sales of securities products in commission-based brokerage accounts through LPL Financial or other LPL Financial approved institutions.

Insurance Agent. Mr. Scheumann is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Mr. Scheumann can receive commissions for selling insurance and annuity products. However, similar to business through LPL Financial, all commissions from insurance products sold by Mr. Scheumann are paid to David Hefty thus reducing Mr. Scheumann's incentive to recommend insurance products for the commissions received.

Clients are never obligated or required to purchase insurance products from or through Mr. Scheumann and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

***Item 5 – Additional Compensation***

In addition to his regular salary, Mr. Scheumann receives bonuses based on Firm total revenue and revenue growth. The bonuses are indirectly tied to new client referrals.

***Item 6 – Supervision***

David Hefty is the Chief Compliance Officer of Hefty Wealth Partners and ultimately responsible for supervising activities and services provided by the Firm including the services provided by Mr. Scheumann. Investment accounts and the advice provided by Mr. Scheumann are reviewed as frequently as weekly by Mr. Hefty. Mr. Hefty can be contacted at 260-927-1830.

## **Mark VandeVelde, Investment Advisor Representative**

### **Item 1 – Cover Page**

This brochure supplement provides information about Mark VandeVelde that supplements the information previously provided in this brochure. Please contact our Operations Manager if you have any questions about the contents of this supplement.

Additional information about Mark VandeVelde is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 2 – Educational Background and Business Experience**

Born 08/1978

#### Education Background:

Bachelor of Arts in Business with a concentration in Financial Planning – Ball State University, 2000

#### Business Background & Other Business Activity:

Hefty Wealth Partners, Inc., Investment Advisor Representative, 02/2011 – Present;  
LPL Financial Corporation, Registered Representative, 02/2011 - Present;  
Chase Investment Services Corporation, Registered Representative and Investment Advisor Representative, 07/2005 – 02/2011; and  
Banc One Securities Corporation, Registered Representative and Investment Advisor Representative 07/2004 – 07/2005.

### **Item 3 – Disciplinary Information**

Mr. VandeVelde has never been subject to a legal or disciplinary event required to be reported by the Form ADV Part 2B – Brochure Supplement instructions.

### **Item 4 – Other Business Activities**

Registered Representative with LPL Financial Corporation. Mr. VandeVelde is separately licensed as a registered representative with LPL Financial Corporation, a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in his/her separate capacity as a registered representative of LPL Financial, Mr. VandeVelde may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Mr. VandeVelde may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based LPL Financial account in addition to an advisory account.

This type of business represents a minimal amount of Mr. VandeVelde's overall services. Any commissions generated by Mr. VandeVelde are paid to David Hefty, in his capacity as an LPL Financial registered representative. Mr. VandeVelde is in turn paid a salary for all work performed through Hefty Wealth Partners and LPL Financial. Therefore, although David and Stacy Hefty may have an incentive to generate commission-based business, the fact that Mr. VandeVelde is paid a salary reduces his incentive to recommend commission-based accounts.

Clients are never obligated or required to establish accounts through Hefty Wealth Partners, Inc, or LPL Financial. However, if a client does not choose to accept Mr. VandeVelde's advice or decides not to establish an account through LPL Financial, Mr. VandeVelde may not be able to provide management



and advisory services to the client. Clients should understand that, due to certain regulatory constraints, Mr. VandeVelde, in his capacity as a LPL Financial registered representative must place all purchases and sales of securities products in commission-based brokerage accounts through LPL Financial or other LPL Financial approved institutions.

Insurance Agent. Mr. VandeVelde is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Mr. VandeVelde can receive commissions for selling insurance and annuity products. However, similar to business through LPL Financial, all commissions from insurance products sold by Mr. VandeVelde are paid to David Hefty thus reducing Mr. VandeVelde's incentive to recommend insurance products for the commissions received.

Clients are never obligated or required to purchase insurance products from or through Mr. VandeVelde and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

#### ***Item 5 – Additional Compensation***

In addition to his regular salary, Mr. VandeVelde receives bonuses based on Firm total revenue and revenue growth. The bonuses are indirectly tied to new client referrals.

#### ***Item 6 – Supervision***

David Hefty is the Chief Compliance Officer of Hefty Wealth Partners and ultimately responsible for supervising activities and services provided by the Firm including the services provided by Mr. VandeVelde. Investment accounts and the advice provided by Mr. VandeVelde are reviewed as frequently as weekly by Mr. Hefty. Mr. Hefty can be contacted at 260-927-1830.

## CUSTOMER PRIVACY POLICY

Regulation S-P, Privacy of Consumer Financial Information, requires financial institutions, including Hefty Wealth Partners, to provide notice to current clients and prospective clients about their policies and practices concerning the collection and use of customer, non-public information. This privacy policy notice is given to all prospective clients of the Firm upon entering into a contract with the Firm and annually thereafter.

**Privacy Disclosure Statement.** A primary goal of Hefty Wealth Partners is to protect the privacy of its clients. Hefty Wealth Partners does not sell the personal information of clients to anyone.

To conduct regular business, Hefty Wealth Partners may collect nonpublic personal information from clients. This information is provided by clients to Hefty Wealth Partners on applications and other forms provided by clients to Hefty Wealth Partners as well as transactions with the Firm, our affiliates, or others.

Hefty Wealth Partners may enter into contracts with outside third parties so that our Firm can assist its clients in servicing their accounts. Including broker-dealer firms with supervisory obligations over certain of our Firm's activities. In order to do this, Hefty Wealth Partners will disclose personal information to companies that help our Firm process transactions for client accounts (for example, executing client trades at through a broker/dealer). However, Hefty Wealth Partners does not share or disclose any nonpublic customer information except as allowed or required by law. In addition to sharing information in order to provide financial services to clients, our Firm may be required to disclose personal information to cooperate with regulators or law enforcement authorities, to resolve customer disputes, or for risk control.

**Information Safeguarding.** Hefty Wealth Partners has implemented strict policies and procedures aimed at protecting the sensitive nature of client information. Hefty Wealth Partners restricts access to client information to only those members of our Firm that must provide products and services to clients in order to service client accounts. Hefty Wealth Partners may also share information with LPL Financial which has supervisory obligations over certain of our Firm's activities. As a result of the LPL relationship, LPL will have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about our clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Hefty Wealth Partners.

Hefty Wealth Partners has implemented physical, electronic, and procedural safeguards aimed at meeting our Firm's duty to protect nonpublic client information.

If you have any questions concerning Hefty Wealth Partners' customer privacy policy or concerns about your personal information please feel free to contact Hefty Wealth Partners at the number located on the cover page of this brochure.