

# **PLP ADVISORS, LLC**

## **FIRM BROCHURE SEPTEMBER 10, 2014**

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This brochure provides information about the qualifications and business practices of PLP Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (888) 860-9560. The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission or by any state securities authority.

PLP Advisors, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about PLP Advisors, LLC is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Adviser is 153996.

## **2. MATERIAL CHANGES**

In November 2013, the firm changed its chief compliance officer from Valerie Manus-Zoerhof to co-chief compliance officers Dennis Tubbergen and Frederick Gearhart. Additionally, in December 2013, the firm applied for registration in the states of Michigan, Missouri and Texas. It will no longer be registered with the U.S. Securities and Exchange Commission. These are the only material changes since the firm's last annual update which was on April 11, 2013.

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#### **4. ADVISORY BUSINESS**

##### **A. OWNERSHIP/ADVISOR HISTORY**

PLP Advisors, LLC (the “Firm”) is an investment adviser. Dennis Tubbergen and Frederick Gearhart established PLP Advisors in May 2010.

##### **B. ADVISORY SERVICES OFFERED**

Prior to the Adviser-Client relationship, the Firm may offer a complimentary general consultation to discuss services available, to give a prospective Client time to review services desired, and to determine the possibility of a potential relationship. Investment advisory services begin only after the Client and Firm formalize the relationship with a properly executed Client Agreement.

After engaging the Firm, the Client will be asked to share in a data gathering and discovery process in an effort to determine the Client’s stated needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the Client and the nature of services requested.

##### **1. PORTFOLIO MANAGEMENT SERVICES**

PLP Advisors, LLC offers the Managed Risk portfolio, the Laddered Bonds portfolio, the All Seasons portfolio, and the All Income portfolio to its clientele. Although having a particular investment strategy does not ensure a profit or guarantee against loss, the Managed Risk, All Seasons and Speculative portfolios ideally look to generate a positive return whether the overall market is up or down. The Laddered Bonds portfolio and All Income portfolio ideally looks to generate income. Having a particular investment strategy does not ensure a profit or guarantee against loss. As with any major investment decision, the services of an appropriate professional should be sought as investment related recommendations are dependent upon the personal financial situation of each individual investor.

##### **Investment Portfolio Options:**

##### **Managed Risk Portfolio™**

The objective of the Managed Risk portfolio is designed to generate growth while protecting assets from a market decline. Holdings in this portfolio may be in fixed interest instruments, corporate bonds and may also purchase call options on stocks or ETFs.

##### **Laddered Bonds™**

The objective of the Laddered Bonds portfolio is to preserve capital and generate income, the same as Managed Risk. However, holdings in this portfolio may be in individual fixed interest instruments and individual corporate bonds only. Holdings in this portfolio are designed to be held until maturity to maximize income potential for the client; selling a bond prior to its maturity may result in a loss in principle.

### **All Seasons Conservative™**

The All Seasons Conservative Portfolio Model is an illustration based on the proprietary quantitative and technical components of our strategy. The Model is based on long positions in small cap stocks, mid cap stocks, large cap stocks, gold, long-term US Treasuries and cash. This model's returns are typically uncorrelated to traditional investment styles and market indices. The portfolio objective is to achieve absolute returns while minimizing drawdown. There is no guarantee the objective will be achieved.

### **All Seasons Moderate™**

The All Seasons Moderate Portfolio Model is an illustration based on the proprietary quantitative and technical components of our strategy. The Model is based on long positions in a Dow Jones Industrial Average 200% Exchange Traded Fund, a Gold 200% Exchange Traded Fund and a Long Term US Treasury 200% Exchange Traded Fund as well as long positions in small cap stocks, mid cap stocks, large cap stocks, gold, long-term US Treasuries and cash. This model's returns are typically uncorrelated to traditional investment styles and market indices. The portfolio objective is to achieve absolute returns while minimizing drawdown. There is no guarantee the objective will be achieved.

### **All Seasons Aggressive™**

The All Seasons Aggressive Portfolio Model is an illustration based on the proprietary quantitative and technical components of our strategy. The Model is based on long positions in a Dow Jones Industrial Average 200% Exchange Traded Fund, a Gold 200% Exchange Traded Fund and a Long Term US Treasury 200% Exchange Traded Fund. This model's returns are typically uncorrelated to traditional investment styles and market indices. The portfolio objective is to achieve leveraged absolute returns. There is no guarantee the objective will be achieved.

### **All Income Portfolio™**

The objective of this portfolio is to generate income. Positions in this portfolio may be held in exchange traded funds and or income producing mutual funds. Based on our proprietary signals each asset class in this portfolio may be fully invested, partially invested or in cash.

## **2. FINANCIAL PLANNING SERVICES**

The Firm offers Clients financial planning services to evaluate their financial situation, goals and risk tolerance. Through a series of personal interviews and the use of questionnaires, the Firm will collect pertinent data, identify goals, objectives, financial problems, and potential solutions, prepare specific recommendations and implement recommendations. As a result of these actions, the Firm's advice may be provided on financial and cash management, risk management, financial issues relating to divorce or marital issues, estate planning, tax issues, retirement planning, educational funding, goal setting, or other needs as identified by the Client and Firm. The Firm may offer comprehensive planning services or the Client may desire advice on certain planning components; the Firm can tailor services as desired by the Client. At the conclusion of the Financial Planning Service the Firm shall present the Client with a written financial plan.

### **3. NEWSLETTER PUBLICATION**

The Firm does offer a newsletter publication. The newsletter includes a market overview and general analysis regarding specific sectors of the economy and various markets. The newsletter is provided for education purposes only and does not render advice on the basis of specific investment situations of any particular client. As such, the views expressed in the newsletter do not constitute investment advice and should not be interpreted as a recommendation to buy, hold or sell any particular security. Prior to making any investment decision, the services of an appropriate professional should be sought. It is important to know that actual investment decisions made by the Firm and its affiliates will not necessarily reflect the views expressed in the newsletter as the Firm's portfolio is managed with a specific goal and risk tolerance in mind. The Firm has a fiduciary responsibility to its clientele, not to newsletter recipients, an important distinction.

#### **C. TAILORED SERVICES**

The Firm offers individualized investment advice to clients utilizing its Financial Planning Services. The Firm's Portfolio Management Services are tailored to the goals of the portfolio. As a result, we usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to a separate account held outside of our portfolios.

#### **D. WRAP PROGRAM**

The Firm does not participate in a wrap program. This section is not applicable.

#### **E. CLIENT ASSETS MANAGED**

As of March 25, 2014, the Firm manages approximately \$11,958,712.86 in discretionary assets.

### **5. FEES AND COMPENSATION**

#### **A. PORTFOLIO MANAGEMENT SERVICES**

Fees for portfolio management service will be based on a percentage of the assets under management. All fees are based on the account's custodian reported value. The fees are calculated and withdrawn monthly in advance based on the following fee schedules.

- The Managed Risk and All Seasons (Conservative, Moderate & Aggressive) portfolios' annual fee is 1.50% with a maximum annual fee of \$7,500.
- The All Income and Laddered Bonds portfolios' annual fee is .50% with a maximum annual fee of \$3,000.

The management fees are to be charged once the account is opened, funded and invested. The initial month's fee is prorated for the number of days remaining in the month. Thereafter, the fee is based upon the previous month-end value. The Firm may aggregate related accounts and, for billing purposes, treat them like one account.

The annual advisory fee may exceed fees customarily charged to accounts of similar size and objectives at other investment advisers. Similar services may be available at a lower fee from another advisor.

The client will be asked to allow the Firm to directly withdraw its fees from the client's account. When withdrawing the fee, the Firm will send a fee invoice to the custodian and to each client. The fee invoice will state the Account value, the fee amount and how the fee was calculated. A client may object to the deduction of fees from the account by notifying us at the address or telephone number shown on each billing invoice or by notifying the custodian. Clients may terminate this authorization at any time by giving us ten days written notice.

The Firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee and it will not receive any portion of these commissions, fees, and costs. For more information about the firm's brokerage practice please see Item 12.A.

Fees will not be based upon a share of capital gains or capital appreciation of the funds or of any portion of the funds under advisory contract. Fees for services to be performed will not be collected six or more months in advance.

The Firm may from time to time unilaterally amend our fees and billing arrangements. Any change will only become effective after 30 days' prior written notice.

#### Termination of Portfolio Management Services

A client may terminate the Investment Management Agreement for any reason at any time and, within the first five (5) business days after signing the contract, without any cost or penalty. Thereafter, the contract may be terminated either by a client or the Firm at any time by giving ten (10) days' written notice, to PLP Advisors, LLC, Frederick Gearhart, 961 Four Mile Road NW, Grand Rapids, MI 49544. Upon termination, fees will be prorated for the number of days that services were rendered during the termination month. The prorated refund is based on the Account's custodian reported value as of the termination date so long as the written notification was received within the specified time frames of the account being closed and/or transferred. For example if 30 days are in a month and services were rendered for 10 days in the quarter, the client will be refunded 67% of that quarter's fee. ( $10/30 = .33 * 100 = 33\%$  paid to Adviser for services with remainder/unearned fees paid to the Client.  $100\% - 33\% = 66\%$ )

#### B. FINANCIAL PLANNING

Financial plans are provided at an Hourly or Fixed rate. The Hourly planning fee will not exceed \$500 per hour. The maximum Hourly fee chargeable to a client is \$20,000. Fixed planning fees range from \$250 - \$20,000. All fees are agreed to in advance and in writing. The actual fee will

depend upon the complexity of the financial situation and the estimate of hours involved, including preparation and research, areas to be specified and estimated in the written agreement for services. The fee is payable no later than six months after signing the agreement, to include an initial deposit agreed upon in writing, not to exceed \$500.

Clients should note that lower fees for comparable services may be available from other sources.

Review consultations are provided to existing clientele to reevaluate their financial situation, goals and risk tolerance. Financial review plans are provided at an hourly rate not to exceed \$500 per hour. The maximum fee is \$5,000. Fees for review planning services are agreed upon in advance, in writing and are dependent upon the complexity of the financial situation and the estimated number of hours involved, including preparation and research. The fee is payable upon the signing of the agreement. As this service is provided for existing clientele, a refund for this service is not provided.

No client is obligated in any way to follow the adviser's recommendations nor, if electing to follow the recommendations, to do so through PLP Advisors, LLC, or its affiliated persons.

#### Termination of Financial Planning Services

A client may cancel the financial planning service agreement for any reason during the first 90 days from the date of signing the agreement and will receive a refund of 100% of all fees paid. To cancel the agreement, a client must notify the adviser and return any materials received to that date. Notice can be sent to PLP Advisors, LLC, attention Frederick Gearhart, 961 Four Mile Road NW, Grand Rapids, MI 49544.

A client may request a 100% refund within one year of signing the financial planning agreement, if the client is of the opinion that the services provided by a financial professional of the Firm have not resulted in a value of at least twice the sum of fees paid for that service.

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

The Firm does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client). Therefore, this section is not applicable.

### **7. TYPES OF CLIENTS**

The Firm's services are offered to individuals, trusts and estates, charities, pension and profit sharing plans, corporations and other businesses entities. The Firm's portfolio management services require a minimum account size of \$50,000. Exceptions may be made, solely at the Firm's discretion, based on such factors as prior or anticipated investment activity. The Firm may also aggregate related accounts in the same household in determining whether the account minimum has been met and in calculating the rate applicable to the fees.

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

#### A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The Firm is required to give a description of the methods of analysis and investment strategies it uses in formulating investment advice or managing assets.



With respect to the Firm's financial planning services, it uses an individualized asset allocation method for each client. When deciding on the asset allocation for a client, the Firm takes into account the client's risk tolerance, goals, investment objectives and other data gathered during the client meetings. Asset Allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon among various asset classes. The risk associated with asset allocation is that each class has different levels of risk and return, so each will behave differently over time. Also, despite being diversified there is no guarantee that an account will grow.

Once the Firm has created a financial plan for a Client it manages the Client's portfolios using the following methods of analysis:

**Charting Analysis** – Charting analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Charting 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. The risk associated with charting analysis is that despite that appearance that a pattern, it may not rise in value as predicted.

**Macro-Economic Analysis** – We perform fundamental analysis on the economy as a whole in an attempt to determine how to best allocate a client's holdings among different asset classes given our perception of moving economic trends. The risk associated with macroeconomic analysis is that policy responses and the timeliness of any macroeconomic changes cannot be predicted, despite the appearance that a market may be undervalued or that a market may not move as predicted.

**Technical Analysis** – Technical Analysis is 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. The risk associated with technical analysis is that there is no broad consensus among technical traders on the best method of identifying future price movements.

#### Investment Strategies the Firm uses:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)

With respect to the Firm's portfolio management services, the Firm follows the core principles that an actively managed portfolio of fixed income vehicles and call options can provide a reasonable flow of income while capital can be preserved. When deciding on the asset allocation for a portfolio, the Firm studies various market indicators such as monetary policy, interest rates, inflation as well as financial newspapers and magazines, research prepared by other advisers, company press releases, prospectuses, annual reports, and other market related filings. Securities and bonds are managed based on their current yield, yield to maturity, and duration observing to any call features that could affect the future income from each investment. The ability to increase income while maintaining principal will depend on both the direction and level of interest rates over time.

## B. INVESTMENT RISKS

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that Clients should be prepared to bear.** While the Firm recommends various securities that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. The Firm would be pleased to discuss them.

The Firm strives to render its best judgment on behalf of its Clients. Still, the Firm cannot assure or guarantee Clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. The Firm continuously strives to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

Market conditions can vary widely over time. Investing in securities involve a risk of principal loss. Investing in non-U.S. securities may entail higher risk due to non-U.S. currency fluctuations and political or economic uncertainty which may be especially heightened when investing in emerging markets. Having a particular investment strategy does not guarantee a profit and/or guarantee against loss. Investors should consider the investment objectives, risks, and fees carefully before investing.

The Firm's investment portfolio is not intended to be actively managed and therefore should not involve above average portfolio turnover which could result in adverse tax consequences in non-qualified accounts.

## C. RECOMMENDED SECURITIES AND THEIR RISKS

The Firm uses a variety of securities in Client's portfolios. These securities may include, but are not limited to, the following: Exchange Traded Funds ("ETFs"); Mutual Funds including inverse and leveraged funds; ADRs; Stocks; Bonds; Options including covered calls, short and put positions; Precious Metals; Preferred Stock; High Yield Debt; Emerging Markets; Foreign Fixed Income; Domestic Fixed Income; Real Estate Investment Trusts; Alternative Investments; Money Market Funds and Cash.

An investment could lose money over short or even long periods. A Client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. The Client's account performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates. Interest rate risk will vary for the client, depending on the amount of client assets invested in bonds.

- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, and regulatory and financial reporting standards, that differ from those of the U.S.
- **Terrorism Risk:** The chance that stock domestic and international stock prices will decline due to a terrorist event.
- **Political Risk:** The chance that a change in government may affect stock prices of domestic or international stocks.
- **Natural Risks:** The chance that a natural catastrophe (earthquakes, hurricanes, etc.) may affect stock prices of domestic or international stocks.
- **Options Risk:** Like other securities - including stocks, bonds, and mutual funds - options carry no guarantees, and a person must be aware that it is possible to lose all of the principal he/she invests, and sometimes more. As an option holder, a person risks the entire amount of the premium he/she paid pay. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, he/she faces unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial options investments usually requires less capital than equivalent stock positions, a potential cash losses as an options investor are usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage: Percentage returns are often high, but it is important to remember that percentage losses can be high as well.
- **Leveraged and inverse fund risks:** A number of factors may hinder a leveraged or inverse fund's ability to achieve correlation with its benchmark index, including fees, expenses, transaction costs, use of margin or other leveraged investment techniques, index rebalancing, and other factors described in the prospectus. The effects of leverage and compounding, however, are the two primary reasons why the return of an index over the specified rebalancing period does not translate into the return of a leveraged or inverse fund held for *longer* than the rebalancing period (and, remember, a leveraged or inverse fund does not typically *attempt* to track an index over any period longer than the rebalancing period, which is most commonly one day). Compounding and leverage are likely to have a significant effect on long-term performance, whether positive or negative. This is one reason why a leveraged or inverse fund that closely tracks the daily performance of an index will not necessarily track the long-term performance of that index. When held for longer than one day, a leveraged or inverse fund that seeks to achieve a multiple of the daily return of a benchmark index can even have negative

performance over a period in which the benchmark index achieved positive returns. This divergence tends to be particularly pronounced in volatile markets, but can also occur in relatively "flat" markets.

- **Credit risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of your investment and/or the future purchasing power of your assets.
- **Portfolio Concentration:** Accounts not diversified among a wide range of types of securities, countries or industry sectors may have more volatility and are considered to have more risk than accounts that are invested in a greater number of securities because changes in the value of a single security may have more of a significant effect, either negative or positive. Accordingly, portfolios are subject to more rapid changes in value than would be the case if client maintained a more diversified portfolio.
- **Precious Metals Definition and Risks:** A precious metal is a rare, naturally occurring metallic chemical element of high economic value. Historically, precious metals were important as currency but are now regarded mainly as investment and industrial commodities. Gold, silver and other precious metals are often seen as hedges against both inflation and economic downturn. Precious metals can be purchased at a custodian and then stored in a vault. Investors can buy physical metal in bars, bullion and coins; however there are numerous investment vehicles that do not involve physical delivery such option contracts, mining company stocks, bonds, and mutual funds among others.

***Risks:***

- Should an investor take physical custody of the precious metal purchased, there is the risk of theft or loss if the gold is kept at home. If the investor places it in a bank safe deposit box, there will not be access in an emergency if the bank is closed. Safe deposit boxes are not insured in the event of a disaster.
- Fees charged by the custodian are subject to change.
- The prices of precious metals fluctuate based on supply and demand, as well as political and economic considerations.
- The values of precious metal investment vehicles are influenced by metal price volatility, with commodity funds and indices, and futures and options, more sensitive to daily price swings.
- A precious metal should not be bought alone as an investment as it is considered to be speculative. There is potential that a precious metal will not beat inflation in the long run.

Clients need to ask questions about risks they do not understand. The Firm would be pleased to discuss them.

## **9. DISCIPLINARY INFORMATION**

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a management person has been involved in of these events, we must disclose it under this Item for ten years following the date of the event unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events that need to be disclosed. If our advisory firm or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation of our firm or management.

We have determined that the Firm has nothing to disclose under the aforementioned standard. While Mr. Tubbergen served as an officer and a registered representative of USA Advanced Planners, Inc., a FINRA registered broker-dealer, FINRA raised concerns with the brokerage firm's first life settlement transactions, which closed in 2006 and 2007. The brokerage firm had not sent transaction confirmations and FINRA disagreed with the method by which the brokerage firm determined its compensation, which in FINRA's view was excessive under the circumstances. The brokerage firm had followed the life settlement industry's guidelines for compensation in sales of fixed life insurance. Upon first becoming aware of FINRA's concern in May of 2007, the brokerage firm promptly modified its policies and procedures and closed all subsequent variable life settlement cases without regulatory concerns. All of the firm's variable life settlement transactions were completed prior to the publication of FINRA's Notice to Members 09-42, released in 2009, applying NASD rules 2440, and 2110 to variable life settlements. To resolve FINRA's issue, the brokerage firm offered to refund a portion of the commissions charged to the customers. An agreement was reached with FINRA without the brokerage firm or Mr. Tubbergen admitting or denying FINRA's allegations. As part of this agreement, Mr. Tubbergen was censured and the firm paid restitution to the clients.

## **10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. BROKER-DEALER AFFILIATIONS**

The Firm is not affiliated with a broker-dealer.

#### **B. FUTURES/COMMODITIES FIRM AFFILIATION**

The Firm, its management and investment adviser representatives are not affiliated with a futures or commodities broker.

#### **C. OTHER INDUSTRY AFFILIATIONS**

The Firm's owners, Dennis Tubbergen and Frederick Gearhart, along with many of its investment adviser representatives are independent insurance agents (Life and Health Licensed). This activity is considered investment related and they may recommend it to the Firm's Clients. All sales as an insurance agent will pay a commission that is separate from the fees outlined above. This creates a conflict of interest because it creates a financial incentive to recommend investment products based on compensation rather than on a Client's need. The Firm, its owners and investment adviser representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the Clients interests ahead of their own, through their fiduciary duty and through the implementation of policies and procedures that address the conflict. Additional information about each representative's insurance activities can be found their ADV Part 2B - Supplemental Brochure.

#### **D. SELECTION AND MONITORING OF THIRD PARTY INVESTMENT ADVISERS**

The Firm does not recommend the services of Third Party Investment Advisers. This section is not applicable.

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

#### **A. DESCRIPTION**

The Firm's Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. The Firm will provide a copy of our Code of Ethics to any Client or prospective Client upon request.

The Firm's Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at the Firm must acknowledge the terms of the Code of Ethics annually, or as amended.

#### **B. MATERIAL INTEREST IN SECURITIES**

The Firm, its owners and investment adviser representatives do not have a material financial interest in any securities.

#### **C. INVESTING IN OR RECOMMENDING THE SAME SECURITIES**

On occasion, the Firm's owner and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different from those that they recommend to their Clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. The Firm attempts to mitigate the conflict of interest to the best of its ability through the enactment of

the Firm's code of ethics, trading policies, and its fiduciary responsibilities. Nonetheless, the Firm generally attempts to place Client transactions ahead of the owners and investment adviser representative's trades. The associates of the Firm are aware of their fiduciary duty to their Clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept by the Firm, available to regulators to review on the premises.

## **12. BROKERAGE PRACTICES**

### **A. RECOMMENDATION CRITERIA**

When the Firm recommends brokers or custodians, it will seek broker dealers who offer competitive commissions costs together with reliable services. A Client's choice of another broker-dealer is acceptable if proven feasible. The Firm has entered into an agreement with Scottrade for transaction execution. The Firm has entered into an agreement with Scottrade to place investment accounts assets for transaction execution. The Firm believes that its agreement with Scottrade recognizes its fiduciary responsibility in negotiating brokerage commissions, assuring best execution practices and assuring adequate investment availability/inventory on behalf of its Clients. The Firm does not receive compensation with respect to execution of trades at Scottrade.

With the use of independent broker-dealers, a Client may incur a ticket charge or sales commission for the sale or purchase of securities. The Firm does not receive any portion of the ticket charge or sales commission.

#### **i. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. The Firm does not receive "soft dollars" from any vendor or service provider in exchange for our placement of brokerage transactions.

#### **ii. BROKERAGE FOR CLIENT REFERRALS**

The Firm does not receive Client referrals or any other incentive from Scottrade or any other third party.

#### **iii. DIRECTED BROKERAGE**

Some Clients may direct us to a specific broker-dealer to execute securities transactions for their accounts. When so directed, we may not be able to effectively negotiate lower brokerage commissions or achieve best execution on Clients' transactions. This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the Clients' account because the Firm cannot negotiate favorable prices.

### **B. TRADE AGGREGATION**

The Firm may have the authority to aggregate or block client orders placed with the same custodian. To the extent any aggregated or block orders are placed, the Firm will cause those

orders to be effected through an average price account or similar account such that each account at the same custodian participating in the order shares in the securities purchased or sold, price, and transaction costs pro rata (unless pro rata would be unfair under the circumstances). As a result the average price account will allocate proportionate shares to each client's account. It will also provide clients with an average price for the securities transaction or transactions, which could reduce the transaction costs for the client.

### **13. REVIEW OF ACCOUNTS**

#### **A. PERIODIC REVIEWS**

Representatives of PLP Advisors, LLC evaluate which portfolio is best suited to a client's stated goals and determined risk tolerances. Any change in a client's financial situation, goals or risk tolerance may also affect the current strategy guiding a client's portfolio and other investments. Clients are hereby urged to notify their adviser representative of any such change at their earliest convenience. The number of accounts handled by the Firm's representatives varies because each representative is generally responsible for servicing those clients with whom he or she has personally developed a client relationship. Each representative is encouraged to conduct a formal/in-person review of their clients' accounts on an annual basis at minimum.

#### **B. OTHER REVIEWS**

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a Client's financial situation (such as retirement, termination of employment, physical move or inheritance).

#### **C. REPORTS**

In addition to the monthly or quarterly statements that clients receive from their custodian that show account activity, fees and holdings, PLP Advisors, LLC will provide monthly fee statements showing the month-end balance and the applicable management fee. Those clients whose investments include mutual funds or variable annuities will receive customary reports from the mutual fund companies or insurance companies holding those investments. For the companies who employ our Firm to manage their group retirement plans, participants will have online access to their individual statements as well.

### **14. CLIENT REFERRALS AND OTHER COMPENSATION**

#### **A. OTHER COMPENSATION**

The Firm does not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

#### **B. CLIENT REFERRALS**

The Firm does not pay for client referrals or use solicitors.

### **15. CUSTODY**

All Client funds, securities and accounts are held at third-party custodians. The Firm does not take possession of a client's securities. However, the Client will be asked to authorize the Firm with the ability to deduct fees directly from the Client's account. This authorization will apply to



the Firm's management fees and Planning Fees. For management fees, the Firm will send a billing statement (invoice) to each client, showing the fee to be debited and how it was calculated. A Client may object to the deduction of the Firm's fees from the Account by notifying the Firm at the address or telephone number shown on each billing invoice, or by notifying the account custodian. The custodian will also send an account statement at least quarterly, indicating the amount of fees withdrawn from the client's Account. The Firm urges clients to carefully review their statements and notify the Firm of any discrepancies as soon as possible. Pay for a client's planning fees will only be deducted upon specific direction from the client.

## **16. INVESTMENT DISCRETION**

The Firm's Portfolio Management Services are discretionary. The Firm's discretionary authority is obtained when a Client signs an investment management agreement and a limited power of attorney form. The agreement and the limited power of attorney allows the Firm to buy and/or sell securities the Firm has selected, within the tolerance agreed to by the Client, and in the amounts the Firm deems suited to the agreed upon portfolio structure. They also allow the Firm to place each such trade without the Client's prior approval.

Financial Planning Services are nondiscretionary. A non-discretionary investment account means the Client retains full discretion to supervise, manage, and direct the assets of the account. The Client maintains full power and authority to purchase, sell, invest, reinvest, exchange, convert, and trade the assets in the Account in any manner deemed appropriate and to place all orders for the purchase and sale of Account assets with or through brokers, dealers, or issuers selected by the Client. The Client is free to manage the account with or without the recommendation of the Firm and all with or without prior consultation with the Firm.

## **17. VOTING CLIENT SECURITIES**

The Firm will **not** be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in Clients' accounts. Proxy solicitation materials will be sent directly from the securities issuer to the Clients for response and voting. In the event a Client has a question about a proxy solicitation, the Client should contact his/her investment adviser representative.

## **18. FINANCIAL INFORMATION**

### **A. BALANCE SHEET**

The Firm does not require or solicit prepayment of more than \$500 in fees per Client, six months or more in advance. Therefore, this section is not applicable.

### **B. FINANCIAL CONDITION**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition when it would impair its services. The Firm has no financial commitment that impairs its ability to service its Clients.

C. BANKRUPTCY

The Firm, has never been the subject of a bankruptcy proceeding.

**19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

A. EXECUTIVE OFFICERS AND MANAGEMENT

**Dennis C. Tubbergen** – Chief Executive Officer

**Education:** *Calvin College* - General Studies - No Degree Earned

**Business Background:**

*PLP Advisors, LLC* – January 2010 to Present

- Shareholder
- Chief Executive Officer
- Investment Adviser Representative (December 2013 to Present)

*PLP Services, LLC* – April 2001 – Present

- Shareholder
- Insurance Agent

*PLP Metals, LLC* – November 2013 – Present

- Shareholder

*USA Wealth Management, LLC* – April 2002 to December 2013

- Shareholder
- Chief Executive Officer

*GTBK Marketing LLC* – May 2001 to February 2013

- Chief Executive Officer

*Veritas Specialized Investment Services, LLC* – June 2010 to January 2012

- Chief Executive Officer

*USA Advanced Planners, Inc.* – January 2006 – February 2011

- Shareholder
- Registered Principal
- Registered Representative

**Frederick W. Gearhart** – President

**Education:** *Grand Valley State University* – Bachelor of Arts in Finance

**Business Background:**

*PLP Advisors, LLC* – January 2010 to Present

- Owner
- President
- Investment Adviser Representative (December 2013 to Present)

*PLP Services, LLC* – April 2001 – Present

- Owner
- Insurance Agent

*PLP Metals, LLC* – November 2013 – Present

– Shareholder

***USA Wealth Management, LLC*** – April 2002 to December 2013

– Owner

– President

– Investment Adviser Representative

***Centaurus Financial, Inc.*** – February 2011 – March 2012

– Registered Principal

– Registered Representative

***USA Advanced Planners, Inc.*** – January 2006 – February 2011

– Owner

– Registered Principal

– Registered Representative

**B. OTHER BUSINESS ACTIVITY**

As described in Item 10.C, above, Mr. Tubbergen and Mr. Gearhart are independent insurance agents.

**C. PERFORMANCE BASED COMPENSATION**

Mr. Tubbergen and Mr. Gearhart do not receive performance based compensation.

**D. DISCIPLINARY HISTORY**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Please see Item 9, above for additional information.

**E. ADDITIONAL RELATIONSHIPS WITH ISSUERS OF SECURITIES**

Registered investment advisers are required to disclose all material facts regarding any relationship with an issuer of securities. The executive management does not have a relationship with an issuer of securities. Therefore, no information is applicable to this Item.

**CUSTOMER ACKNOWLEDGEMENT OF RECEIPT OF PLP ADVISORS, LLC ADV  
BROCHURE**

By signing below, the client(s) does/do certify that s/he (they) has (have) received and read carefully this disclosure brochure dated **September 10, 2014** and had the opportunity to ask such questions as may have occurred in reading and/or discussing the services provided and the costs of those services.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date