

# Disclosure Brochure

October 2016

## **WealthPLAN Partners**

*CRD# 158935*

*A Registered Investment Adviser*

101 South 108<sup>th</sup> Avenue, Second Floor

Omaha, NE 68154

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This Disclosure Brochure provides information about the business and practices of WealthPLAN Partners. The purpose of the brochure is to provide information to you so that you can understand and use our services more effectively. Please call us at our main office number listed above if you have questions about the content of this brochure.

WPP is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The investment advisory services that are described within this brochure are not insured or otherwise protected by the U.S Government, the FDIC, the Federal Reserve Board, or any other government agency. All investments involve risk, including the possible loss of principal.

The information in the brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Additional information about WealthPLAN Partners is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by searching for WealthPLAN Partners or using CRD number 158935.

**WealthPLAN Partners, a Registered Investment Adviser**

101 South 108<sup>th</sup> Avenue, Second Floor, Omaha, Nebraska, 68154 | (402) 333-5448

[www.WEALTHPLAN.PARTNERS](http://www.WEALTHPLAN.PARTNERS)

## Item 2. Material Changes

Since our last annual amendment filing on March 28, 2016, our firm has added a WRAP fee program as well as the ability to utilize outside portfolio managers.

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## **Item 4. Advisory Business**

We are a Registered Investment Adviser with our primary location in Omaha, NE. We also conduct business under the names WealthPLAN Partners, Centerline Financial, Feltz WealthPLAN, Financial Solutions Inc., Georgia Bank & Trust, Silverleaf Wealth Management, Kechely Wealth Management, MasinMisko, Moravec Financial Advisors, Inc., Sundance Investments, Wealth Plan Advantage, Providence Wealth Planning, COBLE MCCUNE WEALTH MANGEMENT, and The Preferred Client Group. The firm was incorporated in August of 2011 under the laws of the State of Nebraska and has been in business as an independent registered investment adviser since August 2011. Todd Feltz is the principal owner of the firm.

This Disclosure Brochure describes our business. In this brochure, the words, “we,” “our,” “the firm” and “us” refer to the firm and the words “you”, “your”, and “client” refer to you as either the client or prospective client of our firm.

We provide financial planning, consulting, and investment management services. Prior to engaging us to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with the firm, setting forth the terms and conditions under which we render our services (collectively the “Agreement”).

As of December 31, 2015, the Firm has \$1,656,630,495 in assets under management, of which \$953,248,830 are managed on a discretionary basis and \$703,381,665 are managed on a non-discretionary basis.

### **Business Entities of Investment Advisor Representatives**

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Investment Advisor Representatives may have their own legal business entities whose business names and logos may appear on marketing materials as approved by WealthPLAN Partners, or client statements as approved by the Custodian. The Client should understand that the businesses are legal entities of the Investment Advisor Representative and not of WealthPLAN Partners, nor the Custodian. Additionally, the business entity may provide services other than as an Investment Advisor Representative as disclosed herein; However, Investment Advisory Services of the Investment Advisor Representatives are provided through WealthPLAN Partners.

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

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We may provide our clients with a broad range of comprehensive financial planning and consulting services. These services include business planning, investments, insurance, retirement, education, estate planning, and tax and cash flow needs of the client. Financial planning services will be provided in an ongoing relationship.

In performing these services, we are not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and are expressly authorized to rely on such information. We may recommend our own services, our Advisory representatives in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement these recommendations. Clients are advised that a conflict of interest exists if we recommend our own services. The client is under no obligation to act upon any of the recommendations we make under a financial planning or consulting engagement or to engage us or the services of any such recommended professional. The client retains absolute discretion over all such implementation of decisions and is free to accept or reject any of our recommendations. We strongly recommend you promptly notify us if there is ever a change in your financial situation or investment objectives for the purpose of reviewing, evaluating, or revising our previous recommendations and/or services.

Results of the analysis or review may be provided verbally, in a written financial plan or analysis, or delivered via online access to a financial planning or analysis tool.

### **Investment Management Services**

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Clients can engage us to manage all or a portion of their assets on a discretionary basis. Clients can establish accounts at either LPL Financial, Schwab, or TD Ameritrade for the custody of assets, with our assistance.

We primarily allocate clients' investment management assets among mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, managed futures, real estate partnerships and/or options, as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client. In addition, we may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. We also provide advice about any type of investment held in clients' portfolios.

We may also render non-discretionary investment advisory services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, we either direct or recommend the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

We tailor our advisory services to the individual needs of clients. We consult with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the client's investment needs. We strive to ensure that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance based on information provided by the client on the Client Profile form,

the Fact Finder, and during a one on one meeting with the client(s) initially and at least annually. Clients are advised to promptly notify the firm if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon our management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds).

Our firm will occasionally utilize the sub-advisory services of a third party investment advisory firm or individual advisor to aid in the implementation of an investment portfolio designed by our firm. Before selecting a firm or individual, our firm will ensure that the chosen party is properly licensed or registered.

Our firm offers a wrap fee program as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Our firm does not manage wrap fee accounts in a different fashion than non-wrap fee accounts. All accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

#### **Variable Annuity Management**

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Clients can also engage us to manage all or a portion of their previously purchased variable annuity assets on a discretionary basis. In order to engage us to manage variable annuity assets under this arrangement the client must hold the variable annuity contract for one year. After the one-year anniversary, if the client wishes to have variable annuity assets managed by us, the client(s) will be asked to enter into the firm's written investment advisory agreement. This agreement will set forth the terms and conditions of the management relationship. We provide this service without charging a separate investment advisory fee.

We may allocate clients' variable annuity subaccounts among the selections made available by the insurance company issuing the variable annuity contract. Such allocations will be made based on the investment objectives of the client. The variable annuity subaccounts will be periodically reviewed and reallocated as needed among the investment selections to remain consistent with the client's goals and objectives. All variable annuity assets are maintained at the insurance company issuing the variable annuity and the insurance company will continue to issue periodic account statements to the client as the custodian of assets.

#### **Retirement Plan Consulting Services**

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We offer consulting services to retirement plan sponsors in some or all of the following areas as agreed upon in the written consulting services agreement. This applies to client accounts that are retirement or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If client accounts are part of a Plan, and our firm accepts appointments to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of

Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Application with respect to the provision of services described therein.

- Investment Policy Statement – assist the plan sponsor in developing or revising the plan’s investment policy statement.
- Service Provider Liaison – act as a liaison between the plan and its service providers and vendors based solely on instructions from the plan.
- Investment Monitoring – perform ongoing monitoring of investments and/or investment managers based on written guidance provided by the plan
- Performance Reports – prepare reports, based on statements provided by the plan, reflecting performance of investments and/or investment managers and comparing the performance to benchmarks.
- Investment Recommendations – recommend specific investments for plan sponsor to consider within the plan or to make available to plan participants (if applicable), and/or recommend replacement investments if an existing investment is deemed no longer suitable by the plan sponsor. Unless engaged on a 3(38) Fiduciary level, all decisions regarding investments to be purchased or made available to plan participants are the responsibility of the plan sponsor
  - 404(c) Assistance – assist plan in identifying investment options under the “broad range” requirement of ERISA 404(c)
  - Qualified Default Investment Alternative (QDIA) Assistance – assist client in identifying an investment alternative within the definition of QDIA under ERISA
- Education Services to Plan Sponsor – provide training for members of the plan sponsor or any plan committee with regard to their services, including education with respect to their fiduciary responsibilities.
- Participant Enrollment – assist plan in enrolling plan participants in the plan, including conducting enrollment meetings and providing participants with information about the plan such as terms and operation of the plan, benefits of plan participation, benefits of increasing plan contributions, and impact of withdrawals on retirement income.
- Participant Education – conduct group investment education meetings and plan participant advice (if requested by plan sponsor). Providing information about investment options under the plan such as investment objectives and historical performance, explaining investment concepts such as diversification, risk and return, and providing guidance as to how to determine investment time horizon and risk tolerance. WPP delivers education at the group level and may offer advice at the participant level, but since WPP does not have discretion over participant plan assets, it is the sole responsibility of the participant to make any of the changes or adjustments to their account.
- Changes in Investment Options – assist in making changes to investment options under the plan, on a 3(21) or 3(38) fiduciary level.
- Vendor Analysis – assist plan with the preparation, distribution and evaluation of Requests for Proposals, and conduct interview of final candidates.

- Benchmarking Services – provide plan with comparisons of plan data such as fees, services, participant enrollment and participant contribution levels to data from the plan’s prior years and/or similar plans.
- Fee Assessment – assist plan in identifying fees and other costs incurred by the plan for investment management, recordkeeping, participant education, and participant communication among others, as applicable.

## **Item 5. Fees and Compensation**

We offer our services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management. Additionally, certain of our Advisory representatives, in their individual capacities, may offer securities brokerage services and insurance products under a commission arrangement. The firm reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain client accounts and for any period of time as determined by the firm.

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

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We may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. We provide three levels of financial planning services, known as Essential, Intermediate and Premier, depending on the complexity of the client’s financial needs and the level of financial planning desired by the client. The fees generally range from \$1,500 to \$5,000 annually on a fixed fee basis for financial planning services, or \$1,000 to \$100,000 on a fixed fee basis for consulting services. In addition, consulting services may be offered on an hourly basis for a fee ranging from \$100 to \$300 per hour.

Prior to engaging us to provide financial planning and/or consulting services, the client and firm are required to enter into a written agreement setting forth the terms and conditions of the engagement, including the amount of the fee. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

The agreement for financial planning services is an ongoing relationship and may be terminated by either party upon written notice to the other party. Upon termination, any prepaid, unearned fees will be returned to the client, based upon the time and effort completed prior to termination of the agreement. Any fees owed to the firm upon termination will be billed to the client at that time. No refunds will be made after delivery of the services. The client will receive full disclosure and details of all arrangements in the agreement.

### **Investment Management Fee for Individual Investors**

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We provide investment management services for an annual fee based upon a percentage of the market value of the assets being managed. Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client.



We do not, however, receive any portion of these commissions, fees, and costs. Our annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by us on the last day of the previous quarter. The annual fee is negotiable and varies (between 0.01% and 2.50%) depending upon the market value of the assets under management and the type of investment management services to be rendered. The client will receive full disclosure and details of all arrangements in the agreement.

For the sub-advisory services rendered to our clients, our firm compensates third party investment advisory firms or individual advisors a percentage of the overall investment advisory fee charged by our firm. The advisory fee paid shall not exceed the fee published for this service. The terms and conditions under which the client shall engage the third party investment advisory firm or individual advisors shall be set forth in a separate agreement between the client and the designated third party.

#### **Investment Management Fee for Institutional Investors**

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We also provide investment management services to institutional investors, primarily foundations, non-profit organizations, pension and qualified plans, for an annual fee based upon a percentage of the market value of the assets being managed by us. Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. We do not receive any portion of these commissions, fees, and costs. This annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being advised upon by us on the last day of the previous quarter. The annual fee is negotiable and varies (between 0.10% and 1.50%) depending upon the market value of the assets under management and the type of investment management services to be rendered. The client will receive full disclosure and details of all arrangements in the agreement.

For the sub-advisory services rendered to our clients, our firm compensates third party investment advisory firms or individual advisors a percentage of the overall investment advisory fee charged by our firm. The advisory fee paid shall not exceed the fee published for this service. The terms and conditions under which the client shall engage the third party investment advisory firm or individual advisors shall be set forth in a separate agreement between the client and the designated third party.

#### **Referrals to Third Party Money Managers**

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The total annual advisory fee for this service shall not exceed 2.50%. A portion of this fee will be paid to our firm and will be outlined in the third party money manager's advisory agreement to be signed by the client. Clients will be provided with a copy of the chosen third party money manager's Form ADV Part 2, all relevant Brochures, a solicitation disclosure statement detailing the fees to be paid to both firms and the third party money manager's privacy policy. All fees that our firm receives from the third party money managers and the written separate disclosures made to clients regarding these fees comply with applicable state statutes and rules.

The billing procedures for this service vary based on the chosen third party money manager. The total fee to be charged, as well as the billing cycle, will be detailed in the third party money manager's ADV Part 2A and separate advisory agreement to be signed by the client.

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**Transaction Charges and IRA Custodial Fees**

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Non-wrap clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. Clients may also pay charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses). Our firm does not receive a portion of these fees. Our firm offers a wrap fee program as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Our firm does not manage wrap fee accounts in a different fashion than non-wrap fee accounts. All accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. Wrap fee clients will not incur transaction costs for trades. More information about this can be found in our separate Wrap Fee Program Brochure.

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**Fees for Management during Partial Quarters of Service**

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For the initial period of investment management services, the fees are calculated on a pro rata basis.

The Agreement will continue in effect until terminated by either party pursuant to the terms of the Agreement. Our fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be adjusted or prorated based on the number of days remaining in the quarter.

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**Commissions or Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with the firm (but not the firm itself) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with this firm. Under this arrangement, clients may implement securities transactions through certain of our advisory representatives in their respective individual capacities as registered representatives of LPL Financial (LPL), an SEC registered broker-dealer and member of FINRA. LPL may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by LPL to such advisory representatives. Prior to effecting any transactions clients are 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. We do not charge an advisory fee on the same assets for which its advisory representatives receive commissions.

First and foremost, our objective as a firm is to place nothing before the best interests of our clients. However, a conflict of interest exists to the extent that advisory representatives can recommend the purchase of securities where they receive commissions or other additional compensation as a result. The potential receipt of commissions provides an incentive for advisory representatives to recommend investment products based on compensation they will receive from selling such products, rather than on the client's needs. We do not allow advisors to earn a commission on products that are included within our advisory accounts.

We take the following steps to mitigate the possibility that the advisory representatives will recommend an investment product based on potential commission rather than on the client's needs: we address the inherent conflicts as noted in the paragraph above, by disclosing them to you in this Brochure and disclosure is made to the client at the time a brokerage account is opened through LPL, identifying the nature of the transaction or relationship, the role to be played by LPL and the advisory representative, individually, and any compensation (e.g. commissions) to be paid by the client.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

We do not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

We do not require a minimum account size to open or maintain an account. The types of clients we provide our services to include; individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities, and state or municipal government entities.

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

As stated previously, our decentralized business model includes advisory representatives located throughout the United States. These advisory representatives each determine their own investment strategies to follow when managing client accounts. The following provides information regarding the methods of analysis and investment strategies that may be used by our advisory representatives.

### **Methods of Analysis**

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Fundamental analysis involves the fundamental financial condition and competitive position of a company. We will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that

while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that we will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that we are recommending. The risks with cyclical analysis are similar to those of technical analysis.

## **Investment Strategies**

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Our philosophy represents an evolution of investment thought that moves beyond simple “Buy and Hold” and basic Asset Allocation to that of Strategy Diversification. It focuses more directly on how investments interact and relate to each other, looking closely at how investments are managed, how they seek to gain their returns, how they address risk exposures, and perhaps most importantly, what their correlations are to one another.

We believe that Strategy Diversification can more effectively address portfolio volatility than basic Asset Allocation across stock and bond asset classes by utilizing strategies with defensive mechanisms, and low or uncorrelated strategies that have return characteristics unrelated to the stock and bond markets. Strategy Diversification is designed to recognize that investments have different characteristics to achieve return and address risk. By diversifying and actively allocating across these various strategies, we strive to build portfolios to address each client’s long-term financial plan with more consistent returns and lower portfolio volatility.

With respect to our Retirement Plan Consulting Services, we strive to recommend diversified investment alternatives that plan sponsors may consider for investment or to make available to participants.

## **Risk of Loss**

### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund’s underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Market Risks*

The profitability of a significant portion of our recommendations or selections may depend to a great extent upon correctly assessing the future course of price movements of various securities in which it invests. There can be no assurance that we will be able to predict those price movements accurately.

#### *Management through Similarly Managed Accounts*

For most clients, we generally manage portfolios by allocating portfolio assets among various mutual funds/ securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "investment strategy"). In so doing, we buy, sell, exchange and/or transfer shares of mutual funds, ETFs and other securities based upon the investment strategy.

Our management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

The investment strategy may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to clients may be limited. As further discussed in response to Item 12B (below), we allocate investment opportunities among clients on a fair and equitable basis.

#### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

### **Item 9. Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client’s evaluation of our advisory business or the integrity of our management. We do not have any required disclosures to add to this Item.

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

We are required to disclose any relationship or arrangement that is material to our advisory business or to our clients with certain related persons.

#### **Receipt of Securities Commission**

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We participate in LPL Financial’s hybrid RIA program. As such, some of the investment advisory representatives are also registered representatives of LPL. In such capacity, those advisory representatives may receive commissions for recommending the purchase or sale of securities. As a result of this relationship, LPL may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about our clients, even if the client does not establish any account through LPL. Any client who would like a copy of the LPL privacy policy may contact the firm.

#### **Receipt of Insurance Commission**

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Certain of the firm’s advisory representatives, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. Although we do not sell such insurance products to our investment advisory clients, we do permit the advisory representatives, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists to the extent that we recommend the purchase of insurance products where its advisory representatives receive insurance commissions or other additional compensation.

## **Receipt of LPL Shares**

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LPL's parent company, LPL Investment Holdings, Inc., is a publicly traded company with shares listed on The NASDAQ Global Select Market under the trading symbol "LPLA". Certain advisory representatives of WPP are shareholders and/or option holders of LPLA.

## **Item 11. Code of Ethics**

We recognize that the personal investment transactions of the associated persons of the firm necessitates the implementation and strict adherence to a robust set of values, or Code of Ethics. The firm has adopted such a Code that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the firm or any of its associated persons. The Code of Ethics also requires that certain of firm personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in the firm's Code of Ethics, none of our Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold on behalf of any of WPP's clients.

When the firm is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the firm is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact us to request a copy of our Code of Ethics.

LPL's parent company, LPL Investment Holdings, Inc., is a publicly traded company. We do not recommend or solicit orders of LPL Investment Holdings Inc. stock in our accounts.

## **Item 12. Brokerage Practices**

At the current time we require clients to select and direct either LPL, Charles Schwab & Co. "Schwab", or TD Ameritrade (TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC "TD

Ameritrade” an unaffiliated SEC-registered broker-dealer and FINRA member) as the sole and exclusive broker/dealer and/or custodian to execute transactions for investment management accounts. All investment management transactions will be processed without commissions. While we believe that these custodians have execution procedures that are designed to obtain the best execution possible, there can be no assurance that best execution will be obtained. Clients should understand that not all advisors require their clients to direct advisory business to a specific firm. By directing advisory business to LPL, Schwab, or TD Ameritrade, clients may be unable to achieve the most favorable execution for client transactions. Therefore, directed advisory business may cost clients more money

Factors which we consider in recommending LPL or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by LPL, Schwab, or TD Ameritrade may be higher or lower than those charged by other financial institutions.

We receive support services and/or products from LPL, Schwab, and TD Ameritrade, many of which assist us to better monitor and service accounts. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related programs and publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- transition assistance for new advisory representatives
- electronic communication network
- duplicate client confirmations and statements
- computer hardware and/or software
- other products and services used by WPP in the furtherance of its investment advisory business

These support services noted above are provided to the firm based on the overall relationship between our firm and LPL, Schwab, or TD Ameritrade. It is not the result of soft dollar arrangements or any other express arrangements that involves the execution of client transactions as a condition to the receipt of services. We will continue to receive the above services regardless of the volume of client transaction executed with LPL, Schwab, or TD Ameritrade. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by our firm to LPL, Schwab, or TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the above.



Please note, however, that LPL may provide the firm with a loan to assist us with our business operation and expansion plans. This loan may be forgiven by LPL based on the scope of business we engage in with LPL, including the amount of our client assets retained at LPL. In particular, LPL may require that the firm maintain a specified level of client assets with LPL and that we use reasonable efforts to use LPL for at least a specified percentage of new client assets. We also receive the following types of compensation from LPL:

- Reimbursements for marketing related expenses. The marketing related activities may include, but are not necessarily limited to, brochures, website design services, business cards, letterhead, and other marketing collateral.
- Reimbursements for technology costs. The technology costs may include, but are not necessarily limited to, purchases of hardware, purchases of software, implementation and training for new systems.
- Payments for transitioning new advisory representatives to the firm to assist in transferring accounts onto the LPL platform. The monetary assistance may be in the form of upfront cash, or forgivable or non-forgivable loan(s).

These arrangements present conflicts of interest in that the firm has a financial incentive to recommend that you maintain your account with LPL in order to have the loan forgiven or to continue to receive certain cost reimbursements. However, to the extent we recommend you use LPL for services, it is because we believe that it is the client's best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL.

The commissions paid by brokerage clients comply with WPP's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where we determine that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a financial institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. We seek competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

We periodically and systematically review our policies and procedures regarding the recommendation of LPL, Schwab, and TD Ameritrade in light of our duty to obtain best execution.

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients, differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure,

transactions will generally be averaged as to price and allocated among our clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which our advisory representatives may invest, we will do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. We do not receive any additional compensation or remuneration as a result of the aggregation. In the event that the firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Within Retirement Plan Consulting Services, we may assist with investment recommendations to the retirement plan sponsor. This could include research and recommendations for consideration and selection by the plan sponsor, of specific investments to be held in the plan or, in the case of a participant-directed defined contribution plan, to be made available as an investment option under the plan. The plan sponsor is responsible for the selection of any vendor, broker/dealer or custodian for plan assets, and is responsible for placing any transactions deemed appropriate.

### **Products and Services Available to Us From our Custodians**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

Services that Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that

would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

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

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Our Firm. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
  - technology, compliance, legal, and business consulting;
  - publications and conferences on practice management and business succession; and
  - access to employee benefits providers, human capital consultants and insurance providers.
- Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving these services, we may have an incentive to continue to use or expand the use of Schwab services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Schwab and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Schwab charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for

individual equity and debt securities transactions). Schwab enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Schwab may be higher or lower than those charged by other custodians and broker-dealers.

Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered custodian. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. There is no direct link between our firm's participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody.

#### **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain advisory representatives in their respective individual capacities are registered representatives of LPL. These advisory representatives are subject to FINRA Rules which restricts registered representatives from conducting securities transactions away from their broker-dealer unless LPL provides written consent. Therefore, clients are advised that certain advisory representatives may be restricted to conducting securities transactions through LPL unless they first secure written consent from LPL to execute securities transactions through a different broker-dealer. Absent such written

consent or separation from LPL, these advisory representatives are prohibited from executing securities transactions through any broker-dealer other than LPL under LPL internal supervisory policies. WPP receives approval from LPL for each account held in custody at TD Ameritrade and Schwab.

The firm is also cognizant of its duty to obtain best execution from all execution sources and has implemented policies and procedures reasonably designed in such pursuit.

### **Item 13. Review of Accounts**

For those clients to whom we provide investment management services or variable annuity management services, the firm monitors those portfolios as part of an ongoing process while regular account reviews are conducted periodically as needed but at least annually. For those clients to whom we provide financial planning and/or consulting services, reviews are conducted according to the schedules set forth by the Essential, Intermediate and Premier levels of service. Such reviews are conducted by one of our investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with us and to keep us informed of any changes thereto. We contact ongoing investment advisory clients at least annually to review our previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the custodian for the client accounts.

Clients receiving investment management services will also receive a quarterly performance report issued either by the firm or the selected custodian on behalf of the firm.

Those clients to whom we provide financial planning services may receive the results of such analysis or review verbally, in a written financial plan or analysis, or delivered via online access to a financial planning or analysis tool.

For Retirement Plan Consulting Services, plan sponsors receive a quarterly report from the firm regarding information on plan holdings. The report may contain some or all of the following elements, among others, as agreed upon between the plan sponsor and the firm; investment performance, changes in fund management or practices, benchmarking to a peer group and market indices, and potential concerns for plan holdings.

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

We are required to disclose any relationship or arrangement where we receive an economic benefit from a third party (non-client) for providing advisory services. In addition, we are required to disclose any direct or indirect compensation that we provide for client referrals. At this time, we do not use the services of solicitors, affiliated or non-affiliated.

#### **Referral Fees**

WPP compensates other persons or firms for client referrals. WPP enters into an agreement with such referral agents and pays them a portion of the advisory fee. The referral agent discloses to the client at the time of the solicitation the arrangement and the compensation to be received by the referral agent. The compensation for these services is paid completely by the firm from the investment advisory fees earned, which are not increased or passed along to a client in any way, therefore there is no increase in the advisory fees you will pay to the Investment Adviser.

### **Other Compensation**

As a result of our relationship with LPL, we may receive production bonuses, stock or stock options to purchase shares of LPL's parent company, and other things of value such as free or reduced-cost attendance at LPL's national sales conference or top producer forums and events. Such compensation may be based on overall business produced and/or the amount of assets serviced through LPL. Thus, there is a financial incentive for us to recommend that you select LPL as the custodian for your investment management account so that we will be compensated. We take our responsibilities to clients very seriously and we will only recommend that clients hire us for management services if we believe it is appropriate and in the client's best interests.

In addition, we may receive an economic benefit from LPL Financial in the form of a loan, which is forgiven if we meet certain conditions in terms of maintaining a relationship with LPL Financial. We also receive payments from LPL to reimburse for marketing related expenses, technology costs, and to pay for transitioning new advisory representatives to the firm. Please see detailed discussion of the conditions and potential conflicts of interest in Item 12 Brokerage Practices.

We receive an economic benefit from Schwab and TD Ameritrade in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab and TD Ameritrade. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12- Brokerage Practices). The availability to us of Schwab and TD Ameritrade's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Item 15. Custody**

We do not maintain physical custody of client funds or securities. Custody for investment management accounts is maintained by either LPL, Schwab, or TD Ameritrade. You will receive account statements directly from your custodian at least quarterly. We encourage you to carefully review these statements upon receipt. In addition, we will provide you with a quarterly performance report. This performance report does not take the place of official statements that you receive from the account's custodian.

We will not have access to client funds or securities with the exception of having advisory fees deducted from client accounts and paid to us by the custodian. Any fee deductions will be done pursuant to client's written authorization provided to the custodian.

## **Item 16. Investment Discretion**

We accept the authority to exercise discretion on behalf of clients. We are considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Our clients must sign a discretionary investment advisory agreement for our firm to manage their accounts on a discretionary basis. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). The firm will exercise discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

The firm will not exercise any discretionary authority when providing Retirement Plan Consulting Services.

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

We do not and will not accept the proxy authority to vote client securities. Clients retain the right to vote all proxies. Proxy information for any securities which are held in your accounts will be sent to you by the account's custodian. We will not be providing you with this information. However, if you have any questions about a particular situation, you may contact us for general information.

## **Item 18. Financial Information**

We do not require nor do we solicit the prepayment of more than \$1,200 in fees per client, six months or more in advance when providing advisory services. As a result, we are not required to include a financial statement with this brochure. WPP is not and has never been the subject of a bankruptcy petition.