

**Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of 401(K) GPS, Inc. If you have any questions about the contents of this brochure, please contact us at 810-229-6446 or [crumler@efpadvisors.com](mailto:crumler@efpadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser does not require and should not be interpreted by the reader to imply any particular level of skill or training.

Additional information about 401(K) GPS, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 151699.

**Item 2 MATERIAL CHANGES**

We have not made material amendments to this Disclosure Brochure since our last filing.

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#### **Item 4     ADVISORY BUSINESS**

401(K) GPS, Inc. (hereinafter “401(K) GPS,” “we” or “us”) is an SEC-registered investment adviser with its principal place of business located in Brighton, Michigan. Although the services provided by 401(K) GPS were previously offered through the firm’s affiliate, Executive Wealth Management, LLC, also an SEC-registered investment adviser that shares its principal office with 401(K) GPS, 401(K) GPS began conducting business as a stand-alone, registered investment adviser in 2011. Albert P. Herzog is President and majority owner of 401(K) GPS.

401(K) GPS’ services consist exclusively of client consultations provided through in-depth account reviews and recommendations. 401(K) GPS does not manage assets for any client on a discretionary or nondiscretionary basis nor do we accept trading authorization with respect to any client’s account.

401(K) GPS provides investment advice with respect to a client’s 401(k), simple IRA, 403b, or 457 defined contribution retirement plans. These consultation services may be provided in person, via a secure web-based portal or both. Our services are limited to qualified plans and are provided to individual plan participants (not to the plan sponsor or employer). We begin by gathering and reviewing client and plan information, document reviews and plan research. Our information gathering process may also involve personal consultations with the client. Through this process, we seek to establish the client’s goals and objectives based on his/her particular financial circumstances. In addition to the client’s current contribution levels, plan holdings, investment selections and allocation, 401(K) GPS will review all investment options available within the plan and seek to determine which of these is most appropriate for the client and in what allocations, depending on his or her individual needs and circumstances. Finally, we will make recommendations for changes to the client’s current strategy as appropriate.

If requested, 401(K) GPS will also provide periodic account monitoring services in light of market conditions and changing client needs and circumstances. On-going services include quarterly emails with account performance information and, as appropriate, recommendations for changes to the client’s asset allocation. Client’s engaging us to provide on-going monitoring services are encouraged to inform us promptly of material changes to his or her financial circumstances.

Once the client receives our initial and, as applicable, on-going recommendations, it will be up to the client to execute the recommendations and rebalance his/her own account according to the recommendations provided by 401(K) GPS. The client is never obligated to implement any recommendations, including initial recommendations or those provided in the quarterly emails.

401(K) GPS will also seek to enter into arrangements with third-party investment advisers through which we will provide our consulting services to a third party investment adviser with respect to its clients and permit the third party adviser to privately brand our services through the firm. Under these circumstance, 401(K) GPS will act as subadviser to the third party investment adviser allowing the third party investment adviser to retain the direct relationship with the end-user client. Similarly, 401(K) GPS will also seek to enter into arrangements with employers that wish to provide access to our advisory services for their employees.

## Item 5 FEES AND COMPENSATION

401(K) GPS charges a fixed fee for its services. All fees are payable in advance and may be paid annually or quarterly, as agreed with the client. Whereas our annual fee is \$199, clients electing to pay on a quarterly basis are generally charged \$60 per quarter.

Our fees may be negotiable under certain circumstances and in our sole discretion. Our fees cover financial analysis and investment advisory services only and do not include any other professional services that may be required by Client to implement the recommendations made by 401(K) GPS. 401(K) GPS does not require a minimum account size for its services.

When a third party investment adviser engages 401(K) GPS to privately brand our services through the firm, we are compensated for our services by the third party investment adviser. Such compensation is invoiced monthly or quarterly, based on the number of the adviser's clients that participate in the program. End-user clients should refer to the third party investment adviser's Disclosure Brochure for information regarding the fee charged for the service. As 401(K) GPS does not control the billing methods of the third party adviser, clients should review the third party adviser's disclosure document for information regarding their billing practices as well as any minimum annual advisory fee requirements established by the adviser.

When an employer engages 401(K) GPS to provide its employees with access to our services, we are compensated for our services by the employer, the employee or a combination of the employer and employee depending on the agreement. Under this circumstance, our fees will be invoiced quarterly, in advance, based the number of employees that elect to participate in the program, pro-rated for any partial quarter. We typically charge \$100 to \$199 per employee.

### **General Information**

***Negotiability of Fees:*** In certain circumstances, all fees may be negotiable. In addition, certain family members and personal acquaintances of 401(K) GPS's affiliated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

***Termination:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Fund Fees and Expenses:*** All fees paid to 401(K) GPS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds (ETFs) to their shareholders. These types of pooled investment vehicles are commonly offered through 401(k), simple IRA, 403b, or 457 defined contribution retirement plans. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Accordingly, the client should review both the fees charged by the funds and the fees charged by 401(K) GPS to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to 401(K) GPS' advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers. Such fees may include, but are not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports. Please refer to the

"Brokerage Practices" section (Item 12) of this Form ADV for additional information. If the client's plan is managed by a third party investment adviser, such adviser's fees are in addition to those charged by 401(K) GPS.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

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

401(K) GPS does not charge performance-based fees to any client.

## **Item 7 TYPES OF CLIENTS**

401(K) GPS provides advisory services to individuals, including high net worth individuals.

As previously disclosed at Item 5 of this Brochure, we do not currently impose minimum account balance requirements for opening or maintaining an account with our firm.

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

### ***Methods of Analysis***

Although we do not manage any client assets, we generally use the following methods of analysis, as appropriate to the circumstances, in formulating investment advice provided to clients:

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the managers of mutual funds or ETFs available through a client's plan in an attempt to determine if those managers have demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

**Fundamental Analysis.** Should we recommend any specific security to a client, we will attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Computer software.** We use computerized financial planning software to organize data and create a preliminary analysis of the client's current and projected financial situation. In order to analyze security performance and risk, we use a variety of data supplied by third parties as well as percentile rankings of mutual fund managers' adjusted risk performance.

A risk of such computer programs is that projections and recommendations formulated from the program are generated from assumptions entered by the software's programmers, often based on how markets or securities have historically performed. However, markets and securities can and often do perform differently than they have in the past.

**Risks for all forms of analysis.** Our analysis methods rely on the assumption that the publicly-available sources of information about these securities, issuers or non-profit organizations are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### ***Investment Strategies***

Although we do not directly manage any client account, we make recommendations to clients regarding the management of client retirement accounts. In making such recommendations, we will typically use the following strategies, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** Long-term purchases involve the purchase of securities with the idea of holding them for a year or longer. Since 401(K) GPS typically seeks to optimize a client's retirement account allocations for long term performance, we typically recommend long term purchases to gain exposure to a particular asset class over time, regardless of the current projection for this class based on the theory that the proper asset mix can limit volatility while continuing to retain the potential for gain.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we recommend that the client sell the security.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities: equities, fixed income, cash, and if appropriate, alternative investments suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. This risk may be more pronounced for clients that do not engage 401(K) GPS or another adviser to provide on-going monitoring of the account and to recommend changes when appropriate.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9     DISCIPLINARY INFORMATION**

We are required to disclose any 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.

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

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

401(K) GPS is related, through common ownership and control, with Executive Wealth Management, LLC ("EWM"), a registered investment adviser providing portfolio management services to individuals, pension and profit sharing plans (other than plan participants), trusts, estates, charitable organizations, corporations and other businesses. As disclosed at Item 4 of this Brochure, 401(K) GPS currently shares its principal office and place of business with EWM. The services of EWM may be recommended to advisory clients of 401(K) GPS, as appropriate. Although there are no arrangements between 401(K) GPS and EWM to compensate 401(K) GPS for client referrals, employees of 401(K) GPS, who may also be employees of EWM, will generally receive compensation based on successful client referrals to our firm. In addition, 401(K) GPS has entered into an agreement to compensate EWM and/or certain of its employees for client referrals. (Refer to Item 14 of this Brochure for additional information regarding these arrangements). No 401(K) GPS client that is referred to EWM is under any obligation to engage EWM for its services. Our investment adviser representatives are also separately investment adviser representatives of EWM.

The principal executive officers and other employees of 401(K) GPS are also separately licensed as registered representatives of INVEST Financial Corporation, Inc., an SEC registered and FINRA-member broker dealer (INVEST). INVEST is not affiliated with 401(K) GPS, however, under applicable regulations, INVEST is required to supervise certain activities of their registered persons. Associated persons of 401(K) GPS are also insurance agents or brokers for one or more insurance companies that are not affiliated with 401(K) GPS. These officers and employees of 401(K) GPS, in their separate capacities as registered representatives and/or insurance agents or brokers, are able to effect securities transactions and/or purchase insurance and insurance-related investment products for clients, including interests in limited partnerships, real estate investment trusts (REITs), and other securities, for which they receive separate, yet customary compensation. Although these products may be included on a client's account statement for consolidated reporting purposes, no advisory or administrative fees are charged by 401(K) GPS for these products. Neither 401(K) GPS nor any related person of 401(K) GPS serves as General Partner to or has any ownership stake in any limited partnership recommended to clients. Clients are not under any obligation to engage INVEST or these individuals when considering implementation of recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Certain principal executive officers of 401(K) GPS are also officers of *Executive Financial Planning, Inc.* a licensed insurance agency also related to 401(K) GPS through common ownership and control. The independent insurance activities of associated persons of 401(K) GPS will typically be provided through this related entity.

Our Investment Committee includes an independent consultant from a third party investment manager. This third party investment manager may serve as the manager to one or more pooled investment vehicles offered through a client's 401(k), simple IRA, 403b, or 457 defined contribution retirement plan. In theory, the more assets invested in these products, the greater the potential revenue for the third party adviser providing investment management services to these products. Thus, an inherent conflict of interest is established whereby this independent consultant may be inclined to recommend heavier weightings of these investments in 401(K) GPS portfolios. To address this conflict, only the members of the Investment Committee who are officers, directors or direct employees of 401(K) GPS will have final approval of portfolio allocations and holdings.



While the officers, directors and employees of 401(K) GPS endeavor at all times to put the interests of the clients first as part of 401(K) GPS's fiduciary duty, clients should be aware that the receipt of additional compensation for outside, related activities itself creates an inherent conflict of interest, which may unknowingly affect the judgment of these individuals when making recommendations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

401(K) GPS and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

401(K) GPS' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [crumler@efpadvisors.com](mailto:crumler@efpadvisors.com), or by calling us at 810-229-6446.

401(K) GPS and individuals associated with our firm are prohibited from engaging in principal or agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being recommended to an advisory account, thereby preventing such employee(s) from benefiting from transactions placed by clients pursuant to our recommendations.

As these situations present actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to disciplinary action up to and including termination.

As disclosed at Item 10 of this Brochure, related persons of our firm are separately registered as securities representatives of a broker-dealer, investment adviser representatives of another registered investment adviser, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to the preceding section for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12    BROKERAGE PRACTICES**

Due to the nature of our services and client needs, our advisory practice does not include the placement of trades, negotiating commissions with broker dealers or obtaining volume discounts. Clients will be required to use the broker dealers or fund companies selected by the plan sponsor or select their own broker dealers for the implementation of recommendations made by us as part of this service. If appropriate, we may recommend any one of several brokers. 401(K) GPS clients must independently evaluate these brokers before opening an account. The factors considered by 401(K) GPS when making this recommendation are the broker's ability to provide professional services, 401(K) GPS's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. We do not accept trading authorization with respect to any client's plan account.

### **Item 13 REVIEW OF ACCOUNTS**

Client accounts will be reviewed as contracted for at the inception of the advisory relationship. This may include only an initial or regular account reviews. Clients will receive regular written reports from us only as contracted for at the inception of the advisory relationship. For example, if requested, we will provide quarterly emails with account performance information and, as appropriate, recommendations for changes to the client's asset allocation. Monthly newsletters may also be provided to clients via email which includes general market commentary

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

Other than that already described in this Brochure, our firm does not receive additional compensation from third parties for providing investment advice to its clients.

As stated in Item 10 of this Brochure, we currently pay fees to our own employees for referring advisory clients to our firm. In addition we have entered into an arrangement to compensate EWM, our affiliated investment adviser, and/or its representatives for client referrals. Finally, we anticipate that we will enter into additional arrangements to compensate unaffiliated third parties for client referrals. (Each person or firm receiving compensation for client referrals is referred to as a "solicitor"). If a client is introduced to us by an affiliated or unaffiliated solicitor, we will pay that solicitor an ongoing referral fee which will typically range from 10-40% of the referred client's advisory fee paid to our firm.

Payment of referral fees for prospective client referrals creates a potential conflict of interest to the extent that such a referral is not unbiased and the solicitor is, at least partially, motivated by financial gain. Therefore, it is possible that such a referral may be made even if our advisory services are not the most suitable to a particular client's needs or when entering into an advisory relationship with us is not, overall, in the best interest of the client. As these situations present a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

- All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements;
- Any such referral fee will be paid solely from our advisory fee, and will not result in any additional charge to the client; and
- All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

### **Item 15 CUSTODY**

We do not have actual or constructive custody of any client's account. However, if engaged to do so, we may provide account statements directly to our clients in addition to the periodic statements that clients receive directly from their custodians. As such, we urge our clients to compare the statements received from us with those received from their custodian and promptly inform us of any discrepancy.

### **Item 16 INVESTMENT DISCRETION**

We do not directly manage nor accept investment discretion over any client account.

**Item 17 VOTING CLIENT SECURITIES**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client or the client's independent representative, copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

**Item 18 FINANCIAL INFORMATION**

401(K) GPS has no additional no financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

401(K) GPS has not been the subject of a bankruptcy petition at any time during the past ten years.