



# **ASSET PLANNING SERVICES, LTD.**

FINANCIAL DIRECTION IN A COMPLEX WORLD™

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## **FIRM BROCHURE FORM ADV PART 2A**

**(AS OF MARCH 30, 2020)**

THIS FIRM BROCHURE (THE “DISCLOSURE BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF ASSET PLANNING SERVICES LTD. (“APS”). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT APS AT (215) 256- 4600 OR APSLTD@ASSETPLANNINGSERVICES.COM. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT APS IS AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).

APS IS A REGISTERED INVESTMENT ADVISER WITH THE SEC. SEC REGISTRATION NEITHER IMPLIES NOR ASSERTS THAT THE SEC NOR ANY STATE SECURITIES AUTHORITY HAS APPROVED OR ENDORSED APS OR THE CONTENTS OF THIS DISCLOSURE. IN ADDITION, SEC REGISTRATION DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.

## Item 2: Material Changes

This Brochure is the disclosure document for Asset Planning Services, Ltd. (APS), prepared according to the United States Securities and Exchange Commission's (SEC) current requirements and rules. The Brochure provides clients with a wealth of knowledge about APS summarized in the Table of Contents on page 3. Highlights include: services, fees and compensation; business practices and policies; and actual or potential conflicts of interest. This Item 2 (Material Changes) is used to provide clients with a summary of new and/or updated information. Specifically, it informs clients of any revisions based on the nature of the information as follows:

**Annual Update:** At minimum, APS is required to update explicit information at least annually, within 90 days of our fiscal year end (FYE) of December 31. We will provide clients with either: (1) a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE; or, (2) our revised Brochure that will include a summary of the changes in this Item.

**Other-Than-Annual Updating Amendment:** Should a "material change" in our operations occur, we will promptly communicate this change to clients, and it will be summarized via Item 2. "Material changes" requiring prompt notification include changes of ownership or control, location, disciplinary proceedings, and significant changes to our advisory services. In short, any information that is critical to a client's full understanding of who we are, how to locate us, and how we do business.

**APS filed an Other-Than-Annual Updating Amendment, dated October 25, 2019, as a result of removing Kimmo Abbasi from this Part 2A Disclosure Brochure as a result of separation of employment from APS, as well as recognizing the promotion of Katherine V. Blackney, CFP® to Wealth Planner, Director, Estate and Charitable Planning.**

**Material changes as disclosed in our Annual Updating Amendment dated March 30, 2020, and updated since our previous Annual Updating Amendment, dated February 15, 2019, consist of the following items:**

- Item 4** Added Kristen Barker, CFP® and Joseph Bates, CFP® as Associate Financial Planners that can assist with the **FINANCIAL MRI** and **FINANCIAL MRI UPDATE** preparation, but not with plan presentation responsibilities.
- Added minimum educational and professional prerequisites for APS employees serving in a support role to senior financial planning and/or investment advisory personnel.

Added Estate Administration Services and distinguished those services in comparison to Estate Settlement Services. Also provided explanation on when Estate Administration fees may apply to married versus single/widowed clients. The Wealth Management Services Matrix is also updated to reflect these services.

Added a section regarding “**Non-Investment Consulting and 3rd-Party Professionals**” explaining your discretion over the use of such professionals.

Updated the Fees for the Pinnacle MRI to remove the 0.1% fee on net worth and replace it with a negotiated Supplemental Wealth Planning Fee.

**Item 8** Updated language on how APS conducts Mutual Fund and ETF analysis.

**Item 12** Updated language regarding our use of Charles Schwab as an APS recommended provider.

### Item 3: Table of Contents

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## **Item 4: Advisory Business**

### **What is a Registered Investment Adviser (RIA)?**

Unlike brokerage firms, an RIA is a fiduciary under federal and state law. The word fiduciary is derived from the Latin word, “fides,” which means faith. Fiduciary duty is the highest standard of care within the context of procedural prudence. A fiduciary is expected to be loyal to the person with whom they owe the duty – in this case, you. A fiduciary must not put their personal interests before the duty, and must not profit from their position as a fiduciary, unless approved by you. The fiduciary relationship is highlighted by good faith, loyalty and trust. APS has been advising clients in a fiduciary manner since becoming an RIA in 1987.

Accordingly, we will make full disclosure to you of all material facts and potential conflicts of interest relating to our advisory relationship by way of this Disclosure Brochure. Detailed educational, biographical and supervisory information about management and certain advisory personnel can be found in our Disclosure Brochure Supplement, available at the end of this document, or upon request.

### **Fiduciary Notice to Retirement Plan Investors**

APS employs the same fiduciary standard for both retirement plan investors and non-retirement plan investors, and has been doing so since 1987. Additionally, we incorporate references to material conflicts of interest throughout this document, with three specific conflict of interest sections notated in Item 4.

Finally, you should be aware that APS has designated our Chief Compliance Officer, Erik Morris, to be responsible for addressing material conflicts of interest. He is also responsible to monitor the adherence of all APS financial planners and advisors to the impartial conduct standards, which are consumer protection standards that ensure that RIAs adhere to fiduciary norms and basic standards of fair dealing.

### **Who is Asset Planning Services?**

Asset Planning Services, Ltd. (APS) was founded in 1987 by Richard Volpe, CFP®, CLU®, ChFC®<sup>1</sup>. APS is a fee-only wealth management firm registered with the Securities and Exchange Commission as an RIA. Our Securities and Exchange Commission file number is 801-30830.

Our firm provides a broad array of financial, investment, tax and estate planning services, that we generally describe as “Wealth Management Services”. We provide these services

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<sup>1</sup> Further information regarding professional designations used throughout this Disclosure Brochure can be found in the Brochure Supplement, at the end of this document, or available on request.

primarily for employees and retirees of Merck<sup>2</sup> as well as their heirs. We also provide a limited amount of investment advisory and consulting services to small businesses, foundations, trusts, charitable organizations, and non-profit organizations.

APS employs a team approach by bringing together our seasoned staff of financial, tax, estate, and investment professionals to analyze, design and deliver broad-based and coordinated recommendations.

As of December 31, 2019, APS was managing \$866,780,617 of assets on behalf of approximately 292 clients in 26 states. Of this total, \$ \$860,465,650 is managed on a discretionary basis, and \$ \$6,314,968 is managed on a non-discretionary basis.

## **What Types of Personal Wealth Management Services are Available?**

### **WEALTH MANAGEMENT SERVICES**

#### **Financial Planning Services**

- **FINANCIAL MRI** <sup>TM</sup>
- **FINANCIAL MRI** <sup>TM</sup> Update
- **FINANCIAL MRA** <sup>TM</sup>

#### **Continuing Advisory Programs**

- **PARTNERS** Program
- **ASSOCIATES** Program
- **SUNSET** Program
- **PIMA** Program

#### **Tax Planning Services**

- **TAXPREP** (income tax preparation)
- **YETPLAN** (year-end tax planning)

#### **Estate Planning Services**

- **EstateTrak** <sup>TM</sup> Program
- Estate Administration Services
- Estate Settlement Services

#### **Consultation Services**

- Professional Consultations

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<sup>2</sup> The use of Merck's name is neither a testimonial nor endorsement of APS, or APS' wealth management services, by Merck & Co., Inc. ("Merck"), or any current or former employee of Merck. Additionally, Merck does not recommend, employ, or contract with APS to provide these services to Merck, or any of its employees. Merck's name is strictly used to identify APS' selective client niche, as determined solely by APS. While APS may, on occasion, work with clients employed at other firms besides Merck, our primary focus is building relationships and sharing our more concentrated knowledge exclusively about, and for, current or former Merck executives/retirees and their families, when selected to do so by those individuals.

## **Financial Planning Services**

### **What is the FINANCIAL MRI?**

Our **FINANCIAL MRI** (Money Reserve Indicator) is the name we have given to our financial planning software.

The **MRI** contains the following elements:

- Your specific planning objectives and applicable assumptions
- Review of your current cash flow and expenses
- All-inclusive balance sheet including investment and non-investment assets and liabilities
- Detailed financial analysis that includes illustrative capital position projections and quantitative probability analysis of achieving or maintaining financial independence (for Financial Planning clients, APS defines this term within our Financial MRI documents), with and without the event of permanent disability (if still working), and premature death
- Detailed income tax analysis that includes review of your latest three-year period of tax returns and projections for your current year tax outcome
- Extensive review of your current estate planning documents (if any), and detailed flowcharting of your current and alternative estate distribution outcomes
- Analysis of your current investment positions with regard to cost structure, asset allocation, and your risk tolerance, resulting in specific recommendations and guidelines customized according to APS' proprietary investment modeling approach
- Detailed written commentary regarding each of these bulleted items

The compilation of the **FINANCIAL MRI** involves a multi-disciplinary team approach, which we believe benefits you by collectively bringing together our experienced team of financial, tax, estate, investment and risk management professionals to provide broad-based and integrated recommendations. This cooperative, team-based approach utilizes the same methodology that we employ working with our ongoing wealth management (Continuing Advisory Program) clients and assures that our professional staff has a detailed understanding of the breadth and depth of your objectives.

### **What FINANCIAL MRI Materials are Provided to Clients?**

The results of the FINANCIAL MRI are personally presented in a hard copy binder as well as interactive computer simulation. A soft copy pdf version of the Financial MRI may be provided when requested, or when working with remote clients.

## How Much Time Does This Require?

After completion of the Confidential Client Questionnaire (CCQ), there are several personal meetings necessary to complete this process as follows:

<b>Type of Meeting</b>	<b>Time</b>	<b>Purpose</b>
<i>Inventory Meeting</i> then, within 2 weeks...	1 to 2 hours	Gather data and documents
<i>Plan Presentation Meeting</i> then, within 2 to 4 weeks...	2 to 3 hours	Present results and introduce detailed recommendations
<i>Follow-Up Meeting</i> then, within 2 to 4 weeks...	2 to 3 hours	Review recommendations, as well as estate planning analysis
<i>Additional Follow-Up Meetings</i> then, within 2 to 4 weeks...	As needed	For very complex plans
<i>Investment Advisory Meeting</i>	2 to 3 hours	Asset allocation recommendations

## Who Will Prepare and Present the **FINANCIAL MRI**?

While the compilation of your plan is a cooperative effort by our team, one of our experienced financial planners, who satisfies the educational and business standards requirements listed in this document, will present your analysis and recommendations. Currently, Rick Volpe, CFP®, CLU®, ChFC®, Mike Halvorsen, CFP®, CEBS, CKA®, Dan Esquirell, CFP®, CPA, CKA®, and Bethany Landis, CFP®, CFS® are the financial planners responsible for the presentation of all MRI plans.

One, or more, of our Associate Financial Planners may assist with the compilation and preparation of your MRI plan. Currently, Kristen Barker, CFP® and Joseph Bates, CFP® are Associate Financial Planners assisting with MRI preparation but not with plan presentation responsibilities.

## What is the **FINANCIAL MRI Update**?

The **FINANCIAL MRI Update** service is available to clients enrolled in our Continuing Advisory Program and who have previously contracted for the **FINANCIAL MRI**. This service updates the financial projections and probabilities from your original plan, (or your last Update), based on updated market performance data, revised inflation assumptions, new tax laws, and updated values for assets, income and expenses, as well as new or adjusted financial goals. The Update is typically presented in hard copy or electronically along with interactive computer simulation. However, a soft copy pdf version of the Financial MRI Update may be provided when requested, or when working



with remote clients. This service is elective, meaning clients must chose to participate in order to receive the Financial MRI Update. Members of the PARTNERS Program are offered plan updates every three years at no cost, which also includes a comprehensive and integrated review of financial, estate, tax and risk management plans. Retired clients, or those nearing retirement, may not require detailed widow, widower, and disability scenarios. Once a client choses to participate, our financial planners determine appropriate scenarios for each **FINANCIAL MRI** Update. ASSOCIATES are offered an Abridged **FINANCIAL MRI** every three years at no additional cost. Currently, Rick Volpe, CFP®, CLU®, ChFC®, Mike Halvorsen, CFP®, CEBS, CKA®, Dan Esquirell, CFP®, CPA, CKA®, and Bethany Landis, CFP®, CFS®, are the planners responsible for the presentation of all MRI Updates. Similarly, Kristen Barker, CFP® and Joseph Bates, CFP® are Associate Financial Planners assisting with MRI Update preparation but not plan presentations. The Abridged Financial MRI differs from the Financial MRI Update in that estate and risk management components are generally not included as part of this offer, except if elected by the client at additional cost.

## **What is the FINANCIAL MRA?**

The **FINANCIAL MRA** (Merck Retention Analysis) measures the financial value of a client's current employment position at Merck relative to an offer from another company. The **MRA** computes the present value impact of changes with respect to:

- Salary
- Bonus amounts and rules
- 401(k) matching provisions
- Stock options: future accruals vs. current forfeitures
- Pension plans: future accruals vs. current forfeitures
- Income tax position

## **What FINANCIAL MRA Materials are Provided to Clients?**

The results of the **FINANCIAL MRA** are typically presented in a hard copy binder, but may be presented electronically if requested or required based on a client's location. The binder typically includes detailed spreadsheets and graphs that compare financial outcomes for each employment alternative. This information helps with the decision-making process as to which position provides the best choice from a financial perspective. Additionally, we believe that the Retention Analysis equips you with factual material to negotiate a fair compensation and benefits package with the goal of achieving the most favorable financial outcome.

## **Who Will Prepare and Present the FINANCIAL MRA?**

One of our experienced financial planners who satisfies the educational and business standards requirements listed in this document will prepare and present the analysis and recommendations. Currently, Mike Halvorsen, CFP®, CEBS, CKA® and Dan Esquirell, CFP®, CPA, CKA® are the financial planners responsible for the presentation of all **MRA** Plans to clients.

## **Continuing Advisory Programs**

### **What are the PARTNERS, ASSOCIATES, SUNSET and PIMA Programs?**

The **PARTNERS** Program is a broad, multi-disciplinary wealth management service available to those clients who have received the FINANCIAL MRI. Using the results of your FINANCIAL MRI, investment recommendations are defined in terms of potential impact on your income tax and estate planning, as well as cash flow planning, liquidity requirements and risk management needs. For this level of integrated planning to work effectively, **all** assets must be tracked by APS.

The **ASSOCIATES** Program is an investment advisory service designed to give ongoing analysis and investment recommendations similar to clients enrolled in the PARTNERS program. However, there is no ongoing integration with your estate and risk management planning. ASSOCIATES can access fully integrated financial planning services, which includes estate and risk management planning if desired, on an hourly or fee-for-service basis. As with the PARTNERS Program, enrollment presumes that you are in receipt of the FINANCIAL MRI and that **all** of your assets will be tracked by APS.

The **SUNSET** Program is available only to long-term clients who have previously been enrolled in either the PARTNERS or ASSOCIATES programs. At our discretion, APS may offer this more cost-effective program to clients requiring a more limited in-scope investment advisory service due to a diminished portfolio value and/or advanced age. The SUNSET Program enables a long-term client to maintain a relationship with APS during this stage. The SUNSET Program is focused on investment and cash flow management only, and ongoing financial, tax and estate planning are not included. SUNSET clients may continue to access income tax preparation and estate planning services on an hourly fee basis.

The **PIMA** Program is limited in-scope to investment advisory services designed to give ongoing analysis and recommendations for all or a specified portion of investment assets. PIMA clients do not have access to our other wealth management services and hence, advisory services do not include financial, tax, estate, and cash flow planning integration.

## **How Does APS Construct Portfolios for PARTNERS, ASSOCIATES, SUNSET and PIMA Clients?**

APS constructs portfolios with each individual client's unique circumstances in mind. For continuing advisory clients who have received the Financial MRI or the MRI Update (PARTNERS and ASSOCIATES), the insights gained from the analysis form the foundation of the portfolio structure. Completion of a risk tolerance questionnaire can also provide additional insight for customization of the portfolio, but is not required. Portfolios for the limited-scope SUNSET and PIMA clients are based primarily on the stated investment objectives of the client. Completion of a risk tolerance questionnaire by SUNSET and PIMA clients is highly encouraged, but is also not required if APS is able to obtain sufficient information on objectives and risk through consultations or other methods, such as a client's relevant previous experience in the PARTNERS or ASSOCIATES programs. For all clients, the final step is preparation and adoption of a customized Investment Policy Statement (IPS). Ultimately, this comprehensive approach produces a unique portfolio tailored for each client.

## **What Types of Investments are Currently Selected and Monitored by APS?**

APS advises on the following securities: mutual funds (open- and closed-end); ETFs (exchange traded funds); stocks; bonds (government, corporate and municipal); puts and calls; certificates of deposit (CDs); money market funds; fixed and variable annuities; public REITs (Real Estate Investment Trusts); and unit investment trusts.

Existing clients may have holdings in other securities like precious metals, variable life insurance, limited partnerships, etc. that APS monitors on their behalf. However, APS does not currently utilize these vehicles when constructing, rebalancing, or managing portfolios.

Currently, Sean Roberts, CFA, CFP®, and Dan Esquirell, MBA, CFP®, CPA, CKA®, are responsible for comprehensive portfolio management. Historically, most client portfolios are comprised of mutual funds, ETFs, bonds, and CDs. For detailed information on the investment review and selection process, please refer to our publication, *Asset Allocation: Managing Investment Behavior*.

Additionally, some clients may receive various employer benefits and benefit plans, such as employer stock options or defined benefit plans, that APS will value, monitor and include as part of APS' comprehensive portfolio management structure. APS does not "select" these, and APS' monitoring and portfolio management of these assets may be limited to tracking them until certain employer limitations or timeframes are met.

## **Can I Impose Restrictions on Investing in Certain Securities or Types of Securities?**

APS allows clients to place reasonable restrictions on investments in certain securities or types of securities.

To implement a restriction, the client (or authorized individual) may request, in writing, a limitation or restriction on APS' discretionary authority with respect to certain securities to not be bought or sold. All changes to existing restricted security elections must be submitted to APS by the client, in writing, with instructions to APS to make changes. Clients are reminded that these changes will not be considered in effect until the client receives confirmation from APS.

APS may elect to not accept a client's account(s) for management if significant restrictions apply. Once received in writing, APS will review the requested restrictions for "reasonableness" which will be determined in APS' sole discretion. If APS has determined that a requested restriction is unreasonable, APS will notify the client that APS cannot manage the account with the requested restriction. The client may, thereafter, request that the restriction not be implemented in order to engage APS to manage or continue to manage the account.

Clients should be aware that requested restrictions cannot and will not be implemented on underlying holdings used within the portfolio of a mutual fund, ETF or other pooled vehicle, and therefore the client's accounts may gain exposure to a restricted security through the use of these vehicles. Furthermore, APS does not and will not monitor the underlying holdings of pooled vehicles for restriction purposes. Clients expressly acknowledge this limitation when engaging APS to continue managing accounts with restrictions. Clients should also be aware that the selection of restricted securities may alter a Client's Investment Policy Statement in terms of how APS adheres to the Client's investment objectives and risk tolerance through diversification and asset allocation. If the restrictions create significant limitations on APS' ability to efficiently and/or effectively manage a Client's portfolio, APS may elect to not accept the Client's account(s) for management.

Finally, APS will not act with discretion with respect to restricted securities. Therefore, trades for these restricted securities always require prior approval from the Client.

## **Discontinuation of the PARTNERS, ASSOCIATES, SUNSET and PIMA Programs:**

Advisory agreements with APS may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination, any earned, unpaid advisory

fees must be paid to APS. You have the right to terminate any agreement without penalty within five business days after entering into the agreement.

Similarly, specific financial accounts and/or assets may be terminated from specific services, or your overall relationship with APS, at any time upon written notice by either party and delivered to the most current physical or electronic address of record for either party. Wealth Management Services and/or wealth management fees will stop accruing for those specific assets or accounts on the date APS receives notice from you or provides notice to you. Termination of specific services or accounts, unless otherwise stated by either party, does not and will not affect the terms and conditions of your Master Services Agreement, or any related Addendum or Amendment, with APS, as it relates to ongoing services and fees for accounts and/or assets continuing to receive Wealth Management Services from APS.

## **Tax Planning Services**

### **What is TAXPREP?**

APS offers tax preparation for many of our clients. This is an elective service for which clients must opt-in annually to receive services. Please refer to the corresponding fee schedule in Item 5 and inquire with our in-house accountant, Michele Hewitt, CPA, who manages APS TAXPREP and YETPLAN services. Additionally, the firm has strategic alliances with several CPA firms, with whom clients can have federal and state income tax preparation completed by professionals familiar with our clientele. APS does not receive any compensation from these alliances. Please see the forthcoming section, titled “*Non-Investment Consulting and 3rd-Party Professionals*”, as it relates to working with 3<sup>rd</sup>-Party Professionals.

### **What is YETPLAN?**

From June through December, APS provides **Year-End Tax Planning Service**. The primary goal of YETPLAN is to analyze current and future cash flow needs taking into account various tax considerations. For retirees, APS also monitors and advises on Required Minimum Distributions. By way of the income tax software utilized by APS, alternative tax planning strategies are evaluated with respect to your current tax year position. Results illustrate the benefit of each alternative, with the purpose of choosing the option that avoids unpleasant income tax surprises during TAXPREP time. This is an elective service for which clients must opt-in annually to receive services. Please refer to the fee schedule in Item 5.

## **Estate Planning Services**

APS provides various estate planning services to clients enrolled in the PARTNERS, ASSOCIATES or SUNSET Programs. Availability and cost for the various services is dependent on the Program in which the client is enrolled, as detailed below.

### **What is EstateTrak?**

EstateTrak is a triennial analysis of your current estate distribution plans. A “net to heirs” distribution flowchart is prepared along with detailed commentary based on your current beneficiary, will and trust provisions. Currently, Rick Volpe, CFP<sup>®</sup>, CLU<sup>®</sup>, ChFC<sup>®</sup>, and Kathy Blackney, CEP<sup>®</sup>, are responsible for the preparation and presentation of all EstateTrak plans for clients. This service is included in the PARTNERS program, and available to clients in the ASSOCIATES Program. Please refer to the fee schedule in Item 5.

### **What are Estate Settlement Services?**

For clients enrolled in the PARTNERS, ASSOCIATES and SUNSET Programs, APS will offer, at no charge, to assist with the paperwork to claim investment accounts on behalf of the surviving joint tenants or named beneficiaries.

### **What are Estate Administration Services?**

For clients enrolled in the PARTNERS, ASSOCIATES and SUNSET Programs, APS’ estate administration professionals work with you and/or your heirs, along with your other professional advisors (CPAs, Legal counsel, etc.) to guide you through the complicated process of wealth transfer. This typically includes such activities as:

- Asset identification, collection, valuation and management
- Preparation of required inventories and accountings
- Guidance for Executor of Probate estate
- Guidance for Successor Trustees and trust administration
- Estate and Inheritance Tax preparation and/or review
- Distribution of assets in accordance with the estate plan

### **What are the fees for Estate Administration Services?**

For married clients enrolled in the PARTNERS and ASSOCIATES Programs, there are generally no fees at the first death. For single or widowed clients, your heirs can retain our services at the hourly fee rates listed for *Advisory Clients* in Item 5, “Fees and Compensation.”

At APS' discretion, the heirs of SUNSET clients may also be eligible for Estate Administration Services at the hourly fee rates listed for *Others* in Item 5, "Fees and Compensation."

## **Does APS Offer Legal Advice or Services?**

Although APS offers detailed estate planning analysis, commentary and recommendations, legal advice can only be offered by a qualified attorney. As such, no portion of APS' Estate Planning, Estate Administration, or Estate Settlement Services should be considered legal advice. APS maintains professional relationships with attorneys who can be retained to draft legal documents such as wills, trusts, and powers of attorney. We can also work in conjunction with your existing legal advisors where applicable. APS does not receive any compensation from these alliances. Please see the forthcoming section, titled "*Non-Investment Consulting and 3rd-Party Professionals*", as it relates to working with 3<sup>rd</sup>-Party Professionals.

APS can offer Pennsylvania Inheritance Tax Preparation services in limited circumstances. Currently, Kathy Blackney, CEP®, Director, Estate and Charitable Planning, is responsible for the preparation of these returns.

## **Consultation Services**

### **Does APS Provide Consultations?**

APS is available for consultations with all clients, however certain topics may be limited based on the particular Continuing Advisory Program of each client. For example, PARTNERS and ASSOCIATES can obtain consultations on topics related to financial, estate, tax, risk management, and investment planning. SUNSET clients are generally limited to topics related to investment planning, cash flow management and estate planning. PIMA clients are generally limited to topics related to investment planning and very basic financial planning concepts.

Example of topics covered by consultations can include, but may not be limited to, estate planning concepts, mortgage refinancing alternatives, tax advice, investment advice, insurance review, employee benefit or compensation elections, pension advice, planning for life events, etc.



## Summary Table of Personal Wealth Management Services Offered

ASSET PLANNING SERVICES, LTD.	Wealth Management Services Matrix					
	PARTNERS	ASSOCIATES	SUNSET	PIMA		

Financial Planning Services	Included	Hourly	Included	Hourly	Included	Hourly	N / A
FINANCIAL MRI Update	✓		✓ <sup>1</sup>		N / A	N / A	
Executive Compensation Planning	✓		✓ Basic	✓ Complex			
Cash Flow Management	✓		✓ Basic	✓ Complex	✓		
Consultations	✓		✓ Basic	✓ Complex		✓	

Continuing Advisory Programs	Applicable Continuing Advisory Programs Fee Schedule				
Portfolio Design, Monitoring, Rebalancing	✓		✓	✓	✓
INVESTRAK Report	✓		✓	✓	✓
Investment Review Consultations	✓		✓	✓	✓

Tax Planning Services	Included	Hourly	Included	Hourly	Included	Hourly	N / A
Tax Strategy and Design	✓		Basic	Complex		✓	
YETPLAN (Year End Tax Planning)	✓		✓			✓	
Consultation	✓		Basic	Complex		✓	
TAXPREP (Tax Preparation)		✓		✓		✓	

Estate Planning Services	Included	Hourly	Included	Hourly	Included	Hourly	N / A
Estate Plan Design	✓			✓		✓	
EstateTrak Report	✓			Variable		✓	
Estate Plan Review and Consultation	✓			✓		✓	
Estate Administration Services	Basic	Complex		✓		✓	
Estate Settlement Services	Basic	Complex	Basic	Complex		✓	

Consultation and Other Services	Included	Hourly	Included	Hourly	Included	Hourly	Hourly
Consultation	✓		Basic	Complex		✓	✓
Annual APS WorldWatch Conference	✓		✓		✓		N/A

<sup>1</sup> Associates receive an Abridged FINANCIAL MRI Update.

Minimum Annual Fees	\$18,000	\$3,500	\$400	Varies
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## **What Education and Business Standards are Required?**

Minimum educational and professional prerequisites for APS employees serving in a client-facing financial planning or investment advisory role are as follows:

- Bachelor's degree from an accredited college or university
- Seven years of relevant experience in the financial services industry
- Minimum of one professional designation: CFP<sup>®</sup>, CFA, CPA, ChFC<sup>®</sup>

Minimum educational and professional prerequisites for APS employees serving in a financial planning or investment advisory support role are as follows:

- Bachelor's degree from an accredited college or university
- Three years of relevant experience in the financial services industry
- Minimum of one professional designation: CFP<sup>®</sup>, CFA, CPA, ChFC<sup>®</sup>

## **Where Can I Find Additional Information about Financial Planners?**

Several websites provide consumers with information to assist them with the selection of a qualified financial planner. The two largest organizations are:

- Certified Financial Planner Board of Standards: [www.CFP.net](http://www.CFP.net)
- Financial Planning Association (FPA): [www.fpanet.org](http://www.fpanet.org)

## **What Type of Corporate Advisory Services are Available to Employers?**

We have been providing educational and fiduciary services to employers since 1999. Our educational workshops have been presented to employees of Merck, as well as employee groups at other firms.

### **Corporate Advisory Services**

#### **Educational Services**

- Benefits Communication
- Financial Education

#### **Fiduciary Services**

- Investment Policy Design
- Performance Monitoring
- Plan Design Services

### **Educational Services**

#### **Benefits Communication and Financial Education**

Drawing upon senior management's combined financial planning and employee benefits experience, APS provides tailored benefits education programs for employees. APS'

approach is focused on educating employees about their company benefits while providing them with a deeper understanding of the financial value of their employment relationship. Each program is custom designed and presented based upon the employers' benefit program and the results desired by management.

## **Fiduciary Services**

### **Investment Policy Design, Performance Monitoring and Plan Design Services**

Uniting our experience in employee benefits with investment advisory services, APS is able to help employers meet their ERISA requirements. We offer fiduciary services that include investment policy design and implementation, performance monitoring and reporting, and 401(k) design services.

## **Conflicts of Interest**

As part of our fiduciary duty, we are vigilant about identifying and disclosing actual or potential conflicts of interest. Consequently, we provide these disclosures in order for you to evaluate areas where we believe our advice or services can present a conflict of interest.

Other conflicts of interest may exist and are disclosed where appropriate in other portions of this document.

### **Conflicts of Interest – Services**

Some or all of the services described thus far, including financial planning, tax prep, year-end tax planning, estate planning, estate administration, and estate settlement services may be purchased à la carte under certain circumstances. The intent of this disclosure is to address conflicts that can exist or arise when clients use the diverse wealth management services of APS to achieve certain financial objectives. The fees for those services can be charged in addition to investment advisory program fees and any retainer fees. In situations where these additional services are recommended by APS and create additional billable charges for APS, a conflict exists. As such, you should be aware that there is no obligation on your part to acquire these services from APS; external service providers can be selected by you, and similar services may be available for lower fees.

To attempt to mitigate this conflict, APS uses a team-based approach to administer your wealth management objectives, and therefore there are typically different professionals assigned to these services that can assess separately whether or not these services are needed for you.

## **Conflicts of Interest – Rollover Recommendations**

As part of our wealth management services to you, and based on a review of your particular circumstances, we may recommend that you withdraw assets from certain existing retirement plan accounts and that you roll over the assets to one or more different retirement plan accounts that we will manage on your behalf.

If we stand to increase our compensation as a result of our recommendation to rollover assets that are not currently included in your fee calculation, then such recommendation presents a conflict of interest. This is because we would receive a financial benefit in recommending a rollover. As a result of this financial benefit, it could be perceived that APS is not providing impartial advice.

To attempt to mitigate this conflict, APS will perform an objective analysis to determine whether, in APS' opinion, the rollover is in your best interest, and will work with you to understand the key considerations before making a rollover decision in scenarios where a conflict of interest exists.

## **Conflicts of Interest – Certain Asset Reallocation Recommendations**

Continuing Advisory Program clients generally hold a mix of accounts and assets that consist of various investment securities or investment holdings that can be considered either non-billable or billable for investment advisory fees. As part of our investment advisory services to you, from time-to-time we recommend that you reallocate between investment securities or holdings to maintain the overall allocation guidelines set forth in your Investment Policy Statement. When a reallocation recommendation is made, whereby assets in a non-billable security or holding are recommended to be moved to a billable security or holding, a conflict of interest exists. This is because we would receive a financial benefit in recommending this reallocation. As a result of this financial benefit, it could be perceived that APS is not providing impartial advice.

To attempt to mitigate this conflict, APS typically limits our recommendations and actions to be based on your wealth management planning objectives and your Investment Policy Statement. Furthermore, APS internally monitors your asset allocation relative to your target allocations no less than quarterly. Additionally, APS provides you with a quarterly INVESTRAK Report which includes a log of all transactions taken during each quarter, as well as a summary of your current asset allocations as compared to your Investment Policy Statement targets. If you believe that certain transactions should be viewed more closely in light of this conflict, APS will conduct a review at your request, and address any remediation items in a prompt manner.

## **Is Client Information Kept Confidential?**

Yes, it is required by law. APS is committed to safeguarding your confidential information. We hold all personal information provided to our firm in the strictest confidence including all personal information that we collect from you or receive from other firms in connection with all financial services provided by APS. Firms with whom we collaborate are required to restrict the use of your information. A complete privacy statement concerning our firm's policy is provided initially with the Master Service Agreement and annually to all existing clients.

## **What is APS' Commitment to Social Responsibility?**

APS is committed to being a socially responsible member of the local community and the world at large. We believe that "it is more blessed to give than receive" (Acts 20:35). We encourage our employees to be generous via company matching gifts towards charitable purposes and provide extra allowances for employees seeking to perform volunteer services. In addition, our firm commits approximately 10% of annual profits towards charitable work supported by the firm's shareholders. We believe our commitment and active participation in charitable activities enhances our ability to offer guidance and perspective to our clients in helping them reach their charitable planning objectives.

## **Non-Investment Consulting and 3<sup>rd</sup>-Party Professionals**

APS may provide consulting services regarding non-investment related matters, such as estate, tax, and insurance planning. APS does not serve as an attorney or insurance agency, and no portion of our services should be construed as same. Accordingly, APS does not prepare estate planning documents or sell insurance products. In some cases, APS may recommend that your tax planning be done solely, or in coordination, with an unaffiliated tax professional. To the extent requested by a client, we may recommend the services of other licensed professionals for certain non-investment implementation purpose (i.e. attorneys, insurance agent, tax preparers, etc.). You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation that we make. If you engage any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional. At all times, the engaged professional (i.e. attorney, insurance agent, etc.), and not APS, shall be responsible for the quality and competency of the services provided.

## **Item 5: Fees and Compensation**

APS is compensated for our advisory services in different methods, primarily depending upon:

- 1) whether or not a client is enrolled in a Continuing Advisory Program (CAP)
- 2) which Continuing Advisory Program the client is currently enrolled in
- 3) what services are offered a la carte or as part of a client's Continuing Advisory Program.

The services to be provided by APS to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

### **Fees and Compensation for Continuing Advisory Program Clients**

CAP clients of APS will have a Master Services Agreement and a CAP Addendum (or a Change of Program Amendment) in effect with APS, which identifies which Continuing Advisory Program, and resulting fee schedule, the client is currently enrolled in. Existing clients may benefit from grandfathered rates, and therefore have an effective fee schedule with rates lower than shown in this Brochure. Clients should reference their CAP Addendum to determine if they currently have grandfathered rates.

To understand what is included in your program and how fees are assessed more clearly, please reference the chart shown in **Item 4: Advisory Business**, labeled “***Summary Table of Personal Wealth Management Services Offered***”. This chart explains what services are offered to each CAP client, and how those fees are assessed (e.g. included in total fee and/or hourly billing rates).

For prospective clients, or for reference, please see the section and chart below titled “***Continuing Advisory Programs: Fee Schedule Effective January 1, 2019***”.

To see the fees for services that are billable on an hourly basis, please see the section and chart below titled “***Tax Planning, Estate Planning, and Corporate Services: Fee Schedule Effective January 1, 2019***”.

For all other services, please see the respective sections below.

Please note that in certain limited circumstances, fees for the Continuing Advisory Programs may be negotiable. Moreover, APS currently waives or discounts advisory fees

for family members of the owners and employees of our firm. These same fee waivers and discounts are not broadly available to advisory clients of APS.

### **Fees and Compensation for Non-CAP Clients**

Generally, fees for non-CAP clients are assessed on a per-service or billable hours basis.

To see the fees for services that are billable on an hourly basis, please see the section and chart below titled “*Tax Planning, Estate Planning, and Corporate Services: Fee Schedule Effective January 1, 2019*”.

For all other services, please see the respective sections below.

Only in certain limited circumstances, total fees paid for services outside of the Continuing Advisory Programs may be negotiable. However, billable hourly rates of employees are not negotiable.

## **Fees for Financial Planning Services**

### **Financial Planning Services**

Fee Schedule effective January 1, 2017

#### **FINANCIAL MRI**

Pinnacle MRI	\$ 12,000
<i>Merck Executive Director and above, or personal net worth greater than \$3 million</i>	Plus Supplemental Wealth Planning Fee
Executive MRI	\$ 7,500
<i>Merck Director and below</i>	

#### **FINANCIAL MRI Update**

Available for clients enrolled in the PARTNERS or ASSOCIATES Programs only.  
The fee for this service is included in the Wealth Management Retainer or in the Financial Planning Retainer, respectively.

#### **FINANCIAL MRA**

Current APS clients in the PARTNERS program	No charge <sup>1</sup>
Other current and non-APS clients:	
Pinnacle MRA	\$ 12,000
<i>Merck Executive Director and above, or personal net worth greater than \$3 million</i>	Plus Supplemental Wealth Planning Fee
Executive MRA	\$ 7,500
<i>Merck Director and below</i>	

Supplemental Wealth Planning Fee is based on a variety of factors as explained in the Financial MRI addendum. This fee is negotiable.

#### **MRA Notes:**

Subsequent analysis of counter offers will be invoiced separately on an hourly basis. Offers from additional firms will be invoiced an additional \$1,000-\$2,000 for each comparison. A \$2,500 credit will be applied towards the Financial MRI for non-current APS clients if contracted within 12 months of the completion of the Financial MRA.

<sup>1</sup> If significant in-depth analysis or additional services are required, as determined by APS, hourly fee rates will apply.

## **FINANCIAL MRI FEE INSTALLMENTS**

Effective January 1, 2017

### **FINANCIAL MRI**

	<b>Pinnacle MRI</b>	<b>Executive MRI</b>
<i>Initial deposit when the Financial MRI Addendum is signed (\$1,000 non-refundable)</i>	<i>\$6,000</i>	<i>\$3,750</i>
<i>Amount due at the Inventory Meeting</i>	<i>\$6,000</i>	<i>\$3,750</i>
<i>Remaining balance due at the MRI Plan Presentation</i>	<i>Any Remaining Balance</i>	<i>Any Remaining Balance</i>

If additional meeting time in excess of 20 hours is required, this will be billed on an hourly basis.

The total fee for the FINANCIAL MRI covers all of the meetings listed on page 8 of this Brochure and is payable via personal check in three installments at the project points shown above.

Because the Initial deposits for the Financial MRI are paid in advance of services, a portion of these fees are refundable if the client's agreement with APS is terminated prior to the Inventory Meeting. Refunded fees will be provided in full for any administrative only work completed on behalf of the client. Any hourly work completed by a member of our professional staff will be deducted from the final refunded amount based on the hourly schedule shown in the section below titled "***How are Fees Paid for the Tax Planning, Consultation, Estate Planning and Corporate Services?***" If you decide to terminate within 5 days of signing the MRI Addendum, all fees are fully refundable.

Only in certain limited circumstances, fees paid for the Financial MRI or Financial MRA are negotiable. However, method of payment and payment installments are not negotiable.

Fees for the Financial MRA are invoiced and payable to APS via personal check upon completion of the services provided.



## Fees for Continuing Advisory Programs

### Continuing Advisory Programs

Fee Schedule effective January 1, 2019

*Annually*

The <b>PARTNERS</b> Program			
<ul style="list-style-type: none"><li>• Includes offer of, and fees associated with, triennial, multi-discipline <b>MRI Update and EstateTrak</b></li><li>• Includes offer of, and fees associated with, annual, <b>YETPLAN</b></li><li>• Includes <b>consultations</b>.</li></ul>	Asset-Based Fee <sup>1</sup>		
	0.95%	on the first	\$ 3,000,000
	0.75%	on the next	\$ 3,000,000
	0.60%	on the next	\$ 4,000,000
	0.45%	on the next	\$ 10,000,000
	0.35%	above	\$ 20,000,000
<sup>2</sup> Minimum annual fee is \$18,000.			
The <b>ASSOCIATES</b> Program			
Financial Planning Retainer	Plus Asset-Based Fee <sup>1</sup>		
\$ 1,200	1.00%		
Includes offer of, and fees associated with, non-integrated Abridged MRI Update and YETPLAN. Other services à la carte. <sup>2</sup> Combined minimum annual fee is \$3,500.			
The <b>SUNSET</b> Program			
Relationship Retainer	Plus Asset-Based Fee <sup>1</sup>		
\$ 400	0.35%		
For Clients with \$25,000 or Less of Billable Assets			
Relationship Retainer	Plus Asset-Based Fee <sup>1</sup>		
\$ 400	None		
The <b>PIMA</b> Program			
Hourly consultations available at hourly rates.	Asset-Based Fee <sup>1</sup>		
	1.00%	on the first	\$ 2,000,000
	0.75%	on the next	\$ 2,000,000
	0.50%	above	\$ 4,000,000
<sup>2</sup> \$10,000 minimum; \$2,500 minimum for family members of <b>PARTNERS</b> or <b>ASSOCIATES</b>			

<sup>1</sup> The asset-based fee is a percentage of the market value for the billable investment assets under our management. The following assets are generally excluded from the **PARTNERS** program asset-based fee: personally managed investment real estate, capitalized monthly pensions (current or future), non-exercisable stock options and NQSOs, most non-liquid assets, and personally managed collectibles.

<sup>2</sup> If a client is subject to a minimum annual fee, that client’s effective fee rate could exceed what is shown in the table above. All clients should be guided accordingly. Clients are advised to contact APS’ Chief Compliance Officer, Erik Morris, or their Financial Planner with any questions.

Multiple household accounts, such as charitable remainder trusts, marital and family trusts, and other non-estate assets, may be combined for fee calculation purposes as determined in our advisory agreements. The percentage rates used for these computations cannot change or become effective without prior written notification to you.

In the event that you require extraordinary portfolio management and/or consultation services (to be determined by our sole discretion), we may determine to charge for such additional services. The fee for these services shall be set forth in a separate written notice to you.

Please Note: For assets held in qualified retirement plan accounts or IRAs as well as in Irrevocable Trust Accounts, all cash positions will be included as part of the Asset-Based Fee portion of the client's advisory fee. Conversely, for non-qualified/non-irrevocable trust accounts, cash positions will not be included in the Asset-Based Fee portion of the client's advisory fee. As a result, APS receives a financial benefit when assets are reallocated from non-billable cash positions to other billable assets, resulting in a conflict of interest. To mitigate this conflict of interest, APS manages your accounts in adherence with your agreed-to asset allocation targets and monitors your position targets periodically for actions to be taken in accordance with your Investment Policy Statement.

Please also note: For clients in the PARTNERS and ASSOCIATES Program, who pay for bundled services via asset-based fees and/or retainer fees, electing to forgo offered full-triennial reviews of your Financial MRI or EstateTrak, or annual YETPlan reviews, will not reduce your fee. These full, periodic, reviews cannot be separated out from our overall ongoing wealth management services for billing purposes as they are tightly integrated on an ongoing basis, and the specific full reviews will remain available to you at your request and election. Additionally, even if electing to not participate, APS continues to update your plans with updated assets and other information on an ongoing basis.

### **How are Advisory and Retainer Fees Paid for the Continuing Advisory Programs?**

These fees are due quarterly, in arrears, at one-fourth of the annual rate, calculated each quarter, as determined by the tables above. Fees are automatically debited from a money market fund within one or more of your brokerage accounts. As part of the process, we advise your custodians of the fee amount that will be deducted from your accounts. On a quarterly basis at minimum, your custodians are required to submit statements showing all account transactions during the reporting period. Since custodians do not calculate fee amounts, it's important that you verify the accuracy of these calculations. We urge you to compare your official custodian records with fees listed on your INVESTRAK Reports. Your Client Service Representatives (CSR) should be contacted directly to discuss possible statement or billing errors.

## Fees and Compensation

(continued)

### Tax Planning, Consultation, Estate Planning and Corporate Services

Fee Schedule effective January 1, 2019

#### Professional Staff

##### Tax Planning Services

	Advisory Clients	Others
Michele L. Hewitt, CPA Wealth Planner, Director of Tax Planning and Preparation	\$ 150	\$ 300

##### Consultation Services

Richard J. Volpe, CFP <sup>®</sup> , CLU <sup>®</sup> , ChFC <sup>®</sup> Senior Financial Planner, Founder and President	\$ 350	\$ 500
Michael A. Halvorsen, MS, CFP <sup>®</sup> , CEBS, CKA <sup>®</sup> Senior Financial Planner, Senior Vice President	\$ 250	\$ 350
Daniel J. Esquirell, MBA, CFP <sup>®</sup> , CPA, CKA <sup>®</sup> Senior Financial Planner, Director of Financial Planning and Investment Advisory	\$ 250	\$ 350
Bethany J. Landis, CFP <sup>®</sup> , CFS <sup>®</sup> Financial Planner, Director of Client Services	\$ 150	\$ 200

##### Estate Planning Services

Katherine V. Blackney, CEP <sup>®</sup> Wealth Planner, Director, Estate and Charitable Planning	\$ 150	\$ 200
EstateTrak <sup>™</sup> (fees waived for PARTNERS)	Married	Single
Initial Build: flat fee of	\$ 750	\$ 500
Periodic Refresh: flat fee of	\$ 250	\$ 250

#### Administrative Staff

<b>Administrative Staff Services</b>	\$ 50	\$ 75
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*All fees are hourly rates except where otherwise noted.  
Fees incurred during the month are generally invoiced the following month.*

#### Corporate Advisory Services

##### Educational and Fiduciary Services

Fees are a function of the scope of the work, and are negotiated on an employer-by-employer basis.  
Fees can include flat daily rates, hourly charges, and percentage of plan assets.

### How are Fees Paid for the Tax Planning, Consultation, Estate Planning and Corporate Services?

The fee for these wealth management services shall be assessed to you as described in one, or more, of the following methods:

- By a flat fee, asset or net worth based fee, or some combination thereof, as described in specific terms in a respective Addendum to your Master Services Agreement (generally applicable to EstateTrak™ Services and Corporate Fiduciary Services);
- Via a statement of projected work (to be furnished before providing services) and subsequent invoice(s), whereby an estimated fee range will be provided based on complexity of services and your particular circumstances, with a final invoice reflecting a fee within that range (generally applicable to initial Pinnacle MRI Financial Planning Fees, TAXPREP Services and Corporate Education Services);
- Through invoices to be provided before or after providing services, whereby fees shall be based on the hourly work of employees of APS at the rates stated in the table above (generally applicable to Consultations and some TAXPREP )

Methods of fee payment are dependent on the service(s) selected and include:

- direct debit from financial accounts (TAXPREP fees, initial Financial Planning fees at the discretion of the client),
- invoiced services to be paid by personal check
- or any other method agreed to by you and us jointly.

In certain limited circumstances, the flat fees, asset-based fees and net worth fees paid for these services may be negotiable prior to being assessed. However, invoiced total fees and billable hourly rates of employees are not negotiable.

Fees paid in advance, unless otherwise agreed to between you and APS in writing, may be refundable in full upon termination of a service that is not completed. Completed services are not refundable. Non-refundable deposits may apply, and if so, will be agreed to in writing.

### **EstateTrak™**

This service is included in the PARTNERS program at no charge, and is available to clients in the ASSOCIATES program, billed at a flat fee and/or on an hourly billable basis. In the event that extraordinary planning is required, fees will be assessed as described below in “**Fees for Extraordinary Planning, Portfolio Management, and/or Consultation Services**”.

### **YETPLAN**

This service is included in both the PARTNERS program and ASSOCIATES program at no charge. In the event that extraordinary planning is required, fees will be assessed as described below in “**Fees for Extraordinary Planning, Portfolio Management, and/or Consultation Services**”.

## **Consultation Fees**

As part of our commitment to providing integrated services to our PARTNERS, a reasonable amount of consultation time is provided without charge to our clients enrolled in the PARTNERS program. Topics covered by these financial planning questions typically include estate planning concepts, mortgage refinancing alternatives, tax advice, investment advice, insurance review, employee benefit or compensation elections, pension advice, etc. Consultations are also available to ASSOCIATES. Basic Consultation items, as determined solely by APS, are included in the ASSOCIATES Program asset-based fees. Complex Consultation, as determined solely by APS, shall be based on an hourly fee basis, which are assessed and billed as described above in ***“How are Fees Paid for the Tax Planning, Consultation, Estate Planning and Corporate Services”***.

## **Fees for Extraordinary Planning, Portfolio Management, and/or Consultation Services**

In the event that you require extraordinary planning, portfolio management and/or consultation services (to be determined in our sole discretion), we may determine to charge for such additional services. The fee for these services shall be set forth in a separate written notice to you. Our fees for this engagement are not contingent on the results of our service. Rather, our fees for this engagement will be based on a number of factors, including but not limited to, the time spent as well as the complexity of the services we will perform. The fees for these services will be assessed as describe above in ***“How are Fees Paid for the Tax Planning, Consultation, Estate Planning and Corporate Services?”***.

## **Are there Other Investment Advisory Expenses?**

There may be additional fees incurred by you for services that are not provided by APS, including account administration, professional services (e.g., accounting and legal), third party investment management costs (e.g., mutual fund expenses, short term redemption fees, etc.), and custody costs. The cost for these related service(s) is not included as part of APS' compensation

## **Are there Other Investment Expenses If I am in a Continuing Advisory Program?**

If you are enrolled in one of our Continuing Advisory Programs, the ongoing management of associated accounts generally creates additional expenses to you that are paid to entities apart from APS.

First, your financial account's custodian or broker-dealer may charge brokerage and other transactions costs. For example, these costs can be a result of transaction charges or commissions (such as ticket charges, transaction fees, commissions, and/or mark-ups/mark-downs). **APS does not receive any portion of these fees**, and where we have an institutional relationship, we will work to negotiate these fees on behalf of our clients. Please see **Item 12: Brokerage Practices** in the Brochure for more information. You should carefully review your account statements and/or trade confirms to understand these additional fees.

Second, most of our clients in our Continuing Advisory Programs hold mutual funds and ETFs. Fund companies in turn charge fees to investors, including but not limited to, management fees, ongoing fund operating expenses, short-term redemption fees and other expenses. The prospectus for the applicable mutual fund or ETF includes a detail of these expenses, all of which are passed on to participating clients who are deemed the "investors." We do not utilize mutual funds or ETFs that levy an initial or deferred sales charge, or any distribution fees (i.e., 12b-1 fees). **APS does not receive any portion of the fees described in this paragraph.**

You can invest in securities, including mutual funds or ETFs directly, without our services. In that case, you would not receive the services provided by the firm specifically designed to assist you in choosing the most appropriate mutual funds or ETFs for your particular financial situation and objectives, among other things. In addition, individuals who invest directly with a mutual fund may not qualify for lower-cost institutional share class funds that are available to APS clients.

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

### **Does APS Charge Performance-Based Fees?**

No, APS does not charge fees based on investment performance, including: capital gains (neither portion nor entirety) in investment accounts; capital appreciation of your investment accounts; or any other performance-related change in the value of your investment accounts.

## **Item 7: Types of Clients**

### **What Types of Clients does APS Serve?**

APS currently provides investment advice to individuals (including high net worth individuals), irrevocable trusts, corporations, and charitable organizations.

As previously disclosed in Item 5, our firm has established certain initial minimum account and annual minimum fee requirements based on the nature of the services being provided. For a more detailed understanding of the requirements, please review the disclosures provided for each applicable service.

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

### **What Methods of Analysis and Investment Strategies does APS Use?**

APS' investment strategy utilizes strategic asset allocation tempered with tactical asset allocation. Strategic asset allocation is an investment strategy based on the principles of Modern Portfolio Theory where investments are spread among multiple asset classes. At the inception of portfolio management, a base policy mix is established with respect to your financial objectives and risk tolerance. On an ongoing basis, the asset class mixes are rebalanced to target weights according to the original, or most currently agreed to, base policy mix, usually at regular intervals to maintain the long-term asset allocation. The objective of tactical asset allocation is to move among various asset classes within an established allocation range in order to create an additional source of return. An attempt is made to take advantage of short and intermediate term market inefficiencies as a means of managing your exposure to market risk and returns.

A risk of asset allocation is that your portfolio may not benefit from sharp increases in a particular security, industry or market sector. An additional risk is that the ratio of equities, fixed income, and cash will change over time due to stock and bond market movements and, if not rebalanced, will no longer be appropriate for your goals. We do not utilize market timing, but we do monitor your allocations and rebalance our client portfolios regularly. The multiple asset classes are comprised of two broad categories (fixed assets and equity assets) and six major classes of investment assets that fall under one of these categories. Cash equivalents and bonds are classes that are considered fixed assets; and stocks, real estate, natural resources, and other assets (such as tangibles, etc.) are classes that are considered equity assets. The objective of this strategy is to protect the global purchasing power of a client's investment assets during the "accumulation years" (pre-retirement) and the "preservation years" (post-retirement).

**PARTNERS, ASSOCIATES, SUNSET and PIMA** clients are asked to read our publication, *Asset Allocation: Managing Investment Behavior*, that provides significant detail concerning our asset allocation philosophy. Each client's portfolio is customized based on their particular circumstances, objectives, and risk tolerance, as determined through one or more various methods as discussed in **Item 4: "How Does APS Construct Portfolios for PARTNERS, ASSOCIATES, SUNSET and PIMA Clients?"**. The asset allocation for SUNSET clients will largely be based around short



and intermediate fixed income mutual funds, although some equity assets may be maintained.

## **What Methods does APS Use to Analyze Investments?**

We use fundamental, technical and mutual fund analysis; a description of each follows.

**Fundamental analysis:** This method attempts to gauge the intrinsic value of securities, industries, sectors, regions or asset classes by looking at economic and financial factors to determine if a security is underpriced (indicating it may be a good time to add) or overpriced (indicating it may be time to reduce). Fundamental analysis does not attempt to anticipate general 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 a security.

**Technical analysis:** This method involves the analysis of past market movements and the application of that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to predict future price movement. Technical analysis does not consider the underlying financial conditions of a security. This presents a risk in that a poorly-managed or financially unsound investment may underperform regardless of market movement.

### **Mutual fund analysis:**

Subsequent to our screening process, and prior to recommending our research-covered funds for your portfolio, we study the experience and track record of the selected mutual fund managers in an effort to determine if a given manager demonstrates an ability to invest over a period of time and during contrasting economic conditions. Analysis of underlying assets in these particular mutual funds are made in an attempt to determine if there is significant overlap in the underlying investments held in another fund in the portfolio. We also monitor the funds in an attempt to determine if they continue to follow their stated investment strategy.

APS uses non-research covered mutual funds in client portfolios when needed. This often occurs in scenarios where:

- 1) APS is looking to fill a gap in asset class or category exposure that cannot be achieved by a fund on the research list, and/or
- 2) in situations where a research-covered fund is not available for use, such as when a client custodies assets away from APS' recommended providers or within employer sponsored retirement plans, and/or
- 3) when APS sees the need to employ the use of niche allocations through fund exposure within a client's portfolio, and/or



- 4) when APS sees the need to employ different durations, as it particularly relates to fixed income funds.

In these cases, APS primarily looks to utilize index funds where the underlying index corresponds to the needed gap, niche, and/or duration APS is trying to gain exposure to in a client's portfolio. In such cases, APS' monitoring of these funds is primarily tied to:

- 1) the ability of the fund to track the underlying index
- 2) The underlying expense ratio of the fund, targeting lower expense funds for clients
- 3) The transaction costs that exist for purchasing/redeeming the fund

### **ETF analysis:**

Subsequent to our screening process, and prior to recommending our research-covered ETFs for your portfolio, we are primarily focused on determining the asset class needs of your portfolio, understanding the relative index of the ETF as it relates to your asset class needs, and focused on the expense ratio and transaction costs of using the ETF within your portfolio.

APS uses non-research covered ETFs in client portfolios when needed. This often occurs in scenarios where:

- 1) APS is looking to fill a gap in asset class or category exposure that cannot be achieved by an ETF on the research list, and/or
- 2) in situations where a research-covered ETF is not available for use, such as when a client custodies assets away from APS' recommended providers or within employer sponsored retirement plans, and/or
- 3) when APS sees the need to employ the use of niche allocations through ETF exposure within a client's portfolio, and/or
- 4) when APS sees the need to employ different durations, as it particularly relates to fixed income ETFs.

In these cases, APS primarily looks to utilize index ETFs where the underlying index corresponds to the needed gap, niche, and/or duration APS is trying to gain exposure to in a client's portfolio. This process is generally similar to our process for monitoring the smaller list of recommended ETFs. In such cases, APS' monitoring of these ETFs is similarly primarily tied to:

- 1) the ability of the ETF to track the underlying index (and the application of that index to the client's needed asset class exposure)
- 2) The underlying expense ratio of the ETF, targeting lower expense ETF for clients
- 3) The transaction costs that exist for purchasing/selling the ETF

**Risks for Mutual Funds and ETFs:** As in all securities investments, a risk of mutual fund and/or ETF analysis is that 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 in your portfolio may purchase the same security, increasing your risk in the event 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 holding less suitable for your portfolio.

**Risks for all forms of analysis:** Our securities analysis methods rely on the assumption that companies provide accurate and unbiased data regarding the securities that we buy and sell including the rating agencies that review these securities, and other publicly available sources of information about these securities. 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. Information used in these analyses include economic conditions, historical data, industry outlook, inflation and interest rates, and income tax regulations, as well as fiscal and monetary policies of the United States and foreign countries.

### **What Sources of Information does APS Use?**

We use subscription internet services, financial newspapers, magazines, newsletters, research materials prepared by reliable industry sources, corporate rating services, annual reports, prospectuses, and company press releases.

### **What Investment Strategies are Used?**

We use long-term investment strategies where long-term is defined as holding securities for a minimum of one year, and more typically, four to six years. Occasionally we use short-term purchases, where securities may be sold within one year. We rarely employ, and seek to avoid when not in the client's best interest, strategies or transactions involving day trading, short sales, or margin strategies.

### **Does APS Include Non-Liquid Assets in Fee Calculations?**

APS does not include non-liquid assets in the investment advisory fee calculation.

### **Can Investment Performance be Guaranteed?**

Securities investments are not guaranteed, and you may lose money on your investments. We work closely to understand your tolerance for risk so that we can construct your portfolio accordingly.

You should carefully review the disclosure, offering, and organizational documents for any third-party manager or investment fund under consideration for a detailed explanation of the investment risks. You should understand that investing in any type of securities, including equities and fixed income, involves a risk of loss in both income and principal. You must be prepared to experience the volatility of investment markets and the potential risks of loss.

## **Item 9: Disciplinary Information**

### **Does APS Have any Legal or Disciplinary Actions to Disclose?**

APS and the entire management team have no legal or disciplinary events to disclose at any time during the past ten years. Such events would include any criminal or civil action in a domestic, foreign or military court, as well as any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

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

When new employees join the firm, APS requires initial disclosure and approval of outside business activities. Further, APS requires that all active employees seek prior approval of any future employment activity or affiliations to identify and address potential conflicts of interests in such activities.

### **How does APS Handle Accounting Services?**

Michele Hewitt, CPA, a management person of our firm, is an individually licensed and practicing Certified Public Accountant providing accounting services exclusively for current and former advisory clients and their relatives, as well as employees of APS. At her discretion, accounting services are also available to non-advisory clients at significantly higher rates, as disclosed in the hourly fees table in Item 5 (such non-advisory clients would still be clients of APS and not of Michele Hewitt, CPA, individually). No client is obligated to use APS for any accounting services. Our accounting services do not include the authority to sign checks or otherwise disburse funds on any advisory client's behalf. The majority of Michele's time is spent on the accounting and tax advisory services offered by APS. Clients in need of trust tax return services are referred to an outside accounting firm. There are no referral fee arrangements between firms for these recommendations.

### **How does APS Handle Insurance Brokerage Services?**

In order to provide review and advice concerning life, disability and long-term care insurance policies, certain APS employees are required to maintain licenses as

independent insurance agents under the authority of the Pennsylvania Department of Insurance. Although these same licensed agents, who are APS employees, have been the sales agent of record for some life, disability and long-term care insurance policies sold to APS clients in prior years, it is not the current policy to do so. Neither APS or these licensed agents continue to receive trailing commissions or other financial benefits from policies sold to APS clients in prior years. APS may assist you with the purchase of insurance products through independent insurance agencies as needed. Neither APS, nor its employees, receive any compensation in return for referring you to independent insurance agencies. You are free to implement or reject any insurance recommendations made by APS.

### **What is APS' Relationship with National Advisors Trust Company?**

National Advisors Trust Company, FSB is the largest federally chartered trust company in the United States, created by registered investment advisers for the benefit of their clients. It was founded in 2000 jointly by APS and approximately one hundred other independent financial advisory firms to provide trust services to clients who require a corporate fiduciary as part of their estate plan. APS is a shareholder of less than one-half of one percent interest in National Advisors Holdings, Inc. ("NAH"). NAH owns 100% of the stock of National Advisors Trust Company, FSB ("NATC"). APS intends to refer clients to NATC for trust services, if appropriate. Both NAH and NATC are regulated by the U.S. Government's Office of Thrift Supervision.

Because APS has an ownership interest in NAH, and therefore indirectly has an interest in NATC, a small amount of the fees earned by NATC may accrue to the benefit of shareholders. Therefore, referrals of APS clients to NATC creates a conflict of interest and may be deemed to affect our judgment when making recommendations regarding the selection of a trust company. APS does not receive any additional fees for clients that utilize the trust services of NATC. Operationally, both APS and NATC are completely independent from each other. You are under no obligation to utilize the services of NATC and are free to select any independent trust company as part of your estate plan.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **What is APS' Code of Ethics?**

APS has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations to clients, and to provide rules for their personal securities transactions. As stated in the beginning of this brochure, APS is a registered investment adviser and fiduciary under federal and state law. We owe a duty of loyalty, fairness and

good faith towards our clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that include: general ethical principles; receipt and giving of gifts; reporting personal securities trading; reporting ethical violations; review and enforcement processes; and supervisory procedures. We can provide you with a copy of our Code of Ethics upon request.

### **What is APS' Personal Trading Restriction?**

Our firm, management persons and other employees may buy or sell securities for their personal accounts that are identical to or different from those recommended to you. Where the firm and these individuals may have an interest or position in a security which may also be recommended to you or when the firm and these individuals may buy or sell securities for their own accounts at, or about the same time, as for client accounts, these situations represent actual or potential conflicts of interest. APS has adopted policies and procedures to assure that:

- The personal securities transactions of the firm and employees will not interfere with making and implementing decisions in the best interest of our advisory clients.
- The firm complies with its regulatory obligations.
- The firm provides clients with full and fair disclosure of such conflicts of interest.

### **The policies and procedures we have adopted are as follows:**

1. APS prohibits the firm and its employees from:
  - Putting their own interest above the interest of an advisory client.
  - Buying or selling securities for their personal portfolio 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 (i.e., no “insider trading”).
  - Purposefully purchasing or selling any security immediately prior to a transaction in the same security being implemented for an advisory client with the intent to gain a material price advantage.
2. APS requires its employees to receive prior approval from the Chief Compliance Officer (CCO) for any IPO, limited offering, or private placement investment purchases.
3. APS requires all employees who may have access to non-public information to file, on a quarterly basis, information about their personal securities transactions with the firm's CCO. We maintain a list of all reportable securities holdings applicable to our firm and our employees who are access persons. These holdings are reviewed on a regular basis by our firm's CCO, or the CCO's designee, to verify compliance with this personal trading policy.

4. APS and individuals associated with the firm are prohibited from engaging in principal transactions. A principal transaction is a transaction where APS, or a person associated with APS, as principal, buys securities from, or sells securities to, an APS client.
5. APS has established procedures for the maintenance of all required books and records.
6. APS requires all management persons and other employees to act in accordance with all applicable federal and state regulations governing registered investment advisory firms.
7. APS provides each employee with a copy of the Code of Ethics on an annual basis.
8. APS has established policies requiring the reporting of Code of Ethics violations to the Chief Compliance Officer.
9. Any individual who violates any of the personal trading restriction policies and procedures may be subject to termination.

A copy of APS' Code of Ethics will be provided to any client or prospective client upon request.

## **Item 12: Brokerage Practices**

### **How does APS Handle Securities Transactions?**

For clients enrolled in one of our Continuing Advisory Programs, APS is available to freely assist you with the selection of a custodial firm to hold your brokerage account. Currently, APS has significant asset relationships with Fidelity Clearing & Custody Solutions (FCCS), the division of Fidelity Investments® that provides a clearing and custody platform to registered investment adviser firms through its broker dealers Fidelity Brokerage Services, LLC, and National Financial Services, LLC (together with all affiliates, "Fidelity"). This also includes accounts held with Fidelity Management Trust Company and Fidelity Charitable Gift Fund accounts. As a result of APS' scale, we have negotiated access to an institutional platform of services for our clients. The platform of services includes among others: brokerage, custodial, administrative support, recordkeeping and related services. These services are intended to support independent advisory firms like APS in conducting business and in serving the best interests of clients. We also have access to institutional class mutual funds and ETFs that have significantly lower expense ratios and initial investment minimums than those available to the general public. Although we recommend that you establish your brokerage account with Fidelity, you are free to choose any other custodial firm.

As directed by APS, Fidelity executes trades within your accounts. Fidelity charges brokerage commissions on individual stocks, and transaction fees for certain no-load mutual funds. More than 20,000 mutual funds are available through our relationship with



Fidelity, of which more than 7,000 may be purchased or sold with no transaction fees at all. APS continually strives to utilize lower cost mutual fund share classes as they become available. We are also provided with access to Fidelity's bond inventory on a "principal" basis. This means that Fidelity sets the offering price, and there is no separate transaction fee. Since APS provides investment advisory services on a fee-only basis, APS does not receive any compensation from Fidelity for directing these transactions on your behalf.

Fidelity's commission rates and transaction fees are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may not be the lowest of all other custodians. We periodically and systematically review the fees charged by Fidelity to determine if their fees are reasonable for the services provided.

APS recommends that qualified tuition plan accounts authorized by Section 529 of the Internal Revenue Code ("529 accounts") be placed with the Utah Education Savings Plan (also known as my529 Plan). Similar to Fidelity, APS has negotiated access to an institutional platform of services for our clients. The platform of services includes among others: custodial, administrative support, recordkeeping and related services. These services are intended to support independent advisory firms like APS in managing 529 accounts on behalf of our clients. NOTE: APS cannot direct brokerage within the 529 accounts as they are comprised solely of Mutual Funds or Money Market holdings.

As part of our financial planning services and based on each particular client's needs, APS may recommend that clients consider using National Advisers Trust Company ("NATC") for their Trustee and Recordkeeping services for their trust accounts. Similar to Fidelity, APS has negotiated access to an institutional platform of services for our clients. The platform of services includes among others: custodial, administrative support, recordkeeping and related services. These services are intended to support independent advisory firms like APS in being able to continue to provide investment advice to trust accounts, whereas in other Trustee relationships, APS may not be allowed or offered the ability to continue to manage these accounts on behalf of the client. NOTE: Brokerage for these accounts is directed to Fidelity under NATC's guidance.

APS may also recommend that clients consider using Vanguard Annuities for their variable annuity needs. Similar to Fidelity, APS receives an institutional platform to be able to manage variable annuities on behalf of the clients. The platform of services includes among others: custodial, recordkeeping, and related administrative services, such as being able to compete exchanges on your behalf. These services are intended to support independent advisory firms like APS in being able to continue to provide investment advice to variable annuity accounts. These assets are generally not "exchange- tradable", and therefore APS does not "direct brokerage" for these accounts.

APS may also recommend using Charles Schwab for the brokerage, clearing and custody needs of certain clients not domiciled in the United States; clients who wish to diversify assets between Fidelity and other brokerage/custody firms; or for prospective clients where maintaining assets at their current brokerage/custody firm is favorable in experience or cost. Similar to Fidelity, APS receives an institutional platform at Charles Schwab to be able to manage accounts on behalf of the clients. These services are intended to support independent advisory firms like APS in being able to continue to provide investment advice and account management for international client accounts. Trades conducted on the Charles Schwab platform are directed towards the platform's default broker.

Finally, APS has in the past directed certain client IRA accounts to TIAA. Similar to Fidelity, APS has negotiated access to an institutional platform of services for our clients. The platform of services includes among others: brokerage, custodial, administrative support, recordkeeping, access to variable annuities and certain fixed rate products, and related services. Similar to Vanguard Annuities, assets at TIAA are not "exchange-tradable", and therefore APS does not "direct brokerage" for these accounts.

The primary factors that APS considers when recommending the above Providers, or any other potential Provider, are:

- the ability to provide professional services
- reputation and name-recognition for clients
- our experience working with the custodian
- quality and cost of execution services

Many clients will request that APS, on a client's behalf, manage a client's individual employee retirement plan account, deferred compensation account, or Employee Stock Options ("Employee Benefit Plan") that are sponsored or offered by a client's current or former employer. In these situations, neither APS nor the client is capable of directing brokerage for these accounts. In these instances, the plan sponsor, trustee, or other fiduciary of the Employee Benefit Plan is responsible for directing brokerage. APS will not have authority to negotiate commissions, if applicable, or to necessarily obtain volume discounts or services with other plan providers, custodial firms, or brokerage firms. APS is also unable to direct trading, aggregate orders to reduce transactions costs, or to achieve "best execution" within these Employee Benefit Plans. Best execution is defined as an optimal combination of price and service. Consequently, clients may receive less favorable prices and there may be an associated higher cost, which can cost clients money. Additionally, clients may also receive commission charges that are different (higher or lower) than what other clients may receive.

APS does not send additional notice to these clients (other than the annual ADV Amendment and Disclosure Brochure offer or delivery), nor does APS require anything



in writing from the client, as neither party has discretion over selecting or directing brokerage.

For existing or new clients of APS who may open or receive new Employee Benefit Plan accounts or awards, or accounts associated with such awards, it is understood, as stated above, that neither APS or the client has control in directing trades or brokerage. For example, it is common for some Employee Stock Plans to require a brokerage account be set up at a specific provider to receive vested stock. In such cases, neither APS nor the client shall provide or receive anything in writing related to “directed brokerage”. It is under the control of the employer and the service providers they select.

In most cases, accounts held away from APS’ typical service providers named above are brought to APS by new clients. In such cases, APS considers the delivery of APS’ Disclosure Brochure, receipt of a final MRI and/or initial INVESTRAK, and a client signed MSA and CAP to be direction from the client for APS to manage the account at a custodian/broker/plan provider other than those recommended by APS. The client is therefore “directing” APS to use a specific custodian and/or broker, as applicable. In these cases, we are unable to direct trading or aggregate orders to reduce transaction costs and may be unable to achieve “best execution” (defined as an optimal combination of price and service). Consequently, clients may receive less favorable prices and there may be an associated higher cost, which can cost clients money. Additionally, clients may also receive commission charges that are different (higher or lower) than what other clients may receive.

For existing clients of APS who may open new 529 Plan accounts or decide to open a brokerage account with a custodian other than those specifically mentioned above, that client will provide instructions in writing to APS to direct brokerage to that broker/custodian/plan provider. It should be understood that we will not have authority to negotiate commissions or to necessarily obtain volume discounts or services with other custodial and brokerage firms. We may be unable to direct trading, aggregate orders to reduce transactions costs, or to achieve “best execution” (defined as an optimal combination of price and service). Consequently, clients may receive less favorable prices and there may be an associated higher cost, which can cost clients money. Additionally, clients may also receive commission charges that are different (higher or lower) than what other clients may receive.

As part of our relationships with Fidelity and Charles Schwab, we receive access to research services obtained by Fidelity and/or Charles Schwab directly from independent research companies at no additional charge. Most of the Providers we recommend also provide us with information technology services to efficiently and effectively establish and manage your accounts, including in some cases the payment of our advisory fees.

APS may also receive additional services that include sponsorship of its annual WorldWatch Conference and/or guest speakers who are Fidelity employees.

Fidelity and Charles Schwab also sponsor educational conferences and services to assist firms like APS to manage and grow their businesses. We also receive access to vendors who provide business management and consulting services at a reduced rate.

Without these additional services and benefits, we might be compelled to purchase the same or similar services at our own expense. Therefore, as it particularly relates to Fidelity and Charles Schwab, APS may have an incentive to continue to use or expand the use of their services. APS examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and Charles Schwab and has determined that the relationship is in the best interests of our clients and satisfies our client obligations. APS is not affiliated with any of the Providers mentioned, except as disclosed in the NATC relationship, and no custodian affiliated with APS is involved in the relationship between APS and Fidelity. APS does not have any arrangements to compensate any custodial firm for client referrals.

Please note that if you have accounts in any of the following arrangements at Fidelity, you generally are not participating in APS' negotiated fees for custodial and brokerage services:

- Employer-sponsored retirement plan
- Through Fidelity's 401k.com website, unless Fidelity BrokerageLink® is established
- Fidelity.com brokerage account (not within APS' Advisory G#)
- Fidelity's myStreetscape portal

Please refer to the particular plan account or agreements to determine the applicable fee schedules.

As a result of our customized approach and the resulting multi-disciplined analysis incorporated into portfolio management decisions for clients, transactions for a particular client may, and often do, differ from those of other clients. Additionally, other than an IPS rebalancing trigger that may apply to a particular client's account and not to other clients, the timing of portfolio adjustments is based on a client's position within the quarterly INVESTRAK review cycle. Finally, as discussed above, clients may hold similar assets at one or more various custodians. For these reasons, APS does not aggregate orders, even if possible to do so. As a result, security prices clients receive for traded securities may be greater than or less than prices received by other clients for similar transactions, even if executed on the same day. Additionally, not aggregating orders where possible can result in higher transaction costs than might be obtained by aggregating client orders, and therefore create higher transactions costs for clients than otherwise achievable.

## Item 13: Review of Accounts

### What Are Tier 1 and Tier 2 Assets?

Clients of APS may see two columns on their quarterly INVESTRAK “Detail of Investment Assets” page, which may show asset values in columns labeled “Tier 1” and “Tier 2”.

**Tier 1 listed assets** on a client’s INVESTRAK are viewed as the core/primary source of assets that APS will manage towards the client’s stated household-level Investment Policy Statement (IPS) objectives and allocation. A client’s Tier 1 asset portfolio allocation is generally monitored against the client’s IPS allocation targets, within agreed upon tolerances, as described in the next section. Tier 1 assets can include a mix of discretionary-managed, non-discretionary-managed, and advice-only assets. Please see **Item 16: Investment Discretion** for more information related to discretionary and non-discretionary management. Depending on each client’s circumstances, advice-only assets can be included in the client’s Tier 1 asset allocation. These assets are generally discernable as:

- Assets for which the client provides ongoing values/information to APS through our Quarterly Update Letter or MRI Update process (whereby these assets are typically designated as “CPAV” assets on your INVESTRAK)
- Future Projected Pension assets
- Pension or Annuities in Payout
- Non-vested employee stock options and non-qualified stock options

Advice-only reviews of an asset may include, but may not be limited to, one or more of the following aspects: accounting for the value of the asset within the client’s overall Tier 1 portfolio allocation, and related asset-category and/or asset-class; reviews of one or more risk factors of the asset (e.g. systemic risk, concentration risk, credit risk, liquidity risk, inflation risk, market risk, etc.) in combination with the client’s manageable/advised assets; review of the asset’s characteristics (such as the interest rate of a CD) in comparison to available alternative assets; application of the asset’s current or projected value in relation to the client’s wealth planning services. On a very limited basis, APS may provide qualitative or quantitative analysis of an asset in this category. Transactions in advice-only assets **are always managed directly by the client** who has final determination to buy/hold/sell/redeem or otherwise maintain, dispose of, or transfer assets. The nature of the advice-only asset services is determined in coordination with the client.

**Tier 2 listed assets** on a client’s INVESTRAK generally consist of:

- securities that the client has asked to be continually held outside of APS' investment and/or asset allocation recommendations ("restricted securities")
- assets targeted to a specific goal (for example, 529 or UTMA assets for children or grandchildren, assets targeted towards short-term goals like a home purchase, major gifting, etc.)
- Legacy denoted satellite/ancillary assets of a client, as determined by a client's Financial MRI, where the analysis indicates the assets are not considered essential or core towards a client's objective of achieving or maintaining financial independence (Note: *beginning in 2019, APS will begin discussing with clients, at their next MRI update, about either integrating these assets into a client's current Tier 1 allocation or migrating these assets to a standalone managed investment portfolio. No new clients will have the option to place these assets into a Tier 2 structure*)

Tier 2 assets are not managed as part of the client's singular Tier 1 asset-allocated portfolio. While Tier 2 assets generally consist of non-managed assets, a sole exception is made whereby certain 529 Plan accounts at my529 (excluding accounts in active payout) are managed by APS on a discretionary-managed basis. If a client's INVESTRAK displays Tier 2 assets that are not actively managed my529 accounts, **the client should consider these assets non-managed**. 529 Plan Accounts at my529 are constructed and managed with age-based objectives for each account, and are reviewed quarterly by APS. There is no IPS for these 529 accounts as the accounts are managed towards age-appropriate-allocations. All other Tier 2 listed assets are not asset allocated, and are therefore not monitored against any IPS allocation targets. Non-managed assets are not monitored or advised by APS.

## What Type of Monitoring and Reporting is Provided?

As described in the previous section, underlying Tier 1 securities within your portfolio are monitored regularly. Each Tier 1 account, as well as Tier 2 my529 accounts as described above, gets reviewed at least quarterly by either Sean Roberts, CFA, CFP®, Chief Investment Officer, or Dan Esquirell, CFP®, CPA, CKA®, Director of Financial Planning and Investment Advisory. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, the markets, and the political or economic environment.

In addition to monthly/quarterly statements and transaction confirmations that APS clients receive from their custodians and financial institutions, PARTNERS, ASSOCIATES, SUNSET and PIMA clients receive a written quarterly INVESTRAK Report. This report organizes all of a client's investment assets and corresponding market values according to the six major asset allocation classes discussed earlier in this document. The total value of these investment assets is referred to as "investment net worth."

Using APS' proprietary asset allocation model, we compare your current allocations across two variables: (1) your investment preferences as detailed on your investment policy statement (IPS); and (2) your particular financial planning needs as determined by your FINANCIAL MRI (PARTNERS and ASSOCIATES only). As necessary, reallocations are completed to rebalance the portfolio.

For PARTNERS and ASSOCIATES Program clients, APS offers ongoing financial planning updates on a reoccurring basis. Please see **Item 4: Advisory Business** for more information related to these activities, when they occur, and who performs these reviews.

Finally, for PARTNERS and ASSOCIATES clients, APS will provide a view of total net worth within your INVESTRAK. Total net worth typically includes “non-investment assets” such as a primary residence, automobiles, vacation home, and personal property.” These non-investment assets are non-managed by APS, but generally form a significant portion of the estate distribution planning process.

## **How Are Assets Valued?**

Asset values for accounts/assets held through APS' institutional access at Fidelity, Fidelity Management Trust Company, Fidelity Charitable Gift Funds, Fidelity BrokerageLink, Charles Schwab, TIAA-CREF, my529, Vanguard Annuities, and National Advisors Trust Company are received directly from the custodian through APS' portfolio accounting system vendor.

Asset/Account values for discretionary managed accounts held-away from the aforementioned custodians are received through 3<sup>rd</sup> party aggregators, such as ByAllAccounts. This generally includes assets/accounts held through employer-sponsored retirement plans, certain variable annuity accounts, and a small number of accounts held directly at fund companies or other custodians (these may be non-managed/accommodation accounts). Because this data is not directly provided by the account's custodian, the data and values may vary from information available directly from the financial institution.

Client Provided Asset Values (“CPAV”) are assets/accounts whereby the client provides asset values directly to APS, most commonly through our Quarterly Update Letter or MRI Update process. CPAV Assets can be displayed on your “Detail of Investment Assets” page of your INVESTRAK and can include, but are not limited to:

- Securities
- Certificates of Deposit (CDs)
- Annuities
- Savings Bonds
- Directly-held Real Estate Investments

- Insurance Cash Values
- Installment Sales
- Collectibles/Personal Property
- Loans (as either an asset or liability)
- Bank Accounts
- Business Ownership

In addition to the above listed assets, CPAV Assets that can be displayed on your “Net Worth by Ownership” page of your INVESTRAK can include, but are not limited to:

- Residences you may own or in which you have a potential ownership interest
- Mortgage Liabilities
- Home Equity Loans
- Retirement Community Fee Rebate Values
- Membership Bonds

The CPAV values used by APS, including on your INVESTRAK, **are only updated as you provide us information related to their value.** APS generally asks for updated values quarterly for assets that are included on your “Detail of Investment Assets” page of your INVESTRAK, including assets that may be included in your quarterly Advisory Fee. Alternatively, Assets displayed on your Ownership Page may only be updated every 3 years, or longer, as part of your MRI update. **For all of these assets, unless an updated value or information is received from you, these assets will not be priced differently than previous periods.**

Certain CPAVs may be calculated by APS based on information you provide related to the asset, such as maturity, rates, terms, etc. We typically use standardized present value calculations to determine values for these assets. This is most commonly used for valuing CDs, Installment Sales, and Insurance Cash Values. Additionally, APS will also typically calculate a client’s loan balance and offset that against their home value to provide the client the ability to see their “Net Equity”. Because APS is solely relying on information provided by you, and using standardized formulas, **clients should be aware that their actual asset or liability values may differ from what is being computed.** Please note, that if you are not providing any, or enough information on these types of assets/liabilities, your asset or liability may be reported on a static basis only (please see the preceding paragraph). Values for these assets are typically updated daily, excluding APS’ office-closure days. Many factors may change the client’s ability to achieve the projected value. Client’s should be aware of these limitations. Clients are responsible for providing updated asset information to APS related to terms (e.g. rate changes, pre-payments/additional payments, other term changes, etc.) on a regular and timely basis. APS may bill on these asset Values.



It is important to understand that CPAVs, which may be higher or lower than actual real-time values of the custodian/financial institution, may be used for billing purposes in calculating your quarterly fee, resulting in a higher or lower fee to APS than if using real-time, custodial-sourced values. Clients should contact their Client Service Representative at any time to update values as needed.

Merck and Non-Merck Employee Stock Options and Non-Qualified Stock Options (NQSO) with positive equity are valued manually by APS. APS uses a proprietary method for valuing these positions which includes monitoring previous day's closing prices, obtaining the option's grant price, and the application of a tax withholding liability. For clients that wish to learn more about these calculations, please contact your Financial Planner. Because APS is calculating these manually, the actual value of your Employee Stock Option or NQSO may differ from that shown by your Plan Sponsor. Please use caution when relying on these values for decision making. Many factors may change the client's ability to achieve the projected value. Clients should be aware of these limitations. Values for these options are typically updated daily, excluding APS' office-closure days. APS can and does bill on client's vested stock option equity, net of the tax liability, excluding NQSOs. APS sources information related to options, such as new/existing grants, vesting timetables, and other activity, terms, conditions, etc. directly from the client or by using client login information to source this information directly. If unable to login, provisioning of accurate holdings information is solely the responsibility of the client.

For asset allocation purposes, APS also manually values future projected pensions by way of a proprietary present value formula. Unless there are unique circumstances, APS calculates these values which include projections of the client's projected lump sum pension value at retirement, a discount interest rate, and expectations of the client's retirement date. For clients that wish to learn more about these calculations, please contact your Financial Planner. These values are solely a projection, and do not equate to actual liquid ownership of an asset. Many factors may change the client's ability to achieve the projected value. Clients should be aware of these limitations. Values for pensions are typically updated daily, excluding APS' office-closure days. APS does not bill on projected pension values. APS sources information related to Pensions directly from the client or by using client login information to source this information directly. If unable to login, provisioning of accurate information is solely the responsibility of the client.

Finally, and again for asset allocation purposes, APS manually values current pensions and annuities in payout. Unless there are unique circumstances, APS uses a proprietary method for calculating these values which includes projections of the client's life expectancy, the monthly payment, and a discount interest rate. For clients that wish to learn more about these calculations, please contact your Financial Planner. Many factors may change the client's ability to achieve the projected value. Client's should be aware

of these limitations. Current pensions and annuities in payout are typically updated daily, excluding APS' office-closure days. APS does not bill on current pension or annuities in payout values. APS sources information related to pensions or annuities in payout directly from the client or by using client login information to source this information directly. If unable to login, provisioning of accurate information is solely the responsibility of the client.

### **How does APS deal with Class Action Claim Issues?**

From time-to-time, clients may be eligible to participate in securities or other related class action settlements. However, APS will not have any responsibility or role in advising clients in any such legal proceedings, including class actions, even when clients purchase or hold securities in investment accounts managed by APS. Furthermore, APS is not responsible for obtaining or forwarding information related to class actions to clients or former clients so they can file (or not) their own claims. In addition, APS will not forward any claims information, if requested or not, to any professional claims filing firm. In summary, APS takes no action with respect to actual or potential class action claims.

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

### **Does APS Receive a Fee for Client Referrals?**

It is APS' policy not to engage solicitors or to pay related or non-related persons for referring potential advisory clients to our firm. Employees are prohibited from making or receiving any gift, gratuity, hospitality or other offering of more than de minimis value (\$500) from any person or entity doing business with APS. All employees are to notify the CCO of any gifts received above the de minimis threshold.



## **Item 15: Custody**

### **What is Custody?**

Custody means “holding client funds or securities, directly or indirectly, or having the authority to obtain possession of them, in connection with advisory services provided by the adviser.”

### **Does APS have Custody?**

As mentioned in the Continuing Advisory Programs section of Item 4, APS provides broad-based wealth management services to PARTNERS and ASSOCIATES that require having **all** assets tracked by APS. As covered in the Brokerage Practices section of Item 12, our clients hold accounts at Providers that are qualified custodians. These Providers enable APS with advisor level institutional online access to your accounts to help us provide advisory services to you. This access generally limits our ability to take certain actions that could trigger custody. For some accounts at these qualified custodians for which you have authorized APS to deduct advisory fees, we will be deemed to have custody.

However, many of our clients also have investment accounts that are “held away” from these Providers. We need access to these accounts in order to obtain account balances, affect and confirm transactions, and assist you with other wealth management services. Examples of accounts where this would apply would be Fidelity NetBenefits (Merck 401(k) and Deferral Plan), Merck stock options held at Morgan Stanley, accounts held at Vanguard, among others. In order to effectively and efficiently provide wealth management services for these accounts held at other independent qualified custodians, we need to have your internet login credentials. Without online access to these accounts, APS would be required to enact processes to provide you with investment advice by sending you instructions for you to execute trades, initiate distributions, etc., and for you to regularly furnish us with account balances and related income tax data.

For some of these “held away” accounts, we may be deemed to have custody, and be subject to the “Custody Rule” under the Investment Advisers Act of 1940 as detailed below. The custody rule is designed to provide additional safeguards against the possibility of theft or misappropriation by SEC-registered investment advisers. Despite the protections offered by the custody rule, you are advised to be proactive in ensuring the safety of your investments. Additional details can be found at [www.sec.gov/investor/alerts/bulletincustody.htm](http://www.sec.gov/investor/alerts/bulletincustody.htm).

APS is also deemed to have custody of your account when APS, or any employee of APS, acts as a Trustee or Power of Attorney for your account. In addition, certain clients have established standing asset transfer authorizations which permit the qualified custodian to rely upon instructions from APS to transfer client funds or securities to third

parties. These arrangements are disclosed in ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the majority of these affected accounts are not subject to an annual surprise CPA examination.

APS does not have custody with respect to any employee benefit plans of employers who have contracted for the firm's fiduciary services.

### **What does the Custody Rule Require?**

**The custody rule imposes the following four requirements on APS:**

**1. Use of “qualified custodians” to hold your assets.** We are required to maintain your funds and securities with a “qualified custodian.” Qualified custodians can be banks, registered broker-dealers, futures commission merchants, or certain foreign entities. For example, Fidelity is a qualified custodian. A qualified custodian maintains your funds and securities in a separate account under your name. In cases where APS is serving as Trustee, then the separate accounts will be registered to APS as trustee.

**2. Notices to you detailing how your assets are being held.** Whenever we open a custodial account on your behalf, we must promptly notify you in writing of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Also, we must advise you to compare your quarterly INVESTRAK Report with the account statements sent by the custodian.

**3. Account statements detailing your holdings.** We must have a reasonable basis to believe that your qualified custodians are sending account statements directly to you at least quarterly. You are encouraged to carefully review the statements you receive from the custodian with your quarterly INVESTRAK Report to determine whether account transactions, including deductions to pay advisory fees, are proper. We may periodically ask you to confirm receipt of account statements from your custodians for SEC compliance purposes.

**4. Annual surprise exams.** APS is required to engage a CPA firm to perform annual surprise examinations of a sampling of our client accounts for which we may be deemed to have custody. Accounts that are considered custody as a result of our ability to deduct our advisory fees will not be subject to surprise CPA audit.

## **Item 16: Investment Discretion**

### **Does APS Manage Accounts on a Discretionary Basis?**

According to the Investment Advisors Act of 1940, if we can affect a transaction in your account without your prior consent for that transaction, then APS has exercised investment discretion over your account. Upon written request, you can place limitations

or restrictions on our discretionary authority with respect to buying and selling certain securities (see the restriction section in Item 4: Advisory Business).

APS takes discretion over the following activities:

- Specific securities to be purchased or sold
- Amount of securities to be purchased or sold
- Timing of the transactions

Clients enrolled in one of the Continuing Advisory Programs grant us discretionary authority to manage securities accounts on their behalf by execution of the CAP Addendum. The authority can also be granted when new account paperwork is processed with one or more of the qualified custodians identified in Item 12. For accounts that are “held away” from Fidelity, we will only offer discretionary management if accounts can be linked electronically to our portfolio management system, and the provided access allows APS to execute transactions electronically.

We generally limit the exercising of discretion to the periodic rebalancing of investment accounts according to mutually agreed-upon allocations set forth in your signed Investment Policy Statement (IPS). We will also exercise discretion in order to raise cash for your liquidity needs. In this case, we will initiate portfolio trades while also maintaining your target allocation ranges.

We will not act with discretion to exercise any employee stock option; that action always requires your prior approval and subsequent written confirmation.

Finally, in situations when APS believes that a particular investment in an account is performing inadequately, or when we believe that a different investment is more suitable for your goals, we will replace that investment with one that has a similar objective that aligns with your IPS.

**Pre-mortem and Post-mortem discretionary authority:** When or if your marital status is single, in conjunction with knowledge of your terminal illness or imminent death, APS may recommend consolidation of all or a significant portion of your investments to money market positions. Similarly, in the event of your death, we may similarly initiate a consolidation of your portfolio holdings, which may include allocating up to one hundred percent (100%) of your total portfolio to cash and/or cash equivalents. The objective of this discretionary authority would be to simplify the estate settlement process for your heirs, and to reduce fiduciary risk for your executors, trustees, etc.

Clients should review their Master Services Agreement for more information.

**Excluded assets from investment management:** There may be certain investment assets that may not fall under our investment management services. For example, you

may direct us to purchase a particular security for your portfolio and as such, we will not comment on the advisability of selling that security in the future.

However, these assets will likely need to be included in the overall wealth management services provided for you with respect to your financial, tax and estate plans. APS may include those assets on your INVESTRAK Report on an accommodation basis only. For more information, you should carefully read your applicable Continuing Advisory Programs Addendum to the Master Services Agreement.

**Corporate Advisory Services:** APS does not have discretionary authority with respect to any employee benefit plans of employers who have contracted for the firm's fiduciary services.

### **Does APS Manage Accounts on a Non-Discretionary Basis?**

APS will only manage employee stock options on a non-discretionary basis. Clients are solely responsible for understanding, reviewing and communicating to APS any applicable trade restrictions or stock retention requirements related to employee stock option holdings and/or any pending transactions. The exercising of RSUs and employee stock options of any kind cannot be undone. As such, once exercised, neither APS nor any other party, can correct, amend or adjust the transaction.

In some circumstances, we will manage certain client accounts on a non-discretionary basis only when approved by APS' management team. Furthermore, implementation of our non-discretionary investment advice will require your prior approval with subsequent written confirmation. Considering the extra steps involved with this process, non-discretionary clients may be disadvantaged with respect to market opportunities.

## **Item 17: Voting Client Securities**

### **Does APS Vote Proxies for Individual Securities for Clients?**

APS does not vote proxies for individual securities for clients. Clients should receive their proxies or other such solicitations directly from their custodians or a transfer agent. Clients may contact APS with general questions regarding proxies by calling or emailing their applicable Client Service Representative.

## **Item 18: Financial Information**

APS is not required to include a balance sheet or income statement as part of this document. Financial statements would be necessary if we required our clients to pay any fees more than six months in advance of services rendered, and if those fees were in excess of \$1,200 per client.

APS has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to our clients. APS has never been the subject of a bankruptcy petition nor does APS have any additional financial circumstances to report.



# **ASSET PLANNING SERVICES, LTD.**

FINANCIAL DIRECTION IN A COMPLEX WORLD™

## ***Disclosure Brochure Supplement***

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SEC# 801-30830 / CRD# 105727

As of March 30, 2020

This brochure supplement, officially known as Form ADV Part 2B, provides biographical and supervisory information about management personnel of Asset Planning Services, Ltd. (APS). This information supplements APS' Disclosure Brochure to which it is attached. If you have questions about the contents of this supplement, please contact Erik Morris, Chief Compliance Officer, at [erik@assetplanningservices.com](mailto:erik@assetplanningservices.com). Additional information about APS is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



Richard J. Volpe, CFP®, CLU®, ChFC®  
Senior Financial Planner, Founder and President  
Year of Birth: 1953

### **Education:**

Richard J. Volpe graduated from Lehigh University in 1975 with a Bachelor of Science degree in Industrial Engineering. He has completed extensive post-graduate coursework in the financial services industry that has led to the professional designations identified below.

### **Professional Designations (year earned):**

CFP® (CERTIFIED FINANCIAL PLANNER™) <sup>1</sup> (1979)

CLU® (Chartered Life Underwriter®) <sup>2</sup> (1984)

ChFC® (Chartered Financial Consultant®) <sup>3</sup> (1984)

### **Business Background:**

Richard J. Volpe began his career in the financial services industry in 1976 as a registered representative with Investors Diversified Services (subsequently known as IDS-American Express, and then Ameriprise). In 1987, Mr. Volpe separated from IDS and founded Asset Planning Services, Ltd. In addition to more than 40 years of personal financial planning experience, he has developed and presented financial planning and retirement planning programs to employees of various Fortune 500 Companies. His firm has been featured in the cover story of the September 1994 issue of Financial Planning magazine and Mr. Volpe's comments on financial education have also appeared in the New York Times.

He received the CFP® certification in 1979 from the Certified Financial Planner Board of Standards, and the CLU® and ChFC® certifications from The American College in 1984. He is a current member of the FPA (Financial Planning Association), the Montgomery County Estate Planning Council, and Kingdom Advisors. He adheres to the Code of Ethics and Professional Standards of Practice set by the CFP Board.

### **Disciplinary Information**

Richard J. Volpe does not have any disciplinary or regulatory events that are required to be disclosed.

### **Other Business Activities**

Since 2008, Richard J. Volpe has been serving on the Board of Wilderness Volunteers, a non-profit organization created in 1997 to organize and promote volunteer service to America's wildlands. He also is a member of the Board of Governors of Opportunity International, a microfinance non-profit helping people work their way out of poverty in the developing world. Mr. Volpe has also served on numerous church boards and committees and has organized and led more than a dozen mission work trips to Mexico.

### **Additional Compensation**

APS provides Mr. Volpe, an employee and owner of APS, additional compensation in the form of K1 income and an annual discretionary bonus. This additional compensation is based on the overall profitability of APS which may be based, at least in part, on the number of new client assets for the firm.

### **Supervision**

Richard J. Volpe provides investment advisory and supervisory services. His CRD# is 818361. Erik Morris, Chief Compliance Officer, is primarily responsible for monitoring Richard Volpe's adherence to all required regulations regarding the activities of an Investment Advisor Representative, as well as all the firm's policies and procedures and Code of Ethics. Should a client have any questions regarding the supervision of Richard Volpe, or APS' compliance practices, please contact Mr. Morris at (215) 256-4600. Mr. Volpe is subordinate to the Board of Directors of APS. Sean Roberts and Michael Halvorsen serve on the Board of Directors and can be contacted at 215-256-4600.





Sean M. Roberts, CFA, CFP®  
Chief Investment Officer  
Year of Birth: 1967

**Education:**

Sean M. Roberts graduated from Temple University with Bachelor of Business Administration in both Finance and Economics. He has completed post-graduate coursework in the financial services industry that has led to the professional designations identified below.

**Professional Designations (year earned):**

CFP® (CERTIFIED FINANCIAL PLANNER™) <sup>1</sup> (1995)

CFA (Chartered Financial Analyst®) <sup>4</sup> (2004)

**Business Background:**

Sean M. Roberts is Chief Investment Officer with APS. Mr. Roberts entered the financial services industry in 1991 when he became an employee of APS. He is responsible for investment strategy development and implementation for the firm's corporate and individual clients. As of December 31, 2019, Mr. Roberts was responsible for overseeing over 850 million dollars in client investments. He earned the right to use the Chartered Financial Analyst® designation in 2004 from the CFA Institute and received the CFP® certification in 1995 from the Certified Financial Planner Board of Standards. He is currently a member of the CFA Institute, Financial Analysts of Philadelphia, the Financial Planning Association, and Kingdom Advisors. He adheres to the Code of Ethics and Professional Standards of Practice set by the CFP Board.

**Disciplinary Information**

Sean M. Roberts does not have any disciplinary or regulatory events that are required to be disclosed.

**Other Business Activities**

Sean M. Roberts is not actively engaged in any investment-related business or occupation outside of Asset Planning Services, Ltd.

**Additional Compensation**

APS provides Mr. Roberts, an employee and shareholder of APS, additional compensation in the form of K1 income and an annual discretionary bonus. This additional compensation is based on the overall profitability of APS which may be based, at least in part, on the number of new client assets for the firm.

**Supervision**

Sean M. Roberts provides investment advisory services. His CRD# is 2186477. Richard J. Volpe, Senior Financial Planner, Founder and President, is primarily responsible for supervising Sean Roberts's activities. Erik Morris, Chief Compliance Officer, is primarily responsible for monitoring Mr. Robert's adherence to all required regulations regarding the activities of an Investment Advisor Representative, as well as all the firm's policies and procedures and Code of Ethics. Should a client have any questions regarding the supervision of Sean Roberts, please contact Mr. Volpe at (215) 256-4600. Mr. Roberts is subordinate to Richard Volpe.





Michael A. Halvorsen, MS, CFP<sup>®</sup>, CEBS<sup>®</sup>, CKA<sup>®</sup>  
Senior Financial Planner, Senior Vice President  
Year of Birth: 1970

**Education:**

Michael A. Halvorsen is a 2006 honors graduate of the College of Financial Planning with a Master of Science in Financial Planning. He graduated Magna Cum Laude from Drexel University in 1994 with Bachelor of Science degrees in both Finance and Human Resource Management. He has completed extensive post-graduate coursework in the financial services industry that has led to the professional designations identified below.

**Professional Designations (year earned):**

CFP<sup>®</sup> (CERTIFIED FINANCIAL PLANNER<sup>™</sup>)<sup>1</sup> (1998)

CEBS<sup>®</sup> (Certified Employee Benefits Specialist<sup>®</sup>)<sup>5</sup> (2004)

CKA<sup>®</sup> (Certified Kingdom Advisor<sup>®</sup>)<sup>6</sup> (2008)

**Business Background:**

Mr. Halvorsen entered the financial planning industry in 1998 when he became an employee of APS. He is responsible for developing and presenting financial plans to individual clients, as well as financial planning and benefits programs to employees of various firms. He has presented motivational, benefit, investment, and financial planning workshops to employees of various fortune 500 companies. He was featured as a financial education innovator in the workplace in an article appearing in The Philadelphia Inquirer and has been interviewed on National Public Radio. He is a member of the Financial Planning Association, Society for Human Resource Management and Kingdom Advisors. He adheres to the Code of Ethics and Professional Standards of Practice set by the CFP Board.

**Disciplinary Information**

Michael A. Halvorsen does not have any disciplinary or regulatory events that are required to be disclosed.

**Other Business Activities**

Mr. Halvorsen is an adjunct professor at Regent University School of Law teaching the Capstone in Financial Planning Course to students seeking to become CERTIFIED FINANCIAL PLANNER<sup>™</sup> Practitioners.

**Additional Compensation**

APS provides Mr. Halvorsen, an employee and shareholder of APS, additional compensation in the form of K1 income and an annual discretionary bonus. This additional compensation is based on the overall profitability of APS which may be based, at least in part, on the number of new client assets for the firm.

**Supervision**

Michael A. Halvorsen provides investment advisory services. His CRD# is 3101410. Richard J. Volpe, Senior Financial Planner, Founder and President, is primarily responsible for supervising Mike Halvorsen's activities. Erik Morris, Chief Compliance Officer, is primarily responsible for monitoring Mr. Halvorsen's adherence to all required regulations regarding the activities of an Investment Advisor Representative, as well as all the firm's policies and procedures and Code of Ethics. Should a client have any questions regarding the supervision of Mike Halvorsen, please contact Mr. Volpe at (215) 256-4600. Mr. Halvorsen is subordinate to Richard Volpe.



Daniel J. Esquirell, MBA, CFP<sup>®</sup>, CPA, CKA<sup>®</sup>  
Senior Financial Planner, Director, Financial Planning and Investment Advisory  
Year of Birth: 1965

**Education:**

Daniel J. Esquirell graduated with honors from Bob Jones University with a Bachelor of Science degree in Accounting. Dan also graduated with honors from Clemson University with a Master of Business Administration degree with a concentration in Finance. He has completed extensive post-graduate coursework in the financial services industry that has led to the professional designations identified below.

**Professional Designations (year earned):**

CPA (Certified Public Accountant) <sup>7</sup> (1991)  
CFP<sup>®</sup> (CERTIFIED FINANCIAL PLANNER<sup>™</sup>) <sup>1</sup> (1999)  
CKA<sup>®</sup> (Certified Kingdom Advisor<sup>®</sup>) <sup>6</sup> (2013)

**Business Background:**

Daniel J. Esquirell is Director, Financial Planning and Investment Advisory of APS. He began his career in 1988 working three years in public accounting followed by eight years as a professor of finance and accounting. He began working with individual clients in the wealth management industry in 1999 and became an employee of APS in 2006. Dan is responsible for developing and presenting financial plans to individual clients as well as overseeing client investment portfolios. He received the Certified Public Accountant designation in 1991, and the CFP<sup>®</sup> certification in 1999 from the Certified Financial Planner Board of Standards. He is currently a member of the Financial Planning Association and Kingdom Advisors. He adheres to the Code of Ethics and Professional Standards of Practice set by the CFP Board.

**Disciplinary Information**

Daniel J. Esquirell does not have any disciplinary or regulatory events that are required to be disclosed.

**Other Business Activities**

Daniel J. Esquirell is not actively engaged in any investment-related business or occupation outside of Asset Planning Services, Ltd.

**Additional Compensation**

APS provides Mr. Esquirell, an employee and shareholder of APS, additional compensation in the form of K1 income and an annual discretionary bonus. This additional compensation is based on the overall profitability of APS which may be based, at least in part, on the number of new client assets for the firm.

**Supervision**

Daniel J. Esquirell provides investment advisory services. His CRD# is 4593034. Richard J. Volpe, Senior Financial Planner, Founder and President, is primarily responsible for supervising Dan Esquirell's activities. Erik Morris, Chief Compliance Officer, is primarily responsible for monitoring Mr. Esquirell's adherence to all required regulations regarding the activities of an Investment Advisor Representative, as well as all the firm's policies and procedures and Code of Ethics. Should a client have any questions regarding the supervision of Dan Esquirell, please contact Mr. Volpe at (215) 256-4600. Mr. Esquirell is subordinate to Richard Volpe.



Bethany J. Landis, CFP<sup>®</sup>, CFS  
Financial Planner, Director of Client Service  
Year of Birth: 1977

**Education:**

Bethany J. Landis graduated from Temple University with a Bachelor of Business Administration in 2006. She has completed post-graduate coursework in the financial services industry that has led to the professional designations identified below.

**Professional Designations (year earned):**

CFS<sup>®</sup> (Certified Fund Specialist<sup>®</sup>) <sup>8</sup> (2002)

CFP<sup>®</sup> (CERTIFIED FINANCIAL PLANNER<sup>™</sup>) <sup>1</sup> (2008)

**Business Background:**

Bethany J. Landis began her career in the financial services industry in 1999 when she became an employee of APS. She received the CFP<sup>®</sup> certification in 2008 from the Certified Financial Planner Board of Standards, and the CFS<sup>®</sup> from the Institute of Business & Finance. She is currently a member of the Financial Planning Association and Kingdom Advisors. She adheres to the Code of Ethics and Professional Standards of Practice set by the CFP Board.

**Disciplinary Information**

Bethany J. Landis does not have any disciplinary or regulatory events that are required to be disclosed.

**Other Business Activities**

Bethany J. Landis is not actively engaged in any investment-related business or occupation outside of Asset Planning Services, Ltd.

**Additional Compensation**

APS provides Ms. Landis, an employee and shareholder of APS, additional compensation in the form of K1 income and an annual discretionary bonus. This additional compensation is based on the overall profitability of APS which may be based, at least in part, on the number of new client assets for the firm.

**Supervision**

Bethany J. Landis provides investment advisory services. Her CRD# is 6629841. Richard J. Volpe, Senior Financial Planner, Founder and President, is primarily responsible for supervising Bethany Landis's activities. Erik Morris, Chief Compliance Officer, is primarily responsible for monitoring Ms. Landis's adherence to all required regulations regarding the activities of an Investment Advisor Representative, as well as all the firm's policies and procedures and Code of Ethics. Should a client have any questions regarding the supervision of Bethany Landis, please contact Mr. Volpe at (215) 256-4600. Ms. Landis is subordinate to Sean Roberts.



Erik W. Morris, MS, IACCP®  
Chief Compliance Officer and Director of Operations  
Year of Birth: 1981

**Education:**

Erik W. Morris graduated from Lehigh University in 2004 with a Bachelor of Arts degree in Economics and International Relations. In 2012, Erik also graduated from St. Joseph's University with a Master of Science degree in Financial Services.

**Professional Designations (year earned):**

IACCP® (Investment Adviser Certified Compliance Professional®) <sup>9</sup> (2018)

**Business Background:**

Erik W. Morris is the Director of Operations and Chief Compliance Officer with APS. Mr. Morris began his career in the financial services industry in 2004 and has spent the vast majority of his career within the managed account business at BNY Mellon, working primarily in the Pershing Managed Investments and Lockwood Advisors business lines. Mr. Morris has held numerous roles in performing and leading back-office operations, as well as roles in compliance and operational risk. Most recently, Mr. Morris served as Director, Sr. Group Manager, for Lockwood Advisors, where he had primary responsibilities for the day-to-day operations of the investment advisory team. In addition, Mr. Morris has obtained Six Sigma Green Belt Certification through Pershing LLC's Quality Management Office. In 2018 Mr. Morris earned the Investment Adviser Certified Compliance Professional (IACCP®) designation, co-sponsored by National Regulatory Services (NRS) and the Investment Adviser Association (IAA).

Mr. Morris joined APS in March of 2016. In his role, Mr. Morris is responsible for directing and managing the operations and compliance activities of the firm.

**Disciplinary Information**

Erik W. Morris does not have any disciplinary or regulatory events that are required to be disclosed.

**Other Business Activities**

Erik W. Morris is not actively engaged in any investment-related business or occupation outside of APS.

**Additional Compensation**

APS provides Mr. Morris, an employee and shareholder of APS, additional compensation in the form of K1 income and an annual discretionary bonus. This additional compensation is based on the overall profitability of APS which may be based, at least in part, on the number of new client assets for the firm.

**Supervision**

Erik W. Morris does not formulate investment advice for clients or have discretionary authority over client assets. His CRD# is 4593034. As Chief Compliance Officer, he periodically reviews the firm's written policies and procedures under SEC Rule 206(4)-7, which indicates that a registered investment adviser's supervisory and compliance policies and procedures must be reasonably designed to prevent violation of the Investment Advisers Act of 1940 by the investment adviser or any of its supervised persons. Mr. Morris is subordinate to Richard Volpe and APS' Board of Directors.

## Professional Designations held by the Management Staff of Asset Planning Services, Ltd.

### <sup>1</sup> CFP® Certification (CERTIFIED FINANCIAL PLANNER™)

The CFP® certification is considered the cornerstone of the financial planning profession. This high-quality, rigorous program covers a broad base of financial planning subject areas and trains certificants in the discipline of financial planning. A Bachelor's Degree from an accredited college or university is a pre-requisite. Applicants must complete an approved educational program consisting of college-level courses in such subject areas as insurance planning and risk management, the financial planning process, investment planning, income tax planning, retirement planning, and estate planning. CFP® certificants are bound by the Certified Financial Planner Board's *Standards of Professional Conduct* and must complete 30 hours of continuing education hours every two years. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.



### <sup>2</sup> CLU® (Chartered Life Underwriter®)

CLU® candidates must complete eight college-level courses, five required and three electives. The required courses include *Fundamentals of Insurance Planning*; *Individual Life Insurance*; *Life Insurance Law*; *Fundamentals of Estate Planning*; and *Planning for Business Owners and Professionals*. Elective topics cover financial planning, health insurance, income taxation, group benefits, investments, and retirement planning. CLU® designees must adhere to The American College's Code of Ethics.

### <sup>3</sup> ChFC® (Chartered Financial Consultant®)

The ChFC® designation has been a mark of excellence for financial planners for almost thirty years and currently requires more courses than any other financial planning credential. The curriculum covers extensive education and application training in all aspects of financial planning, income taxation, investments, and estate and retirement planning. The required courses include *Financial Planning: Process and Environment*; *Fundamentals of Insurance Planning*; *Income Taxation*; *Planning for Retirement Needs*; *Investments*; *Fundamentals of Estate Planning*; and *Financial Planning Applications*. ChFC® designees must adhere to The American College's Code of Ethics.

### <sup>4</sup> CFA (Chartered Financial Analyst®)

CFA Institute is respected for providing real-world knowledge for working investment professionals. For almost 50 years, the CFA mark has represented rigorous, in-depth education for top investment analysts. Topic areas covered include ethical and professional standards, quantitative methods, economics, financial reporting and analysis, corporate finance, equity investments, fixed income, derivatives, alternative investments, and portfolio management and wealth planning. CFA charter holders must adhere to CFA Institute's Code of Ethics and Standards of Professional Conduct.

### <sup>5</sup> CEBS® (Certified Employee Benefits Specialist®)

The CEBS program provides education for advisors working in the employee benefits and compensation industry through an eight-course curriculum. CEBS designees have completed six required and two elective courses. Required courses include: *Group Health Plan Design*; *Group Benefits Management*; *Retirement Plan Design*; *Retirement Plan Management*; *Human Resources and Compensation Management*; *Compensation Concepts and Principles*.

<sup>6</sup> **CKA® (Certified Kingdom Advisor®)**

The Qualified Kingdom Advisor™ provides a principled class of Christian financial advisors who have been trained in biblically wise financial advice to men and women seeking biblically wise financial counsel. Additionally, Kingdom Advisors maintains a nationwide, searchable database of advisors available to the public.

<sup>7</sup> **CPA (Certified Public Accountant)**

Requirements for the CPA are set by each state board of accountancy. The requirements include completing a program of accounting study at a college or university, passing the Uniform CPA Exam, and meeting experience requirements. CPAs must adhere to the AICPA Code of Conduct.

<sup>8</sup> **CFS® (Certified Fund Specialist®)**

A certification indicating an individual's expertise in mutual funds and the mutual fund industry. These individuals advise clients on which mutual funds best suit their particular needs. Training is provided by the Institute of Business & Finance (IBF). The course includes a final exam, administered by the Financial Industry Regulatory Authority, or FINRA.

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<sup>9</sup> **IACCP® (Investment Adviser Certified Compliance Professional®)**

The NRS Investment Adviser Certified Compliance Professional® (IACCP®) designation is awarded to knowledgeable, experienced individuals who complete an instructor-led program of study, pass a certifying examination, and meet its work experience, ethics and continuing education requirements. The designation signifies knowledge of investment adviser regulation and compliance best practices, and adherence to nationally recognized professional standards and ethical leadership.