

## **Fiduciary Planning, LLC**

*a Registered Investment Adviser*

3111 North University Drive, Suite 404  
Coral Springs, FL 33065

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This brochure provides information about the qualifications and business practices of Fiduciary Planning, LLC (“Fiduciary Planning”). If you have any questions about the content of this brochure, please contact us at 610-399-1500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Fiduciary Planning is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

SEC registration does not imply a certain level of skill or training.

## **Item 2. Material Changes**

In 2019, Fiduciary Planning discontinued its Wrap program. Fiduciary Planning has not had any other material changes to its advisory services since its initial registration in 2019.

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#### **Item 4. Advisory Business**

Fiduciary Planning offers wealth management services to individual and high net worth clients as well as small businesses. The firm prides itself on its investment strategies, client service, and ongoing commitment to bringing innovative solutions to its clients' financial lives. Fiduciary Planning was founded in May 2019 and is currently owned by Thomas Schorn and Douglas Eaton.

Fiduciary Planning currently has more than \$171,111,011.00 in assets under management. This Disclosure Brochure describes the business of Fiduciary Planning. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Fiduciary Planning's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Fiduciary Planning's behalf and is subject to Fiduciary Planning's supervision or control.

#### **Financial Planning Services:**

Fiduciary Planning provides its clients with financial planning and consultation services (e.g., review of goals and objectives, analysis and recommendations for cash flow planning, asset allocation/investment planning, income tax planning, insurance planning, estate planning, retirement planning, education planning, real estate/mortgage planning, etc.).

#### **Wealth Management Services:**

Fiduciary Planning provides investment management services on a discretionary basis according to the investment objectives of the client and in accordance with the terms and conditions of the Investment Advisory Agreement between the Fiduciary Planning and the client. Based upon the client's stated investment objectives, Fiduciary Planning's investment management focuses on the use of Portfolio Models in order to provide investment returns consistent with clients' investment goals and objectives. Based upon a particular Model Portfolio, Fiduciary Planning will invest client's accounts in certain percentages amongst numerous asset classes (e.g. stocks, corporate and government bonds, ETFs, mutual funds and alternate investments) in order to maximize client's investment returns while achieving lower volatility within pre-determined risk parameters.

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

Fiduciary Planning offers its services on a fee basis, which may include fixed fees, as well as fees based upon assets under management. Additionally, certain of Fiduciary Planning's *Supervised Persons*, in their individual capacities, may offer insurance products under a commission arrangement. For all services, Fiduciary Planning's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Fiduciary Planning does not, however, receive any portion of these commissions, fees, and costs.

### **Financial Planning Fees:**

Fiduciary Planning's financial planning and consulting fees are negotiable, but generally are \$300 on an hourly rate basis, and from \$1,000 to \$25,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Fiduciary Planning to provide financial planning or consulting services, clients will be required to enter into a *Financial Planning Agreement* with Fiduciary Planning setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Fiduciary Planning commencing services

### **Investment Management Fees:**

Fiduciary Planning's investment management fee schedule ("Advisory Fees") for accounts managed by Fiduciary Planning is based on a percentage of assets (generally net of any debit balances) and is set forth below. The Advisory Fees represent the highest fee that may be charged absent special circumstances:

| <u>Advisory Assets</u>              | <u>Annual Fee</u> |
|-------------------------------------|-------------------|
| 0 - \$250,000                       | 2.00%             |
| \$250,001 - \$750,000               | 1.75%             |
| \$750,001 - \$1,000,000             | 1.50%             |
| All assets in excess of \$1 million | 1.25%             |

Fiduciary Planning's Advisory Fees shall also be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Fiduciary Planning's actual fees may be negotiated, and a client may pay more or less than similar clients depending on the particular circumstances of the client, which may include considerations related to size of the client's account, additional and/or differing levels of service or as negotiated. Clients that negotiate fees may end up paying a higher fee than that set forth in the fee schedules above as a result of fluctuations in the client's assets under management and/or account performance.

### **Fees Charged by Financial Institutions**

Fiduciary Planning generally recommends that clients utilize the brokerage and clearing services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade") for investment management accounts.

Fiduciary Planning may only implement its investment management recommendations after the client has arranged for and furnished Fiduciary Planning with all information and authorization regarding

accounts with appropriate financial institutions. Clients may incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Fiduciary Planning's fee. Fiduciary Planning's *Agreement* and the separate agreement with any Financial Institutions may authorize Fiduciary Planning or Independent Managers to debit the client's account for the amount of Fiduciary Planning's fee and to directly remit that management fee to Fiduciary Planning or the Independent Managers. Any Financial Institutions recommended by Fiduciary Planning have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Fiduciary Planning. Alternatively, clients may elect to have Fiduciary Planning send an invoice for payment.

#### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a *pro rata* basis. The *Agreement* between Fiduciary Planning and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Fiduciary Planning's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate. Clients may make additions to and withdrawals from their account at any time, subject to Fiduciary Planning's right to terminate an account. Additions may be in cash or securities provided that Fiduciary Planning reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account.

Clients may withdraw account assets on notice to Fiduciary Planning, subject to the usual and customary securities settlement procedures. However, Fiduciary Planning designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Fiduciary Planning may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

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

Fiduciary Planning does not charge a performance-based fee.

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

Fiduciary Planning provides its services to individuals, trusts, estates, corporations and business entities.

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

Fiduciary Planning's primary methods of analysis are fundamental and technical:

*Fundamental analysis* involves the fundamental financial condition and competitive position of a Company or asset class. Fiduciary Planning may analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's or asset class' markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company or asset class may be good, market conditions may negatively impact the security

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

### **Investment Strategies**

Fiduciary Planning customizes its asset management strategies based on individual needs and concerns of their clients. While Fiduciary Planning offers each of the services described in Item 4 (above), the main focuses of the firm are its diversified portfolio management. For its diversified portfolio management, Fiduciary Planning may recommend a combination of in-house Model portfolios and *Independent Managers* depending on the needs and goals of the client. Fiduciary Planning selects securities and asset managers for the portfolio based on asset allocation decisions and what suits the client's needs and goals most appropriately. Specifically, Fiduciary Planning tries to determine the mix of stock, bonds, money markets, and other investments that it feels offers the best combination of potential return and risk. At any given time, Fiduciary Planning may allocate all, a portion, or none of the portfolio's assets to various areas of the stock, bonds, or alternative investments.

### **Risks of Loss**

#### Market Risks

The profitability of a significant portion of Fiduciary Planning's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Fiduciary Planning will be able to predict those price movements accurately.

#### Use of Independent Managers

Fiduciary Planning may recommend the use of *Independent Managers* for certain clients. Fiduciary Planning will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, Fiduciary Planning does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

#### Management Through Similarly Managed Accounts

For certain clients, Fiduciary Planning may manage portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as “*investment strategy*”). In so doing, Fiduciary Planning buys, sells, exchanges and/or transfers securities based upon the *investment strategy*. Fiduciary Planning’s management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company. Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client’s individual tax ramifications. Certain investment opportunities that become available to Fiduciary Planning’s clients may be limited. As further discussed in response to Item 12B (below), Fiduciary Planning allocates investment opportunities among its clients on a fair and equitable basis.

#### General Risk of Loss

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

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

Fiduciary Planning is required to disclose the facts of any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of management. Fiduciary Planning does not have any required disclosures to this Item.

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

Fiduciary Planning is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Fiduciary Planning has described such relationships and arrangements below.

#### **Receipt of Insurance Commissions**

Certain of Fiduciary Planning’s Supervised Persons, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While Fiduciary Planning does not sell such insurance products to its investment advisory clients, Fiduciary Planning does permit its Supervised Persons, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists when Fiduciary Planning’s Supervised Persons recommends insurance products and receives compensation.

#### **Registered Representative of Broker-Dealer**

Certain of Fiduciary Planning’s Supervised Persons, in their individual capacities, are registered representatives of a SEC registered, FINRA Member broker-dealer. Brokerage commissions may be charged by the broker-dealer to effect securities transactions and thereafter, a portion of these commissions may be paid by the broker-dealer to Fiduciary Planning’s Supervised Persons. Prior to effecting any transactions, the client will be required to enter directly into an account agreement with the broker-dealer. The brokerage commissions charged may be higher or lower than those charged by other broker-dealers. In addition, certain of the Fiduciary Planning’s Supervised Persons may also receive additional ongoing 12b-1 fees from the mutual fund company.



A conflict of interest exists to the extent that Fiduciary Planning recommends the purchase of securities wherein its Supervised Persons receive commissions or other additional compensation as a result of clients purchasing securities based upon such recommendations.

Thomas Schorn is a Certified Public Accountant and owner of the Schorn Financial Group. Shorn Financial Group provides tax preparation and accounting services. Shorn Financial Group may provide these services to Fiduciary Planning's clients and will be compensated separate and apart from Fiduciary Planning's advisory fees.

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

Fiduciary Planning and persons associated with Fiduciary Planning("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Fiduciary Planning's policies and procedures. Fiduciary Planning has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Fiduciary Planning or any of its associated persons. The *Code of Ethics* also requires that certain of Fiduciary Planning's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Fiduciary Planning's *Code of Ethics*, none of Fiduciary Planning's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold or is being considered as such on behalf of Fiduciary Planning's clients. When Fiduciary Planning is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Fiduciary Planning is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Clients and prospective clients may contact Fiduciary Planning to request a copy of its *Code of Ethics*.

### **Item 12. Brokerage Practices**

As discussed above, in Item 5, Fiduciary Planning generally recommends that clients utilize the brokerage and clearing services of *T.D. Ameritrade*. Factors which Fiduciary Planning considers in recommending the *Custodians* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *TD Ameritrade* enables Fiduciary Planning to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Fiduciary Planning's clients comply with Fiduciary Planning's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institutions* might charge to effect the same transaction where Fiduciary Planning determines that the commissions are reasonable in relation to the value of the brokerage and research services received.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Fiduciary Planning seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Fiduciary Planning periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution. The client may direct Fiduciary Planning in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Fiduciary Planning will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Fiduciary Planning. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Fiduciary Planning may decline a client's request to direct brokerage if, in Fiduciary Planning's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Fiduciary Planning decides to purchase or sell the same securities for several clients at approximately the same time. Fiduciary Planning may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Fiduciary Planning's clients.

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

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Fiduciary Planning in its investment decision-making process. Such research generally will be used to service all of Fiduciary Planning's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Fiduciary Planning does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

Fiduciary Planning may receive from *TD Ameritrade*, without cost to Fiduciary Planning, computer software and related systems support, which allow Fiduciary Planning to better monitor client accounts maintained at *TD Ameritrade*. Fiduciary Planning may receive the software and related support without cost because Fiduciary Planning renders investment management services to clients that maintain assets at *TD Ameritrade*. The software and related systems support may benefit Fiduciary Planning, but not its clients directly. In fulfilling its duties to its clients, Fiduciary Planning endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Fiduciary Planning's influence Fiduciary Planning's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, Fiduciary Planning may receive the following benefits from *TD Ameritrade* through their respective investment adviser divisions: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its investment adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information

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

For those clients to whom Fiduciary Planning provides wealth management services, Fiduciary Planning monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by one of Fiduciary Planning's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Fiduciary Planning and to keep Fiduciary Planning informed of any changes thereto. Fiduciary Planning contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives. Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

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

Fiduciary Planning does not have any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. Fiduciary Planning does not have a referral arrangement in which it pays compensation to a third party for client referrals.

### **Item 15. Custody**

Fiduciary Planning does not maintain physical custody client assets. Fiduciary Planning engages several qualified, nationally recognized SEC registered broker-dealers to custody and safe keep client assets. Fiduciary Planning's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Fiduciary Planning through such *Financial Institution* to debit the client's account for the amount of Fiduciary Planning's fee and to directly remit that management fee to Fiduciary Planning in accordance with applicable custody rules. The *Financial Institutions* recommended by Fiduciary Planning have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account.

Fiduciary Planning effects third party asset transfers in client accounts using a Standing Letter of Authorization ("SLOA"). Pursuant to the SEC No Action Letter, Fiduciary Planning is deemed to have Custody over these accounts. Accordingly, Fiduciary Planning has instituted procedures and controls such that it can comply with the seven representations noted in the SEC No-Action letter and avoid the annual surprise audit requirement. Additionally, since many of the seven representations involve the qualified custodian's operations, Fiduciary Planning is in close collaboration to ensure compliance with the SEC guidance.

### **Item 16. Investment Discretion**

Fiduciary Planning generally is granted the authority to exercise discretion on behalf of its clients. Fiduciary Planning is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Fiduciary Planning is given this authority through a power-of-attorney included in the agreement between Fiduciary Planning and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold).

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

Fiduciary Planning does not vote proxies for clients. With respect to shareholder class action litigation and similar matters, Fiduciary Planning generally will not make any filings in connection with any shareholder class action lawsuits involving securities currently or previously held in clients' accounts but will forward these notices to clients when received. Fiduciary Planning recommends that its clients promptly review such materials, as they identify important deadlines and may require action on the client's part. Fiduciary Planning will not be required to notify third party custodians or clients who utilize third party custodians of shareholder class action lawsuits and similar matters

### **Item 18. Financial Information**

Fiduciary Planning does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Fiduciary Planning is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Fiduciary Planning has no disclosures pursuant to this Item.