



## **Prince Financial Advisory LLC**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 03, 2020**

This Form ADV2A ("Disclosure Brochure") provides information about the qualifications and business practices of Prince Financial Advisory LLC ("Prince" or the "Advisor"). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (212) 286-1372 or by email [lauren@lprince.com](mailto:lauren@lprince.com).

Prince is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Prince to assist you in determining whether to retain the Advisor.

Additional information about Prince and its Advisory Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 131234.

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## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of Prince. For convenience, the Advisor has combined these documents into a single disclosure document.

Prince believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. Prince encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- The Advisor has revised its fees for Financial Planning Services to increase the maximum hourly rate. Please see Item 5 for additional information.
- The Advisor has revised its fee billing for Financial Planning Service. Please see Item 5 for additional information.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of Prince.

You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 131234. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (212) 286-1372 or by email [lauren@lprince.com](mailto:lauren@lprince.com).

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Prince Financial Advisory LLC (“Prince” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The Advisor is organized as a Limited Liability Company (“LLC”) under the laws of the State of New York. Prince was founded in January 2009, and is owned and operated by Lauren P. Prince, CFP® (Owner and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Prince.

### **B. Advisory Services Offered**

Prince offers investment management services to individuals, trusts, estates, high net worth individuals, and small business owners (each referred to as a “Client”).

The Advisor serves as a fiduciary to its Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate conflicts of interest. Prince’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

#### Investment Management Services

Prince provides its Clients with comprehensive investment management services, which generally includes a broad range of discretionary management of investment portfolios and financial planning services. Prince works closely with each Client to identify their investment goals and objectives, as well as risk tolerance and financial situation in order to create a portfolio. Prince will then construct a portfolio, consisting of diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks or bonds to meet the needs of its Clients. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

Prince’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. Prince will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Prince evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Prince may recommend, on occasion, redistributing investment allocations because of management changes, underperformance of a fund, and any change to a Client’s risk tolerance. Prince may recommend selling positions for reasons that include, but are not limited to, business or sector risk exposure to a specific security or class of securities, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

At no time will Prince accept or maintain custody of a Client’s funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the terms of the investment management agreement. Please see Item 12 – Brokerage Practices.

#### Financial Planning Services

Prince will typically provide a variety of financial planning services to its Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client’s financial situation, depending on their goals and objectives.

Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client’s financial goals and objectives. This planning may encompass one or

more areas of need, including, but not limited to, investment planning, retirement planning, personal savings, insurance, divorce planning, education savings and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Prince may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client's financial situation, observations, and recommendations. For ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

### **C. Client Account Management**

Prior to engaging Prince to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Summary – Prince, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – Prince will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk of each Client.
- Portfolio Construction – Prince will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Prince will provide investment management and ongoing oversight of the Client's investment portfolio.

### **D. Wrap Fee Programs**

Prince does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Prince.

### **E. Assets Under Management**

As of December 31, 2019, Prince manages \$38,653,322 in Client assets, all of which are on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

## **A. Fees for Advisory Services**

### Investment Management Services

Investment management fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment management agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment management fees range from 0.50% to 1.00% based on the following schedule:

<b>Assets Under Management</b>	<b>Annual Rate</b>
Up to \$999,999	1.00%
\$1,000,000 to \$1,999,999	0.95%
\$2,000,000 to \$2,999,999	0.85%
\$3,000,000 to \$3,999,999	0.75%
\$4,000,000 to \$4,999,999	0.65%
\$5,000,000 and Above	0.50%

The investment management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Prince will be independently valued by the Custodian. Prince will not have the authority or responsibility to value portfolio securities.

### Financial Planning Services

Prince offers financial planning services at a rate of \$425 per hour or based on a fixed fee per engagement ranging from \$1,200 to \$6,500. Fees may be negotiable depending on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and overall costs will be provided to the Client prior to engaging for these services.

The Advisor's fee is exclusive of, and in addition to, any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5 C. below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

## **B. Fee Billing**

### Investment Management Services

Investment management fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Prince at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment management fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Prince and to be paid directly from their account[s] held by the Custodian as part of the investment management agreement and separate account forms provided by the Custodian.

### Financial Planning Services

Financial planning services are invoiced up to fifty percent (50%) upon execution of the financial planning agreement, with the balance invoiced upon the completion of the agreed upon deliverable[s] and are due upon receipt.

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Prince, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian, if applicable. The Advisor's recommended custodian does not charge securities transaction fees for ETF and equity trades in Client accounts, but typically charges for mutual funds and

other types of investments. The investment management fee charged by Prince is separate and distinct from these custody and execution fees.

In addition, all fees paid to Prince for investment management services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Prince, but would not receive the services provided by Prince, which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Prince to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

#### **D. Advance Payment of Fees and Termination**

##### Investment Management Services

Prince is compensated for its investment management services in advance of the quarter in which services are rendered. Either party may terminate the investment management agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the agreement within five (5) days of signing the Advisor's investment management agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid investment management fees from the effective date of termination to the end of the quarter. The Client's investment management agreement with the Advisor is non-transferable without the Client's prior consent.

##### Financial Planning Services

Prince is compensated for its financial planning services upon completion of the engagement deliverable[s]. Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the agreement within five (5) days of signing the Advisor's financial planning agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

#### **E. Compensation for Sales of Securities**

Prince does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

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Prince does not charge performance-based fees for its investment management services. The fees charged by Prince are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

Prince does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

#### **Item 7 – Types of Clients**

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Prince offers investment advisory services to individuals, high net worth individuals, and small businesses. The amount of each type of Client is available on Prince's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. Prince generally does not impose a minimum size for establishing a relationship.



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

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### **A. Methods of Analysis**

Prince primarily employs fundamental analysis in developing investment strategies for its Clients. Research and analysis from Prince are derived from numerous sources, including financial media companies, third party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. These criteria generally consist of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have a negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As noted above, Prince generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Prince will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Prince may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Prince will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are disclosed to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's investment approach:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### ETF Risks

The performance of ETFs is subject to market risks, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.



### Mutual Fund Risks

The performance of mutual funds is subject to market risks, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

### Item 9 – Disciplinary Information

**There are no legal, regulatory or disciplinary events involving Prince or Ms. Prince.** Prince values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 131234. Clients may also research the background of Lauren P. Prince by searching with her full name or her Individual CRD# 2169560.

### Item 10 – Other Financial Industry Activities and Affiliations

#### Insurance Agency Affiliations

Ms. Prince is a licensed insurance professional. Implementations of insurance recommendations are separate and apart from her role with Prince. As an insurance professional, Ms. Prince will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Ms. Prince is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Ms. Prince or the Advisor.

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

#### **A. Code of Ethics**

Prince has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. Prince and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Prince's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (212) 286-1372 or via email [lauren@lprince.com](mailto:lauren@lprince.com).

#### **B. Personal Trading with Material Interest**

Prince allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Prince does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Prince does not have a material interest in any securities traded in Client accounts.

#### **C. Personal Trading in Same Securities as Clients**

Prince allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material, non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities.

The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material, non-public information. This risk is mitigated by Prince conducting a coordinated review of personal accounts and the accounts of the Clients. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While Prince allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will Prince, or any Supervised Persons of Prince, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

Prince does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Prince to direct trades to the Custodian as agreed upon in the investment management agreement. Furthermore, Prince does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where Prince does not exercise discretion over the selection of the Custodian, it will typically recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by Prince. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. Prince may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation and/or the location of the Custodian's offices. Prince will generally recommend that Clients establish their accounts at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), a FINRA-registered broker-dealer and member SIPC. TD Ameritrade will serve as the Client's "qualified custodian." Prince maintains an institutional relationship with TD Ameritrade, whereby the Advisor receives economic benefits from TD. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** – Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **Prince does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor does receive certain economic benefits from the Custodian. Please see Item 14 below.**

**2. Brokerage Referrals** – Prince does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** – All Clients are serviced on a "directed brokerage basis," where Prince will place trades within the established account[s] at the Custodian designated by the Client. Furthermore, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). Prince will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian. When trading individual bonds, the Advisor obtains the discretion to trade with other brokers and have trades delivered through and held for safekeeping in the Client's account at the Custodian. Individual bond trades through other brokers may impose additional execution fees. Please see Item 5 – Fees and Compensation.

#### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Prince will execute its transactions through the Custodian as authorized by the Client. Prince may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

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## **Item 13 – Review of Accounts**

### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a quarterly basis by Ms. Prince, Owner of Prince. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the securities monitoring noted in Item 13 A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify Prince if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

### **A. Compensation Received by Prince**

Prince does not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party. Prince may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, Prince may receive non-compensated referrals of new Clients from various third-parties. Ms. Prince in her separate capacity as a licensed insurance professional may receive commissions on the implementation of insurance recommendations.

### Participation in Institutional Advisor Platform

As disclosed under Item 12 above, the Advisor participates in TD Ameritrade's institutional customer program and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's

related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its Supervised Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, the Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

## **B. Client Referrals from Solicitors**

Prince does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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Prince does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees and certain money movement authority as described below. All Clients must place their assets with a "qualified custodian." Clients are required to engage the Custodian to retain their funds and securities and direct Prince to utilize the Custodian for the Client's security transactions. Prince encourages Clients to review statements provided by the Custodian and compare to any reports provided by Prince to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

## **Item 16 – Investment Discretion**

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Prince generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Prince. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment management agreement containing all applicable limitations to such authority. All discretionary trades made by Prince will be in accordance with each Client's investment objectives and goals.

## **Item 17 – Voting Client Securities**

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Prince does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Neither Prince nor Ms. Prince have any adverse financial situations that would reasonably impair the ability of Prince to meet all obligations to its Clients. Neither Prince nor Ms. Prince have been subject to a bankruptcy or financial compromise. Prince is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six (6) months or more in the future.



## **Form ADV Part 2B – Brochure Supplement**

**for**

**Lauren P. Prince, CFP®**  
**Owner and Chief Compliance Officer**

**Effective: March 03, 2020**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Lauren P. Prince, CFP® (CRD# 2169560) in addition to the information contained in the Prince Financial Advisory LLC (“Prince” or the “Advisor”) (CRD # 131234) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Prince Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (212) 286-1372 or by email [lauren@lprince.com](mailto:lauren@lprince.com).

Additional information about Ms. Prince is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or her individual CRD# 2169560.

## Item 2 – Educational Background and Business Experience

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Lauren P. Prince, CFP®, born in 1947, is dedicated to advising Clients of Prince in her role as the Owner and Chief Compliance Officer of Prince. Ms. Prince earned a Bachelor of Arts in Science Comprehensive from Montclair State University in 1973. Additional information regarding Ms. Prince's employment history is included below.

### Employment History:

Owner and Chief Compliance Officer, Prince Financial Advisory LLC	07/2011 to Present
Registered Representative, National Planning Corporation	11/2005 to 07/2011

### CERTIFIED FINANCIAL PLANNER™ ("CFP®")

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- *Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- *Examination* – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- *Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- *Ethics* – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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.



### Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Ms. Prince.*** Ms. Prince has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Ms. Prince. Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Ms. Prince.*** However, the Advisor does encourage you to independently view the background of Ms. Prince on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or her individual CRD# 2169560.

### Item 4 – Other Business Activities

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#### Insurance Agency Affiliations

Ms. Prince also serves as a licensed insurance professional. Implementations of insurance recommendations are separate and apart from her role with Prince. As an insurance professional, Ms. Prince will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Ms. Prince is not required to implement the insurance products of any particular insurance company. This creates a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Ms. Prince or the Advisor.

### Item 5 – Additional Compensation

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Ms. Prince has additional business activities where compensation is received that are detailed above in Item 4 above.

### Item 6 – Supervision

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Ms. Prince serves as the Owner and Chief Compliance Officer of Prince. Ms. Prince can be reached at (212) 286-1372.

Prince has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Prince. Furthermore, Prince is subject to regulatory oversight by various agencies. These agencies require registration by Prince and its Supervised Persons. As a registered entity, Prince is subject to examinations by regulators, which may be announced or unannounced. Prince is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.



## Privacy Policy

Effective: March 03, 2020

### Our Commitment to You

Prince Financial Advisory LLC ("Prince" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Prince (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Prince does not sell your non-public, personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal, non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use, we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons why we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public, personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Prince does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Prince or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public, personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> Prince does not disclose and does not intend to disclose non-public, personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically, we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public, personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (212) 286-1372 or via email [lauren@lprince.com](mailto:lauren@lprince.com).