



24800 Denso Dr. STE 300  
Southfield, MI 48033  
Telephone: (248)948-7900  
Facsimile: (248) 948-1008  
[www.CenterFinPlan.com](http://www.CenterFinPlan.com)

**Firm Brochure  
(Part 2A of Form ADV)**

This Form ADV Part 2A brochure (the "Brochure") provides information about the qualifications and business practices of Center for Financial Planning, Inc. (also referred to herein as "we", "us", "The Center" or the "Adviser"). If you have any questions about the contents of this Brochure, please contact Timothy Wyman, Chief Compliance Officer at (248) 948-7900.

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 Center for Financial Planning, Inc. is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Center for Financial Planning, Inc. is an SEC registered investment adviser. Registration as an investment adviser does not imply any certain level of skill or training.

Effective Date: May 28, 2020

## **Item 2: Material Changes**

Since our last brochure update on March 1, 2019, we have updated the following items:

- Nick Defenthaler has become an owner of the firm as of 1/1/2020.
- Updated Firm Description section to include additional details.
- Supplemented the variable products language throughout this brochure;
- Updated the Fees and Compensation section with additional investment management services details;
- Updated Methods of Analysis, Investment Strategies and Risk of Loss section to include cybersecurity risks;
- Updated Item 18: Financial Information

If you have questions regarding these changes, or if you would like a copy of our Brochure, please contact us at 24800 Denso Drive, Suite 300, Southfield, MI 48033 or by telephone at 248-948-7900.

### Item 3: Table of Contents

<b>Item 4: Advisory Business .....</b>	<b>2</b>
<b>Item 5: Fees and Compensation.....</b>	<b>4</b>
<b>Item 6: Performance-Based Fees &amp; Side-By-Side Management .....</b>	<b>14</b>
<b>Item 7: Types of Clients .....</b>	<b>14</b>
<b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>14</b>
<b>Item 9: Disciplinary Information.....</b>	<b>17</b>
<b>Item 10: Other Financial Industry Activities and Affiliations .....</b>	<b>17</b>
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal .....</b>	<b>20</b>
<b>Item 12: Brokerage Practices .....</b>	<b>21</b>
<b>Item 13: Review of Accounts .....</b>	<b>22</b>
<b>Item 14: Client Referrals and Other Compensation .....</b>	<b>23</b>
<b>Item 15: Custody.....</b>	<b>23</b>
<b>Item 16: Investment Discretion.....</b>	<b>24</b>
<b>Item 17: Voting Client Securities .....</b>	<b>25</b>
<b>Item 18: Financial Information .....</b>	<b>25</b>
<b>Item 19 Requirements for State-Registered Advisers .....</b>	<b>25</b>

## Item 4: Advisory Business

### Firm Description

Center for Financial Planning, Inc. is a C corporation with its principal place of business in Southfield, Michigan. We began conducting financial planning services including managing securities accounts for clients in 1985. We have been registered with the SEC as an investment adviser since January 2006. Our firm's principal owners (over 25% owners) are Matthew Chope and Timothy Wyman. Additional owners include: Sandra Adams, Laurie Renchik, Nick Defenthaler and Angela Palacios.

As of April 30, 2020 The Center had the following assets under management of approximately:

Discretionary	\$957,675,084.00
Non-Discretionary	\$14,179,010.00
Total	\$971,854,094.00

### Types of Advisor Services

Center for Financial Planning, Inc. engages in Financial Planning & Investment Management Services. Clients who elect to retain our firm for these services are charged a fee, which is further explained under the Fees and Compensation section of this Brochure.

Assets under our direct management are held independently by Raymond James & Associates ("RJA"), member NYSE/SIPC. We do not act as a custodian of client assets. We place trades for clients under a limited power of attorney when discretionary authority is provided.

We offer services through both wrap fee programs and non-wrap fee (brokerage or retail) programs. A wrap fee program is defined as any advisory program under which a specified fee is charged that is not based directly upon transactions in a client's account. These fees cover investment advisory services (which may include portfolio management or advice concerning financial planning) and the execution of client transactions. The Center keeps a portion of the fees charged to clients participating in the wrap fee program. Those participating in a non-wrap fee program pay commissions, mark-ups or sales charges (investment company products) of which the Center retains a portion for compensation for services rendered.

### Financial Planning Services

Our financial planning services may include matters such as: goal planning, taxation analysis, retirement and college planning, investment analysis, charitable planning, estate planning, financial advice during

divorce, elder care planning, cash flow analysis and insurance analysis. An evaluation of each client's initial situation is provided including written observations and recommendations. Clients that choose to retain The Adviser in subsequent years are offered an annual review meeting and unlimited telephone calls. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; divorce financial planning; elder care planning; and education planning with funding recommendations. Implementation of financial planning recommendations is at the discretion of the client.

### **Investment Management Services**

Adviser provides on-going advice to the Client regarding investment of Client funds based on the individual needs of the Client. After reviewing their financial plan, investment experience, risk tolerance and other relevant issues, we assign an asset allocation. Adviser will manage advisory accounts on a discretionary (limited power of attorney to execute transactions) and/or non-discretionary basis. Account management is guided by the stated objectives of the Client (i.e., capital appreciation, income, growth, or speculation).

Advisory Clients may transfer outside investments they prefer to keep and custody with Raymond James. We may incorporate these holdings into the asset allocation (or hold outside of the allocation) to facilitate overall planning and investment management services.

In certain situations, we may invest a portion of Client assets in separate accounts managed by Raymond James & Associates or an unaffiliated third-party money manager through Raymond James Consulting Services. We will regularly monitor the performance of such accounts. Client would sign additional agreements related to any such account that would include a description of any fees to be paid related to these accounts. The Center would earn a portion of these fees for oversight of the managers.

### **Tailored Relationships**

Our advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings, telephone calls, and correspondence, and are used to determine the course of action for each individual client. The goals and objectives are documented in a variety of manners such as our client relationship management system, financial planning software, and client files, either hard copy or electronic. Clients may impose restrictions on investing in certain securities or types of securities. Agreements may not be assigned without client consent.

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

### **Financial Planning Services Fees**

Financial Planning Fees may be charged or waived depending on the client situation. The exact fee is determined on a client-by-client basis and is dependent on the nature and complexity of each circumstance. These fees are mutually agreed upon in advance of entering into an agreement between Advisor and client.

Fees are not based on the capital gains or appreciation of an investment account. Payment for services is expected at the time the investment advisor representative delivers the written plan, quarterly after services rendered if engaged in ongoing planning services outlined below in the hourly retainer section, or upon completion of the service (in person, via regular mail, email, or other transmission). Though not required, clients will have an option to pay in advance. Under no circumstances will the firm earn fees in excess of \$1,200 more than six months in advance of services rendered. In the event the fees have been pre-paid and either party terminates the contract, such fees will be pro-rated based upon the number of days contract was in effect and any unused fee will be refunded.

*Initial Planning Fee:* Clients are charged a fixed fee (commonly ranging from \$2,000 to \$4,000) for our initial Financial Planning advice, which is generally based on the amount of time required by the advisory team in the design of your financial plan. The fee for a financial plan is predicated upon the facts known at the start of the engagement. Clients will be billed directly for fees incurred.

*Annual Financial Planning Fee:* We recommend a periodic review to monitor overall progress and to formulate new strategies to move toward the desired financial, income tax, estate, family and risk management goals and objectives. The review may be a brief update or an overall reassessment of Client's plan. Annual invoices are presented to clients at or near the Client's annual review meeting. The annual fee amount is generally \$1,500 - \$3,000 per year with the option of paying monthly (\$125 or \$250 monthly).

*Hourly Retainer:* For Divorce Financial Planning Services and in other limited situations, advisory services may be provided on an hourly basis at a current rate of \$300-\$500 per hour. Once this Agreement is in effect, the Client has the right, at any time, to be informed of how many hours of advisory services have been performed.

### **Investment Advisory Services Fees**

*Ambassador Account: Managed by the Adviser*

The Ambassador Account is an investment advisory account, administered by RJA, which offers clients, on a discretionary or non-discretionary basis, the ability to pay an advisory fee based on the assets in their account in lieu of a commission or sales charge for each transaction.

The fees for Ambassador Accounts are as follows:

ACCOUNT VALUE	QUARTERLY FEE	ANNUALIZED FEE
First \$500,000	.30%	1.20%
Next \$1,500,000 (\$500,000-1,999,999)	.225%	0.90%
Next \$2,000,000 (\$2,000,000-3,999,999)	.20%	0.80%
Next \$1,000,000 (\$4,000,000-4,999,999)	.15%	0.60%
Next \$5,000,000 (\$5,000,000-9,999,999)	.125%	0.50%
Next \$5,000,000 (\$10,000,000-14,999,999)	.10%	0.40%
Amounts over \$15,000,000	.075%	0.30%

Current client relationships may exist where the fees are higher or lower than the Current Fee Schedule above. The Adviser, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

*Raymond James Consulting Services (RJCS) Program: Managed by Others*

Client appoints RJA, as their investment adviser, to make available certain portfolio managers, monitor performance of the account, provide accounting and other administrative services, and assist portfolio managers with certain trading activities. Based upon client financial needs and investment objectives, the IAR will assist in selecting an appropriate manager(s). The Center receives a portion of the fee.

The RJCS program is a wrap-fee program. The RJCS's annual management fee is negotiable with each client up to 3%. We will provide the exact percentage-based fee to each client based on both the nature and total dollar asset value of that account(s). The fee will be stated in the fee schedule which must be signed by both The Center and the client. Additionally, the RJCS fee covers RJA's advisory services and the trade execution fees charged by the broker/dealer.

*Freedom Account: Managed by Others*

The Freedom Account is an investment advisory account which allocates your assets, through discretionary mutual fund or exchange traded fund ("ETF") management, based upon your financial objectives and risk tolerances. You appoint RJA as your investment adviser to select the representative funds and monitor their performance on a continuing basis. Your IAR receives a portion of the fee for services provided under the agreement.

The Freedom Account is a wrap-fee program. The Freedom Account's annual management fee is negotiable with each client up to 3%. We will provide the exact percentage-based fee to each client based on both the nature and total dollar asset value of that account(s). The fee will be stated in the fee schedule which must be signed by both The Center and the client. Additionally, the Freedom Account's

management fee covers RJA's advisory services and the trade execution fees charged by the broker/dealer.

A conflict of interest must be noted. We are able to keep a larger percentage of the fees charged for the Ambassador Account; therefore, we have a financial incentive for recommending the Ambassador over other advisory programs.

*For all account types, for further information, refer to the RJA Wrap Fee Program Brochure. Please read it thoroughly before investing. Client will be required to execute the applicable Raymond James Account Agreement that provides further details.*

### **Calculation of fees**

Fees for client accounts are calculated and billed in advance of each period (quarterly). When an account is opened, the fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly fee is paid in advance, is based on the account asset value as of the last business day of the previous calendar quarter, and becomes due the following business day. Billing account asset value may differ from the value provided on the account statement provided by the custodian. Margin or debit balances are not subtracted from account value as an example.

If cash or securities, or a combination thereof, amounting to at least \$100,000, are deposited to or withdrawn from your account on an individual business day in the first two months of the quarter, RJFS will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by you.

Our clients authorize and direct RJA, as custodian, to deduct asset-based fees from the client's account. Our clients' brokerage statements will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated. If client desires to pay asset-based fees directly they may opt to be billed for these fees. We have retained and will compensate RJFS to provide various administrative services, which include producing a monthly account statement for detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received and account gain or loss for the total account.

### **Additional expenses not included in the Asset-based fees**

In addition to The Center's advisory fees, our clients may incur charges for other account services provided by RJA not directly related to the execution and clearing of transaction. These include, but are not limited to:

- IRA custodial fees



- Safekeeping fees
- Interest charges on margin loans or security-based lending (SBL) loans
- Fees for legal or courtesy transfers of securities.
- Transaction fee collected to recoup fees paid by Raymond James to an exchange or self-regulatory organization in connection with the sale of certain securities, such as equities, options and other covered securities. The amount of the RT fee varies and is determined periodically by the exchange or self-regulatory organization that assessed the transaction fee in accordance with Section 31 under the Securities Exchange Act of 1934(The Center does not receive any portion of this fee).
- Short term redemption fees are imposed by certain funds if the shares are not held for a specified time, or may block purchases or exchanges for a specific timeframe following a redemption.
- Certain dealer-markups
- Odd lot differentials
- Transfer or Foreign taxes
- Offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

The Client should review all fees charged by the Center, mutual funds, brokers and custodians to fully understand the total amount of fees to be paid by the Client. For a complete list of account service charges charged by Raymond James, visit the public website: <https://www.raymondjames.com/wealth-management/why-a-raymond-james-advisor/client-resources/client-account-fees-and-charges>

#### **Additional Disclosures regarding AMBASSADOR Accounts:**

##### **Administrative-Only Assets**

Certain securities may be held in Ambassador Accounts and designated as “Administrative-Only Investments”. There are two primary categories of Administrative- Only Investments: Client-designated and Adviser-designated. Client-designated Administrative-Only Investments may be designated by IAR’s that do not wish to collect an advisory fee on certain assets, while Adviser-designated Administrative-Only Investments are designated by Adviser. Assets designated by us as temporarily exempt from the advisory fee fall into the Adviser-designated category.

Administrative-Only Investments will not be included in a client’s account value when calculating applicable asset-based advisory fee rates. For example, a client whose Ambassador account holds \$750,000 of cash and securities that includes \$150,000 of Administrative-Only Investments will only have the asset-based fee rate assessed based on a \$600,000 Account Value.

PLEASE NOTE: The designation of Client-designated Administrative-Only Investments and the maintenance of such positions in the client’s account are not permissible in discretionary Ambassador retirement accounts (such as IRAs and employer sponsored retirement plans). Adviser has elected to preserve the ability for clients to designate assets as Client-designated Administrative-Only in their taxable and non-discretionary Ambassador retirement accounts in order to maintain client choice and avoid the need to

maintain a separate account to hold these securities or cash.

### **Asset-based Fee Aggregation**

Clients may be entitled to discounted asset-based fees if they maintain one or more eligible “Related Accounts.” Related Accounts are accounts of an individual, his or her spouse, and their children under the age of 21. The term includes individually owned accounts, individual retirement accounts (IRAs), self-directed accounts (i.e., directed by individual participants) under an employee benefit plan (ERISA plan) and ERISA plan accounts in which an individual is the sole participant. Thus, Related Accounts may be aggregated for advisory fee purposes, so that each account will pay a fee that is calculated based on the total of all Related Accounts. It is the client’s responsibility to identify all Related Accounts for purposes of qualifying for an aggregated account fee discount. While we may attempt to identify related accounts, we will not be responsible for failing to consider any related accounts not listed by you.

### **Billing on Cash Balances**

The Center will assess advisory fees on cash sweep balances (“cash”) held in Ambassador accounts, provided the cash balance does not exceed 20% of the total account value. If the cash balance is greater than 20% of the account value as of the last business day of the quarter (the “valuation date”), we will bill on the full cash balance provided cash did not comprise greater than 20% of the billable Account Value for three (3) consecutive quarterly valuation dates. If the cash balance exceeded 20% of the Account Value for three (3) consecutive quarterly valuation dates, the amount in excess of 20% is excluded from billing. For example, an Ambassador account that held 30% of the Account Value for three (3) consecutive billing valuation dates (March 31st, June 30th, and September 30th) would have the amount in excess of 20% excluded from the account value in which advisory fees are applied. For simplicity of illustration, assuming an account was valued at \$100,000 for all three (3) quarterly billing periods, with \$30,000 held in cash, the September 30th valuation date would exclude \$10,000 of the cash from the Account Value when assessing the advisory fee.

Clients should understand that the portion of the account held in cash will experience negative performance if the applicable advisory fee charged is higher than the return received on the cash sweep balance.

For Ambassador accounts, this fee billing provision (or “Cash Rule”) may pose a financial disincentive to the Adviser, as the portion of cash sweep balances in excess of 20% will be excluded from the asset based fee charged to the account. This may cause the Adviser to reallocate a client account from cash to advisory fee eligible investments, including money market funds, or to recommend against raising cash, in order to avoid the application of this provision and therefore receive a fee on the full account value. Clients that have delegated investment discretion to the Adviser may direct the Adviser to raise cash by selling investments or hold a predetermined percentage of their account in cash at any time. The Cash Rule is applicable only to cash sweep balances and, therefore, non-sweep money market funds would not result in excess “cash” balances being excluded from the asset based advisory fee calculation.

Cash balances are generally expected to be a small percentage of the overall account value in the Freedom and RJCS accounts and therefore these accounts are not subject to the Cash Rule.

## **Mutual Fund and ETF considerations**

Advice offered by the Center may involve investments in mutual funds. Clients are hereby advised that all fees paid to The Center for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (as described in each fund's prospectus) to their shareholders. There may be transaction charges involved when purchasing or selling securities. The Center does not share in any portion of the brokerage fees/transaction charges imposed by RJFS.

Certain open-end mutual funds that may be acquired by clients, may, in addition to assessing fee for management and fund administrative services, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. Where 12b-1 share classes are used, Adviser does not receive any 12b-1 fees during the time period the asset are held within the Ambassador/Freedom/RJCS account structure. 12b-1 fees are credited bi-monthly to the client's accounts, after they are received by Raymond James. However, 12b-1 fees received by Raymond James on share classes that are not subject to the advisory fee, such as Class C shares designated as Administrative-Only Investments, will not be credited to the client's account as described above, but instead will be paid to the Adviser.

Clients should understand that the annual advisory fees charged in the AMBASSADOR/Freedom/RJCS programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent the client intends to hold fund shares for an extended period of time, it may be more economical for you to purchase fund shares outside of these programs. You may be able to purchase mutual funds directly from their respective fund families without incurring our advisory fee. When purchasing directly from fund families, clients may incur a front or back-end sales charge.

Clients should also understand that the shares of certain mutual funds offered in these accounts may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which to invest. These charges, as well as operating expenses and management fees, may increase the overall cost to you by 1%-2% (or more). More information is available in each fund's prospectus.

You should be aware that exchange traded funds ("ETFs") incur a separate management fee, typically 0.05%-0.40% of the fund's assets annually (although individual ETFs may have higher or lower expense ratios), which is assessed by the fund directly. This management fee is in addition to the ongoing advisory fee assessed by The Center.

The mutual funds and ETFs available in the AMBASSADOR/Freedom/RJCS programs often may be purchased directly. Therefore, client could avoid the second layer of fees by not using the investment advisory account and making their own decisions regarding the investment.

Client should be aware that only those mutual fund companies which RJFS has a selling agreement with will be available for purchase within the AMBASSADOR/Freedom/RJCS, and are generally limited to those fund companies that provide RJFS and its affiliates marketing service and support fees. As a result, not all mutual funds available to the investing public will be available for investment. However, by way of example, RJFS has selling agreements with over 300 fund companies, offering over 9,000 separate mutual funds for potential investment.

If client is considering transferring mutual fund shares to or from RJFS they should be aware that if the firm from or to which the shares are to be transferred does not have a selling agreement with the fund company, you must either redeem the shares (paying any applicable contingent deferred sales charge and potentially incurring a tax liability) or continue to maintain an investment account at the firm where the fund shares are currently being held. Client should inquire as to the transferability, or "portability", of mutual fund shares prior to initiating such a transfer.

Mutual fund companies may also pay Raymond James to provide shareholder liaison services to you. These shareholder services may include responding to client inquiries and providing information on client's investments. Raymond James may receive these shareholder services fees in amounts not to exceed 0.25% annually of the assets invested in a particular mutual fund.

### **Alternative Investments Considerations**

Alternative Investments refers to securities products that serve as alternatives to more traditional asset classes and may include investment products such as hedge funds, private equity funds, private real estate funds and structured products. It is important for you to work with The Center to evaluate how a particular alternative investment and its features fit your individual needs and objectives. An important component of the selection process includes carefully reading the accompanying offering documents and/or prospectus prior to making a purchase decision. The offering documents contain important information that will help you make an informed choice.

As part of the review process, you should consider the fees and expenses associated with a particular alternative investment, along with the fact that advisory representatives that are also registered representatives of RJFS may receive compensation related to any such purchase. It is important to note that the fees and expenses related to alternative investments are often higher than those of more traditional investments. We will answer any questions regarding the applicable fees and expenses and the initial and ongoing compensation.

While each investment will differ in terms of both total fees and expenses and how those fees and expenses are calculated, the following section will discuss the primary categories of fees and expenses that are common to many alternative investments and the different ways that The Center and its IARs that are also registered representatives of RJFS may be compensated.

Alternative investments often have limited liquidity, intermittent pricing and values based on appraisal-based pricing versus market-based pricing. Additionally, if an alternative investment is reflected on your statement, the value reflected is often an estimate subject to revision by the investment manager. One

or a combination of these issues impact the value on which you are charged when your investment is eligible for asset-based advisory fees. We may receive compensation on Clients' investments in alternative investments, most typically based on the amount of committed capital and based on the duration of time for which a given fund will be open and invested. In cases where an advisor is permitted to charge an upfront commission or sales load, The Center typically declines to charge and/or receive any upfront commission or sales load.

### **Other Investment Considerations**

Client should also understand that certain no-load variable annuities may be offered in the Ambassador program. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products. Further information regarding fees assessed is available in the appropriate prospectus, which you may obtain upon request.

Client should understand that certificates of deposit ("CD"s) from Raymond James Bank may be purchased with a commission, in the Ambassador program. These CDs are considered non-billable assets for one year. This may present a conflict of interest because certain of our associated persons are dually registered as a registered representative with RJFS and Raymond James Bank is a wholly owned subsidiary of Raymond James.

A client's total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include the client's ability to:

- Obtain the services provided within the programs separately with respect to the selection of mutual funds,
- Invest and rebalance the selected mutual funds without the payment of a sales charge, and
- Obtain performance reporting comparable to those provided within each program.

When making cost comparisons, clients should be aware that the combination of multiple mutual fund investments, advisory services, and custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the client otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or you otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

The Client's IAR may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to the client's IAR, which may be more than the IAR would receive under an alternative program offering or if the client paid for these services separately. Therefore, the client's IAR may have a financial incentive to recommend a particular account program over another. IARs do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary

funds. However, because compensation structures vary by product type, IARs may receive higher compensation for certain product types. In addition, your IAR may receive incentive compensation for utilizing a particular account program.

### **Buying Securities on Margin and Margin Interest**

When clients purchase securities, they may either pay for the securities in full or borrow part of the purchase price from Raymond James & Associates as the account custodian. Clients that choose to borrow funds for purchases must open a margin account with Raymond James, upon approval based on the Firm's analysis of, among others things, the client's creditworthiness and the suitability of margin use by the client. The securities purchased on margin are the Firm's collateral for the margin loan. If the securities in the client's account decline in value, so does the value of the collateral supporting the margin loan, and as a result, Raymond James may take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity.

It is important that clients fully understand the risks involved in trading securities on margin (including selling short). Upon approval, where applicable, clients will receive a Truth In Lending Statement from Raymond James disclosing such risks, as well explaining the details and other conditions of the margin account. With respect to short sales, the client will be assessed asset-based advisory fees based on the value of the security sold short, but not on the proceeds received upon initiation of the short sale.

Client should also understand that more sophisticated investment strategies such as short sells and margins may be offered in the Ambassador programs. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where the IAR may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved. In the cases where margin debit interest is charged to your account, advisory representatives that are also registered representatives of RJFS may receive a portion of the interest charged as a Controlled Asset Fee, presenting a potential conflict of interest. In the event of such margin credit extension, the costs incurred by the client, as well as the compensation received by the client's financial advisor and Raymond James, will generally increase as the size of the outstanding margin balance increases.

Clients that purchase securities on margin should understand: 1) the use of borrowed money will result in greater gains or losses than otherwise would be the case without the use of margin, and 2) there will be no benefit from using margin if the performance of their account does not exceed the interest expense being charged on the margin balance plus the additional advisory fees assessed on the securities purchased using margin.

On occasion there may be a mismatch in settlement dates between a security purchased and sold in a non-retirement account (non-IRA). For example, selling an exchange traded fund that settles in 2 business days while simultaneously reinvesting the proceeds into a no-load institutional mutual fund that

has a 1-day settlement. This results in 1 day (or in the case of a weekend separating the two days, 3 days) of a negative account balance when margin interest will be charged. One way to avoid the interest charge is to hold the buy until the next business day so the settlement dates match. This will, however, result in the cash being uninvested on that day. It is our desire that the client remains fully invested while we are trading in client accounts. Therefore, we allow the margin interest to be changed by the custodian and then rebate the cost to the account within the 30 days following.

### **Compensation for the Sale of Securities or Other Investment Products**

The Center may receive normal and customary commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products in a brokerage account. IARs of The Center can select or recommend a retail brokerage account, and in some instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees and/or upfront sales charges when clients are eligible to purchase share classes of the same funds that do not pay such fees and may be less expensive if they were to purchase through an advisory account. Compensation earned by these persons in their capacity as a registered representative may increase based on this recommendation. Thus, a conflict of interest could exist between your interest and the interest of someone associated with the Firm. As stated above, in the event that the Firm or any of its registered representatives receives this fee, either (i) such fee will be rebated against any advisory fee received by the Firm from such account or (ii) no advisory fee will be received for such account. See item 10 for description of brokerage accounts.

Individuals associated with our Firm may be licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to the client. Insurance commissions earned by these persons are separate and in addition to our advisory fees. The insurance products sold are transacted with a variety of insurance companies on a commission basis. You are under no obligation to purchase or apply for insurance or to use individuals associated with our Firm for insurance product purchases. If client decides to purchase or apply for insurance, or use individuals associated with our Firm as the broker for insurance products, a conflict may exist between client's interest and that of such associated person.

In certain circumstances, the client may wish to enter into a loan agreement with Raymond James Bank, a wholly-owned subsidiary of Raymond James Financial and an affiliate of Raymond James, and utilize the assets in the client's investment management or other custodial account(s) as collateral for the loan (also known as pledging) under a Security Based Lending program. In these situations, the loan cannot be used to acquire additional securities. The client is responsible for independently evaluating whether: (i) the loan is appropriate for their needs; (ii) the terms on which RJ Bank is willing to lend are acceptable; and (iii) the loan will have adverse tax, investment, accounting or other implications for the client and the account.

The fees related to a securities-based loan, are separate from the advisory fees charged to a client's account(s). Additionally, RJ Bank compensates Raymond James for the IARs referral and for other services performed by Raymond James margin department such as, but not limited to, the monitoring of margin levels, calls, and liquidations as needed. The additional compensation received by Raymond James, typically shared with the financial advisor, results in a conflict of interest. Clients should explore

this subject thoroughly with their financial advisor in order to be able to determine whether a securities-based lending arrangement is appropriate for their needs.

The Center believes the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that, which may be available elsewhere. Clients are under no obligation to implement investments through individuals associated with our Firm or RJFS. Commissions may be higher or lower at RJFS than other broker/dealers.

All above quoted fees may be negotiated within the stated fee schedule; however, certain circumstances may dictate an exception from the set range.

#### **Termination of Agreement**

A client (or Adviser) may terminate any of the aforementioned agreements at any time by notifying Adviser (or client) in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Adviser will refund any unearned portion of the advance payment.

Clients that terminate the advisory agreement(s) within the first five (5) business days of entering into the advisory agreement will have any advisory fees that were charged refunded back to them.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

Currently, Center for Financial Planning does not have performance-based fees or utilize side-by-side management. The only fees charged to the Client are noted under Item 5 "Fees and Compensation."

Clients should be aware that should such an arrangement ever exist, Center for Financial Planning will amend this document to ensure that any conflicts of interest are addressed. Such an arrangement of receiving compensation this way could pose the potential for conflict and clients will be made aware of this option over and above any other opportunity that does not allow for such additional compensation.

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

Our clients generally are individuals, pension and profit sharing plans, trusts, estates, or charitable organizations. Client relationships vary in scope and length of service. We do not impose an absolute minimum dollar value of assets or other conditions for establishing a financial planning engagement or investment management service. We find that many clients meet at least one of the following financial criteria: liquid assets greater than \$500,000; net worth greater than \$1 million dollars, or income in excess of \$200,000.

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

#### **Methods of Analysis**



Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information that Adviser may use include Morningstar Direct, fi360, Raymond James research, and due diligence questionnaires requested from mutual fund companies.

Other sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, SEC filings, and company press releases.

The Center does not represent, warrant, or imply that the services or methods of analysis employed by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.

The Center's Investment Committee is comprised of some of the Firm's IARs, its Director of Investments and our Investment Department Associates. This committee typically meets on a monthly basis with additional meetings as needed and determines the weighting of the strategic allocation, tactical overlay and which mutual funds, exchange traded funds and other securities will be utilized in client portfolios. The allocation and these managers and funds are reviewed on an ongoing basis. In the event that a given security is removed existing positions may be maintained or sold depending on individual circumstances in a Client's account (tax ramifications).

### **Investment Strategies**

Our investment strategy for a specific client is based upon the objectives stated by the client during the financial planning process. The client may change these objectives at any time. An Investment Policy Statement is developed by the client and advisor together that documents their objectives and their desired investment strategy.

Our primary investment strategy used on client accounts is strategic asset allocation with a tactical overlay. We use both actively-managed mutual funds and exchange traded funds as our core investment vehicles to build a globally diversified portfolio to control the risk associated with various markets. Purchases of investment products are generally long term but occasionally a short-term investment strategy may be used. In the event a short-term investment strategy is used the risk are discussed and agreed upon by client and adviser ahead of time.

Other strategies may include individual stocks and bonds, closed end mutual funds, structured notes, hedge funds, margin transactions, and alternative investments such as private equity funds.

The client's cash needs are taken into consideration when devising an appropriate portfolio.

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face and should be prepared to bear the following

investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Cybersecurity Risk - With the increased use of technologies such as the Internet to conduct business, Adviser and its clients are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber incidents affecting Adviser and its service providers (including, but not limited to, accountants, law firms, custodians, and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading and the inability of clients and/or investors to transact business. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a client invests, counterparties with which a client engages in transactions, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and other service providers for clients) and other parties. Furthermore, the Adviser cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect a client. As a result, clients could be negatively impacted.

Certain ETFs and alternative investments may be classified as partnerships for U.S. federal income tax

purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Additional information is also available in the ETF prospectus, which is available upon request.

## **Item 9: Disciplinary Information**

**Center for Financial Planning and its IARs have no disciplinary history.**

We are required to provide a summary of the material legal and disciplinary events within the last ten years.

The information in this report is not the only resource you can consult. You can access additional information about our firm and our management personnel on the SEC's website, located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), as well as FINRA's website, at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

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

### **Securities Brokerage**

Adviser has arrangements that are material to its advisory or its clients with a related person who is a broker-dealer. Investment Advisor Representatives of the Center for Financial Planning, Inc. are separately licensed as registered representatives of RJFS, a Financial Industry Regulatory Authority ("FINRA") member broker/dealer. As such, these individuals, in their separate capacities as registered representatives, will affect securities transactions, and may receive separate, yet customary compensation for effecting such transactions, including 12b-1 fees for the sale of investment company products in their capacities as registered representatives of RJFS. For a complete discussion on fees and compensation see item 5 above.

Other fees may be charged for services provided by RJFS. IARs may make differing recommendations with respect to the same securities to different advisory Clients. All recommendations made by IARs are specific to each Client's individual needs and current financial situation.

### **Arrangements with Affiliated Entities**

Our IARs are registered representatives of RJFS, which is a wholly owned subsidiary of Raymond James Financial, Inc. RJFS clears its securities transactions on a fully disclosed basis through RJA, which is also a wholly owned subsidiary of Raymond James Financial, Inc. Notwithstanding the fact that our IARs may be registered representatives of RJFS, we are solely responsible for investment advice rendered. Our advisory services are provided separately and independently of the broker/dealer. Clients are under no obligation to use the services of our IARS in this separate capacity or to use RJFS and can select any broker/dealer you wish to implement securities transactions. The commissions charged by RJFS may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Center for Financial Planning, Inc. coordinates with insurance agents/brokers of various insurance companies. Therefore, persons providing investment advice on behalf of our firm may be licensed as insurance agents. In these capacities our IARs may recommend securities, insurance, advisory or other products, and receive normal securities transactions commissions if products are purchased through RJFS. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Thus, a conflict of interest exists between the interests of our IARs and those of the advisory clients. As such, our IARs in their separate capacity as insurance agent may suggest that clients implement our recommendations by purchasing insurance products. When clients choose to purchase a variable annuity through their IAR in his or her capacity as an insurance agent and registered representative, commissions are earned by the IAR. The receipt of commissions creates an incentive for our IAR to recommend those products for which they will receive a commission in their separate capacity as insurance agent. Consequently, the advice rendered to clients may be biased. Our clients are under no obligation to implement any insurance or annuity transaction through your investment adviser representative. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

To the extent requested by a client, The Center recommends the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional and The Center receives no compensation or referral fees if the client chooses the services of the outside professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from The Center.

Timothy W. Wyman is an attorney who may provide document preparation and estate planning services on behalf of some clients. These services may include, but are not limited to trusts, wills, power of attorney and durable power of attorney for health care decisions. This service is separate from RJFS and the Adviser. Neither RJFS nor the Adviser receives compensation for this service. The client is under no obligation to use these services and is free to seek legal services wherever they choose.

*Please Note:* If the client engages any such recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

### **Investment of Cash Reserves**

Raymond James has established certain programs through which cash reserves “sweep” daily to and from the client’s investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered the client’s sweep account. Raymond James sweep programs include the following:

- Client Interest Program® (CIP)
- Raymond James Bank Deposit Program (“RJBDP”), including:
  - o RJBDP – Raymond James Bank Only
  - o RJBDP with CIP

However, not all sweep programs are available in all accounts; rather, what sweep programs are available depends on the specific account type.

For important information on what sweep programs are available for each account type and how each sweep program operates, please refer to “Sweeps (Transfers) To and From Income-Producing Accounts” in the “Your Rights and Responsibilities as a Raymond James Client” Brochure, a current copy of which is available from your financial advisor, or you may visit the Raymond James public website for additional information: <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps>. That website also includes a link at which the interest rates and rate tiers for CIP and RJBDP are posted online. For information on the rate being paid on your particular account(s), please contact your financial advisor or consult your periodic account statements.

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation (“FDIC”) and SIPC). The custodian may change, modify or amend an investment option at any time by providing the client with thirty days advance written notice of such change, modification or amendment. Clients selecting the Raymond James Bank Deposit Program (“RJBDP”) option are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James is not responsible for any insured or uninsured portion of client deposits at any of the Banks.

In the RJBDP sweep program, Raymond James receives revenue from the participating banks. Each participating bank, except Raymond James Bank, will pay Raymond James a fee equal to a percentage of the average daily deposit balance in the client account at the bank. The fee paid to Raymond James may be an annual rate of up to an average of 3% as applied across all client accounts taken in aggregate. Raymond James Bank will pay Raymond James an annual fee of up to \$100 per account. Raymond James does not receive fees in connection with account deposits of advisory IRAs and ERISA accounts.

Deposits in client accounts at Raymond James Bank provide a stable and low-cost source of funds for Raymond James Bank which helps contribute to the overall profitability of the Bank. Raymond James Bank generally earns a higher rate of interest on deposit balances than the interest it pays on those balances. The banks participating in the sweep programs earn income by lending or investing the deposits they receive and charging a higher interest rate to borrowers, or earning a higher yield, than the participating banks pay on the deposits held through these sweep programs. Like the other participating

banks in the program, Raymond James Bank earns revenue minus interest paid by Raymond James as a participating member to clients who have assets on deposit at Raymond James Bank.

Raymond James Bank may also buy securities using the deposits placed in the RJDBP sweep program. Raymond James Bank uses the funds in the client accounts to fund new lending and investment activity. The revenue received by Raymond James Bank on those balances is dependent upon lending activities and which securities are purchased. The profitability of Raymond James Bank is determined in large part by the difference between the interest paid and other costs associated with its deposits, and the interest or other income earned on its loans, investments, and other assets.

Raymond James Bank and the interest rate it offers through the RJDBP sweeps may differ from the interest rate or yield on the Client Interest Program ("CIP"). Raymond James bank does not receive revenue for assets held within the CIP sweep program and in those cases where assets are not allocated to Raymond James as part of the RJDBP sweep program.

The revenue generated by Raymond James or an affiliate will vary compared to revenue generated by sweep programs available at other firms. The interest rate or yield on the Raymond James sweep programs may be higher or lower than the interest rate or yield available in other sweep programs at other institutions. Clients may be able to earn more favorable rates of return by investing in other asset classes, including alternatives to cash such as money market mutual funds and treasury bills, but performance of those asset classes is not guaranteed.

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

### **Code of Ethics**

Our employees have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The purpose of the Code of Ethics is to ensure that employees of The Center maintain high standards, the intention of which is to protect Client interests at all times and to demonstrate our commitment to fiduciary duties of honesty, good faith, and fair dealing with Clients. In addition, the Firm maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with the Firm. All associated persons are expected to adhere strictly to these guidelines, as well as to the procedures set forth in the *Code of Ethics and Compliance Manual*. Any employee not observing our policies is subject to sanctions up to and including termination.

### **Participation or Interest in Client Transactions**

Adviser and its employees may buy or sell securities that are also held by clients. A conflict of interest could exist because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by advisory representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.

### **Personal Trading**

Our Chief Compliance Officer reviews all employee trades each quarter. His trades are reviewed by RJFS's Supervision department. These personal trading reviews are to help ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## **Item 12: Brokerage Practices**

### **Selecting Brokerage Firms**

Our IARs are registered representatives of RJFS, a registered broker-dealer with FINRA, and may recommend Raymond James & Associates (RJA), Member NYSE/SIPC to advisory clients for brokerage and custodian services. Registered representatives of RJFS are subject to FINRA Conduct Rule 3280 that restricts them from conducting securities transactions away from RJFS. All client assets directly managed by the Adviser are held at RJA as our chosen qualified custodian based on their proven integrity and financial responsibility, best execution of orders at reasonable rates, and the quality of client service. Therefore, clients are advised that our IARs are limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher or lower fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right not to accept the account.

The Adviser may benefit from electronic delivery of client information, electronic trading platforms and other services provided by the custodian for the benefit of clients. The Adviser may also benefit from other services provided by the custodian, such as research, continuing education, conferences and practice management advice. These benefits are standard in a relationship with a custodian and are not in return for client recommendations or transactions. The selection of RJA as a custodian for clients is not affected by these nominal benefits.

The Center's IARs and related persons may receive research information through its broker-dealer affiliation on securities, market, and economic conditions. Raymond James does not impose surcharges on Clients for research. However, Raymond James does seek to do investment banking and other business with some companies covered by its research. Raymond James complies with all securities laws and regulations to manage these potential conflicts of interest. Additionally, Raymond James does not require that The Center IARs or related persons recommend any securities to Clients.

## **Soft Dollars**

From time to time we may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as mutual funds, insurance companies, limited partnerships and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of The Adviser. The selection of products and investment strategies for clients is not affected by these nominal benefits.

## **Best Execution**

As a registered FINRA broker dealer, RJFS routes order flow through its affiliated broker dealer Raymond James & Associates, Inc. (RJA). RJA is obligated to seek best execution pursuant to FINRA Rule 5310 for all trades executed, however, better executions may be available via another broker dealer based on a number of factors including volume, order flow and market making activity. It is not guaranteed that the Client will receive the most favorable execution of their trades, possibly costing the client more money, by executing transactions through this selected custodian.

## **Order Aggregation**

The Center will block trades where possible and when advantageous to Clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple Clients' accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows The Center to execute trades in a timelier, equitable manner and to reduce overall commission charges to Clients.

We may combine multiple orders of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary with discretionary accounts. Accordingly, non-discretionary accounts may be bought or sold at different times than aggregated orders; therefore, such transactions may be executed at different prices and/or incur different execution costs. If you enter into non-discretionary, non-wrap fee arrangements with our firm, we may not be able to buy and sell the same securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary and/or wrap-fee arrangements with our firm.

## **Item 13: Review of Accounts**

### **Periodic Reviews**

Clients engaged with the Center under the investment advisory services will have account reviews that are performed at least annually by one or more of our financial planners and a member of the investment department. Account reviews are performed more frequently when market conditions dictate, at the request of the client or notification from the client of a change in circumstances, a change in financial planning opportunities, and when cash or securities are deposited into or withdrawn from an account. Reviewers are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.



## **Regular Reports**

In addition to periodic statements and confirmations from the custodian, clients receive periodic written or verbal updates from the Center that may include a net worth statement, financial planning updates, performance, and a summary of objectives and progress towards meeting those objectives. A client portal is also available from The Center as well as the Custodian with daily updated information regarding the accounts under advisement including asset allocation, performance and transactions.

Hourly retainer and financial planning services only clients will receive no regular reports from The Center except as contracted for and agreed upon at the inception of the advisory relationship.

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

We have been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, and other similar sources. The firm does not compensate referring parties for these referrals at this time.

We may receive commissions as a result of clients choosing to purchase variable products through their IAR in his or her capacity as an insurance agent and registered representative, commissions will be earned by the IAR described in Item 10.

In addition to the fee-based compensation we receive for providing advisory services, we may earn commissions for transactional business in accordance with RJFS' published commission schedule. At the conclusion of each year, qualifying advisers are awarded membership in RJFS' recognition clubs, which may provide for travel expenses and fees for attendance at industry conferences on behalf of the Firm. Qualification for the recognition clubs is based upon a combination of the annual production (both advisory and transactions), total client assets under administration with RJFS, and the professional certifications acquired through educational programs.

We do not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Item 15: Custody**

The Center is deemed to have custody of Client's assets as defined by SEC Rule 206(4)-2, as there may be certain instances in which one of our advisors may be a trustee or executor on Clients' account. Currently, we do not have custody of client funds or securities.

Our registered broker/dealer, Raymond James generally maintains custody of your securities and other assets, unless you and Raymond James otherwise mutually agree. When acting as custodian, Raymond James & Associates will deliver, not less than quarterly, an account statement to you detailing your account's securities holdings, cash balances, dividend and interest receipts, account purchases and sales,

contributions and distributions from the account and the realized and unrealized gains or losses associated with securities transactions effected in your account.

You are urged to review and compare all account statements and other reports provided by Raymond James & Associates and The Center's client portal and outside custodians (if applicable). If your account assets are held by a custodian other than Raymond James & Associates, the prices shown on your account statements provided by the custodian may be different from the prices shown on statements and reports provided by Raymond James & Associates due to the use of different valuation sources (pricing vendors) or reporting methodologies (trade date versus settlement date, accrued income, long or short margin balances, etc.) by the custodian and Raymond James & Associates. You should carefully review those account statements and compare them with any statements or reports provided by Raymond James

Clients are frequently provided net worth statements at annual review meetings. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land, hard-to-price real estate, and other illiquid assets. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Item 16: Investment Discretion**

### **Discretionary Authority for Trading**

Adviser accepts accounts on both a discretionary and non-discretionary basis on behalf of clients. For discretionary accounts, Adviser has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The client may override the firm's investment authority concerning specified investment objectives, guidelines and/or conditions imposed by the Client.

For example, a Client may specify that an investment be held in a position that has embedded capital gains in excess of the amount client desires to pay taxes for liquidating. That position may be held in a "do not trade status" as part of the overall asset allocation or outside of the overall asset allocation. Client may also specify a preference to use environmental, social and governance (ESG) positions whenever possible. Clients may amend these limitations as desired. Such amendments must be discussed with the financial planner or submitted in writing.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may implement the investment strategy you have discussed with your adviser.

In general, changes to accounts managed on a non-discretionary basis by The Adviser will occur after those managed on a discretionary basis due to the required prior approval process.

### **Limited Power of Attorney**

A limited power of attorney provides trading authorization within discretionary accounts that is signed by the client.

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

The Center does not vote proxies with respect to the issuers of securities held in Client accounts. The Firm's personnel may answer client questions regarding proxy-voting matters in an effort to assist the client in determining how to vote the proxy. However, the final decision of how to vote the proxy rests with the client.

Raymond James policy does not permit its IARs to vote proxies on behalf of advisory clients. Per the terms of the advisory Client Agreement, Raymond James will not take any action with respect to the voting of proxies on the behalf of an advisory client.

The Center will not take action or render advice with respect to any securities held in Client accounts that are named in or are subject to class action lawsuits. Should The Center receive written or electronic proxy material/information, or notice of a class action lawsuit, settlement, or verdict affecting securities owned by a Client, we will forward all notices, proof of claim forms, and other materials to the Client so they may handle if they so choose.

For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Center cannot give any advice or take action with respect to the voting of these proxies.

## **Item 18: Financial Information**

The Firm has not been subject to bankruptcy. Center for Financial Planning II, LLC, a separate firm from Adviser with common ownership and employees, recently applied for and received a loan in the principal amount of \$497,341 under the Paycheck Protection Program (PPP) authorized pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP is a potentially forgivable loan available to small businesses who, because of the current and continuing economic uncertainty, makes the loan necessary to retain and continue paying those employees that are both essential and non-essential to the delivery of services related to our advisory contracts. Financial market volatility has and is expected to continue to adversely impact our business. Moreover, Michigan's state-issued "stay at home" and related orders, including work-place protocols for safely conducting business, have and will continue to require significant unanticipated and extraordinary operational expenditures. Without the PPP loan, we would have been forced to significantly reduce our payroll costs via layoffs, furloughs or terminations, which we believe could have negatively impacted both our employees and advisory clients. The Paycheck Protection Program has allowed us to also continue to fully pay our employees enabling us to meet our contractual advisory commitments.

## **Item 19: Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.