

# **Northstar Financial Planning, LLC**

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**August 31, 2021**

## **FORM ADV PART 2 BROCHURE**

This brochure provides information about the qualifications and business practices of Northstar Financial Planning, LLC. If you have any questions about the contents of this brochure, please contact us at: 603.458.2776, or by email at: [info@northstarfp.com](mailto:info@northstarfp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Northstar Financial Planning, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as the CRD number. The CRD number for Northstar Financial Planning, LLC is 117205.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 25, 2020, we have made the following material changes to our Brochure:

### Item 4 Advisory Business

Northstar Financial Planning, LLC is owned by Robin A. Young, Kristina George, Alexa Darbe, Rachel DeCarolus and Julie Fortin.

### Item 18 Financial Information

We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure. We have not filed a bankruptcy petition at any time in the past ten years.

We accepted the PPP loan and complied with the requirements set forth. In February 2021, the loan was forgiven.

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## Item 4 Advisory Business

### **Firm Description**

Northstar Financial Planning, LLC was founded in 1994 and is registered as an investment adviser. Northstar Financial Planning, LLC is an independent fee only investment adviser and we are not compensated in the form of commissions for selling any securities or insurance products.

We provide personalized Wealth Management Services including financial life planning and investment management. Advice is provided through consultation with the client and may generally include but may not be limited to: determination of financial objectives, review of current financial picture, cash flow management, tax planning, insurance review, asset allocation and investment management, transition planning, education planning, retirement planning, and estate planning.

We provide an initial complimentary consultation, either in person or via telephone, to discuss our services and the needs of the client. In the event you decide to engage us, we will enter into a written agreement for services which will detail the services provided.

Initial and periodic reviews of the clients situation are communicated throughout the course of the relationship to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

We coordinate with other professionals (e.g., lawyers, accountants, insurance agents, etc.) who are engaged directly by the client on an as-needed basis.

We also provide pension consulting services to qualified retirement plans as described below.

### **Principal Owners**

Northstar Financial Planning, LLC is owned by Robin A. Young, Kristina George, Alexa Darbe, Rachel DeCarolis and Julie Fortin.

### **Assets Under Management**

As of December 31, 2020, we provide continuous management services for \$147,800,000 in client assets on a discretionary basis, and \$6,400,000 in client assets on a non-discretionary basis.

### **Tailored Relationships**

Our advice is tailored according to each client's goals and objectives, tolerance for risk and other relevant criteria. We provide advice to clients based upon investment policy statements which we provide to each managed account client reflecting stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

### **Advisory Services**

#### ***Wealth Management/Investment Management Services***

Northstar Financial Planning, LLC provides Wealth Management Services where all aspects of the client's financial affairs are reviewed. Such services generally include but may not be limited to: determination of financial objectives, review of current financial picture, cash flow management, tax planning, insurance review, asset allocation and investment management (including performance reporting) transition planning, education planning, retirement planning; and estate planning; as well as the implementation of recommendations within each area.

In some cases, we provide stand alone Investment Management Services. In these circumstances, we will not provide Financial Life Planning services unless clients execute a separate engagement agreement.

We work with the client to define realistic and measurable goals and develop strategies to reach those goals. Once we construct an investment portfolio for the client, we will monitor the portfolio's performance on an ongoing basis. As goals and objectives change over time, we will adjust the portfolio, as necessary.

If you retain our firm for Wealth Management/Investment Management Services, you will grant our firm discretionary authority to manage your account through a limited power of attorney. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. For certain accounts which are held at custodians which we do not recommend (e.g. retirement accounts), we will make recommendations regarding the assets in such accounts but will not exercise discretionary authority over such assets. In such cases, it shall be your responsibility to implement recommendations which we provide.

### **Financial Life Planning Services**

Financial Life Planning Services are designed to assist clients with financial planning needs who do not require ongoing investment management services.

The Financial Life Planning Services we may provide may include, but are not limited to: a net worth statement; a cash flow statement and spending plan; a review of investment accounts, including reviewing asset allocation; 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; and education planning with funding recommendations.

Detailed investment advice and specific recommendations may be provided as part of the financial planning process; however clients are responsible for implementing any advice.

Financial plans are based on your financial situation at the time the plan is presented and are based on financial information disclosed by you to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance of investments must not be assumed to be an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. If and when your financial situation, goals, objectives, or needs change, you must notify us promptly.

### **Types of Investments**

We primarily provide advice on insurance, no-load mutual funds and exchange-traded funds. Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can

fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of the fund, other types of mutual funds do charge such fees which can also reduce returns.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Initial public offerings (IPOs) are not available through Northstar Financial Planning, LLC

### **Termination of Agreement**

Clients may terminate the Wealth Management/Investment Management agreement and the Financial Life Planning agreement by providing us with written notice. In the event of termination, if you have pre-paid any fees which we have not yet earned, we will provide you with a refund as follows: (1) For ongoing Financial Life Planning Services, we will refund a pro-rata amount representing the percentage of your most recent quarterly fee for services that have not been performed; (2) For one time Financial Life Planning Services we will refund a pro-rata amount representing the percentage of your initial fee for services that have not been performed (you will also be responsible for payment for any services on a pro-rata basis representing the percentage of work performed not covered by the initial fee); and (3) For Wealth Management/Investment Management Services, you will be charged pro rata based on the number of days in the quarter for which you are a client.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the Plan and the services requested by the Plan sponsor or named fiduciary. In general, these services may include periodic monitoring of investment managers, fund selection and periodic monitoring, assistance in understanding investment reports, assisting the Plan sponsor with its duties in providing Plan participants with information, assisting the sponsor with Plan fee analysis, assistance with selecting and monitoring Plan service providers, annual meetings and assisting the Plan sponsor in carrying out the Plan sponsor's fiduciary duties. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the Plan shall remain with the Plan sponsor or other named fiduciary.

We also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

We may also provide additional types of pension consulting services to Plans on an individually negotiated basis. All services, whether discussed above or customized for the Plan based upon requirements from the Plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the Plan documents.

### **Advisory Services to Retirement Plans**

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such Plans ("Participants"). The services are designed to assist Plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor under ERISA Section 408(b)(2), we are required to provide the Plan's responsible

plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above, and in the service agreement that you have previously signed with our firm. Our compensation for these services is described below, at Item 5, and also in the service agreement. We may, with consent of the Plan, and in accordance with Plan documents, bill out-of pocket expenses (such as overnight mailings, messenger, translation fees, etc.) at cost. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants.

In performing fiduciary services, we are acting as a non-discretionary fiduciary of the Plan as defined in Section 3(21)(A)(ii). In some cases, when rendering stand alone Investment Management Services, we may act as a discretionary "investment manager" of the Plan as defined in Section 3(38) under ERISA.

### **Sub-Advisory Relationship**

As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s), and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

## **Item 5 Fees and Compensation**

### **Description**

For Wealth Management Services and Stand alone Investment Management Services, Northstar Financial Planning, LLC charges a fee based on a percentage of the assets under our management according to the following negotiable blended fee schedules:

<b>Client Assets Under Management</b>	<b>Fee for Wealth Management<sup>1,2</sup></b>
\$0 to \$500,000	1.25% per year
\$500,001 to \$2,000,000	1.00% per year
Over \$2,000,000	0.80% per year

<b>Client Assets Under Management</b>	<b>Fee for Stand Alone Investment Management<sup>1</sup></b>
Up to \$5,000,000	0.75% per year
\$5,000,001 to \$10,000,000	0.60% per year
Over \$10,000,000	0.50% per year

<sup>1</sup>The minimum annual fee is \$6,250 which may be reduced in our discretion.

<sup>2</sup>Should there be an initial transition phase during which we are providing financial and life planning services but are not yet managing your investments, we will charge you a minimum quarterly fee of \$1,562.50.

<sup>1,2</sup>After some or all of your investment accounts have been transferred to the custodian of your account, we will calculate your pro-rated quarterly fee and any increment of your fee greater than the \$1,562.50 minimum quarterly fee already paid will be deducted directly from your account.

Fees will be assessed pro rata in the event the client agreement is executed at any time other than the first day of a calendar quarter.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

For Financial Life Planning Services, our fees are due and payable quarterly advance or 50% of the fee due and payable in advance and the remainder due and payable upon presentation of the final recommendations to the client. Our fees for Financial Life Planning Services range between \$5,000 and \$10,000 which may be a one time fee or an annual fee for ongoing services. Our Financial Life Planning fees are negotiable based on the degree of complexity associated with the client's situation.

In the event the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

### **Fee Billing**

Wealth Management/Investment Management fees are billed quarterly, in advance based on the value of the client's account on the last day of the previous quarter. Fees are usually deducted from a designated client account to facilitate billing, however clients have the option to pay our fees directly upon invoice.

We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

### **Other Fees**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. We will invest your account, when suitable, in no load mutual funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this Brochure.



**Past Due Accounts and Termination of Agreement**

Northstar Financial Planning, LLC reserves the right to stop work on any account that is not settled on a timely basis. In addition, Northstar Financial Planning, LLC reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Northstar Financial Planning, LLC's judgment, to providing proper financial advice.

**Pension Consulting Services**

For pension consulting services we charge an annual fee which ranges up to 1% of the value of the Plan's assets and which may be based on a tiered fee schedule. The Plan platform provider will deduct the fee directly from the Plan's accounts or fees may be paid directly to our firm by the Plan/Plan sponsor. Fees are charged quarterly in advance based on the value of the Plan's assets on the last day of previous quarter.

Our advisory fees for customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

You may terminate the pension consulting agreement upon 30 days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the consulting agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees based on the number of days in which you are a client.

**IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your representative of your former employer's plan, your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

### **Sub-Advisory Relationship**

Our recommendation to use a third party for insurance purposes are included in our portfolio management fee. We do not charge you a separate fee for the sub-advisory relationship.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

### **Description**

Northstar Financial Planning, LLC generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations and business entities.

Client relationships vary in scope and length of service.

### **Account Minimums**

We generally impose a minimum account size and minimum annual fee of \$500,000 and \$6,250, respectively, for Wealth Management/Investment Management Services.

Northstar Financial Planning, LLC has the discretion to waive the account minimum where we anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a reasonable time. Other exceptions will apply to employees of Northstar Financial Planning, LLC and their relatives, or relatives of existing clients.

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

### **Methods of Analysis**

We may use one or more of the following methods of analysis when providing investment advice to you:

- *Technical Analysis* - Technical Analysis involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- *Fundamental Analysis* - Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- *Cyclical Analysis* - Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that the portfolios will be managed using a combination of both active and passive management styles, based on the belief that while passive (index based) investment management is well-diversified and effective in some parts of the markets, not all parts of all markets are well suited to the passive approach. In those areas, actively managed funds may be selected. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy. The client may change these objectives at any time which may require a change in their Investment Policy Statement.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Most custodians use the FIFO (First In First Out) accounting method as the default method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Our investment approach constantly keeps the risk of loss in mind. Investors face 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.

## **Item 9 Disciplinary Information**

### **Legal and Disciplinary**

The firm and its employees do not have any legal or disciplinary information to disclose.

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

Northstar Financial Planning, LLC and its associated persons do not engage in or have any other financial industry activities or affiliations.

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

### **Code of Ethics**

The employees of Northstar Financial Planning, LLC have committed to a Code of Ethics that is available for review and will be provided to clients and prospective clients upon request. Northstar Financial Planning, LLC strives to comply with all applicable laws and regulations governing its practices. Therefore, Northstar Financial Planning, LLC has set forth guidelines for professional standards of conduct for its associated persons, the goal of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith, and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines. Associated persons are also required to report any violations of the Firm's Code of Ethics. Additionally, Northstar Financial Planning, LLC maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about clients or their account holdings by Northstar Financial Planning, LLC or any associated person.

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

Neither our firm nor any of our associated persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that we shall not have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

### **Selecting Brokerage Firms**

Northstar Financial Planning, LLC recommends the qualified custodian TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade") and Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"). Northstar Financial Planning, LLC does not receive fees or commissions from these arrangements. Northstar Financial Planning, LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.



**Best Execution**

We believe that TD Ameritrade and Schwab provide the best services at competitive rates. The reasonableness of commission rates is based on several factors, including the broker's ability to provide professional services, execution, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in transactions. Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered.

**Brokerage Services**

We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers independent investment advisers services, which include custody of securities, trade execution, clearance, and settlement of transactions. We receive some benefits from TD Ameritrade through its participation in the program. Our firm and/or Associated Persons may receive benefits such as assistance with conferences and educational meetings from product sponsors.

There is no direct link between our participation in the program and the investment advice we give to clients, although we receive economic benefits through our 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 adviser 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits we receive 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, our firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

We also recommend that clients in need of brokerage and custodial services utilize Charles Schwab & Co., Inc. (Schwab), registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see " *Your Brokerage and Custody Costs*," below).

## **Your Brokerage and Custody Costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10,000,000 of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "Selecting Brokerage Firms" above).

## **Products and Services Available to Us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting, and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

*Services That Benefit You.* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services That May Not Directly Benefit You.* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting services that generally benefit only us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business
- succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us. As of December 31, 2020, we have approximately \$17 million in client assets under management at Schwab, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. These services are not otherwise contingent upon us committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Advisor Services also makes available to us other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering your' accounts include software and other technology that (i) provide access to your account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from your account; and (v) assist with back-office functions, recordkeeping and client reporting.



Schwab Advisor Services also offers other services intended to help us manage and further develop our business. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to us. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment to us.

As a fiduciary, we endeavor to act in the best interests of our clients. However, our recommendation that you maintain your assets in accounts at Schwab may be based in part on benefits provided to us by the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab to us, which may create a potential conflict of interest.

Northstar Financial Planning, LLC and its associated persons endeavor at all times to put the interest of the clients first as part of their fiduciary duty. The provision of investment advice is conducted on a Fee-Only basis and there is never any receipt of commissions, kickbacks or additional compensation on investment products which could create a potential conflict of interest.

You may be charged transaction fees involved when purchasing or selling securities through the selected broker-dealer/custodian. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer/custodian. Additionally the commission/transaction fees charged by the recommended broker-dealer/custodian may be higher or lower than those charged by other broker-dealer/custodians.

### **Order Aggregation**

Northstar Financial Planning, LLC does not aggregate transactions for multiple client accounts. Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

## **Item 13 Review of Accounts**

### **Periodic Reviews**

Robin Young, President, Alexa Darbe, Kristina George, Rachel DeCarolus, and Julie Fortin, Wealth Managers, monitor Investment Management Accounts on a continuous basis and conduct periodic reviews of accounts to determine if changes in investments strategies are needed to achieve client goals.

Financial Plans are reviewed and updated on a periodic basis as deemed necessary by Northstar Financial Planning, LLC. Specific reviews of a financial plan may be prompted by request of the client.

**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

**Regular Reports**

Clients receive periodic communications on at least an annual basis. Wealth Management clients receive semi-annual portfolio performance statements. In addition, clients will receive periodic statements and confirmations from the account custodian.

**Item 14 Client Referrals and Other Compensation****TD Ameritrade**

As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Customer Program ("Institutional Program") and we may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our 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 adviser participants; access to aggregated 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 our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Associated Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

**Charles Schwab & Co., Inc. (Schwab Advisor Services)**

In addition, we receive an economic benefit from Schwab Advisor Services ("Schwab") in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 - Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

## **Referral Arrangements**

We utilize a lead generation service network, Wealthramp ([www.wealthramp.com](http://www.wealthramp.com)), for client referrals. Wealthramp will provide up three potential investment advisors that match specified criteria. Northstar Financial Planning will pay Wealthramp a portion of the fees received by each solicited client ("Referral Fee"). The Referral Fee is equal to 25% of gross fees received in the first year from the referred client, 15% in the second year, and 10% thereafter for as long as the solicited client is retained by the advisory firm in accordance to Northstar Financial Planning's executed agreement with the client. Referral Fees will cease once the solicited client and Northstar Financial Planning's relationship terminates. Referral Fees will be paid to Wealthramp within thirty (30) days following the receipt of fees from each solicited client.

## **Item 15 Custody**

We may directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your account(s) causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Kristina George at (603) 458-2776.

## **Item 16 Investment Discretion**

### **Discretionary Authority for Trading**

Northstar Financial Planning, LLC accepts discretionary authority to manage securities accounts on behalf of clients. Northstar Financial Planning, LLC 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. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing. Discretionary authority is granted via a limited power of attorney executed by the client.

The client approves the custodian to be used and the commission rates paid to the custodian. Northstar Financial Planning, LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trade.

## **Item 17 Voting Client Securities**

### **Proxy Votes**

We will not vote proxies on behalf of advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, the materials would be forwarded directly to you by mail, unless you have authorized the firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

## **Item 18 Financial Information**

We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State Registered Investment Advisers**

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

## **Item 20 Additional Information**

### **Privacy**

Northstar Financial Planning, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. We share a limited amount of information about you with service providers, such as the custodian of your account, so that we may provide services to you. We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed. We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.

### **Trade Errors**

From time-to-time we may make an error in submitting a trade order on your behalf. In these situations, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

For accounts maintained at Schwab, if a profit results from the correcting trade, the profit will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the profit does not remain in your account and Schwab is the custodian, Schwab donates gains of \$100 or more to charity. If a loss occurs greater than \$100, our firm will pay for the loss. Schwab may retain gains of \$100 or less, if they are not kept in your account, to offset administrative expenses. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

For accounts maintained at TD Ameritrade, if a profit results from correcting the trade, all net gains (positive error accounts balances resulting from trade corrections) will be moved to a TD Ameritrade error account and subsequently donated to charity.