

# **POCKETNEST RIA, LLC**

## **CLIENT BROCHURE**

This Brochure provides information about the qualifications and business practices of PocketNest RIA, LLC, (*Pocketnest*). If you have any questions about the contents of this Brochure, please contact Pocketnest at (734) 761-9317 or via email at [hello@Pocketnest.com](mailto:hello@Pocketnest.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (*SEC*) or any state securities authority. Registration does not imply a certain level of skill or training. Information about Pocketnest is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Pocketnest's CRD number is: 309091

**[hello@Pocketnest.com](mailto:hello@Pocketnest.com)**  
**<https://www.Pocketnest.com/>**

**1420 Washington Blvd.**  
**Suite 301**  
**Detroit, MI 48226**  
**(248) 876-3651**

July 20, 2021

ITEM 1 – Cover Page

## **ITEM 2: MATERIAL CHANGES**

PocketNest RIA, LLC filed its 2020 fiscal year Form ADV on March 12, 2021. There are no material changes to report since its initial filing with the United States Securities and Exchange Commission (“SEC”) on April 23, 2020.

On July 20, 2021, PocketNest RIA updated its primary address and phone number:

1420 Washington Blvd.  
Suite 301  
Detroit, MI 48226

(248) 876-3651

### ITEM 3: TABLE OF CONTENTS

<b>Item 1: Cover Page</b>	<b>1</b>
<b>Item 2: Material Changes</b>	<b>2</b>
<b>Item 3: Table of Contents</b>	<b>3</b>
<b>Item 4: Advisory Business</b>	<b>5</b>
A. Description	5
B. Types of Advisory Services	5
1. Financial Planning Services	5
C. Client Tailored Services and Imposed Restrictions	6
D. Wrap Fee Programs	6
E. No Assets Under Management	7
<b>Item 5: Fees and Compensation</b>	<b>7</b>
A. Fees	7
B. Payment of Fees	7
C. Clients Are Responsible for Third Party Fees	7
D. No Prepayment of Fees	7
E. No Outside Compensation for the Sale of Securities to Clients	7
<b>Item 6: No Performance-Based Fees &amp; Side-By-Side Management</b>	<b>8</b>
<b>Item 7: Types of Clients</b>	<b>8</b>
<b>Item 8: Methods of Analysis, Strategies, and Risk of Loss</b>	<b>8</b>
A. Methods of Analysis and Strategies	8
B. Material Risks Involved	9
C. Risks of Specific Securities	10
<b>Item 9: Disciplinary Information</b>	<b>11</b>
<b>Item 10: Other Financial Industry Activities and Affiliations</b>	<b>11</b>
A. No Registration as a Broker/Dealer ("BD") or BD Representative	11
B. No Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser	11
C. Relationships Material to this Advisory Business and Possible Conflicts of Interests / Other Business Activities	11
D. Selection of Other Advisers	12

<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	<b>14</b>
A. Code of Ethics	14
B. Recommendations Involving Material Financial Interests	15
C. Investing Personal Money in the Same Securities as Clients	16
D. Trading Securities At / Around the Same Time as Clients	16
<b>Item 12: Brokerage Practices / Recommendations</b>	<b>17</b>
A. Factors Used to Select Custodians and/or Broker/Dealers	17
1. Research and Other Soft-Dollar Benefits	17
2. No Brokerage for Client Referrals	17
3. Client Select Their Own Service Providers	17
B. No Trade Aggregation	18
<b>Item 13: No Adviser Account Reviews</b>	<b>18</b>
<b>Item 14: Client Referrals and Other Compensation</b>	<b>18</b>
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Sales Awards or Other Benefits)	18
B. Compensation to Non-Advisory Personnel for Client Referrals	19
<b>Item 15: No Custody of Client Funds</b>	<b>19</b>
<b>Item 16: No Investment Management or Trading Discretion</b>	<b>19</b>
<b>Item 17: No Proxy Voting</b>	<b>19</b>
<b>Item 18: Financial Information</b>	<b>20</b>
A. Balance Sheet	20
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	20
C. Bankruptcy Petitions in Previous Ten Years	20
<b>Privacy Policy</b>	<b>20</b>

## ITEM 4: ADVISORY BUSINESS

### A. DESCRIPTION OF THE ADVISORY FIRM.

**Pocketnest RIA, LLC** (“Pocketnest RIA” or “Adviser”) is an internet-based Registered Investment Adviser. The entity was formed on November 1, 2019. PocketNest RIA, LLC filed its initial Form ADV 2A with the United States Securities and Exchange Commission (“SEC”) on April 23, 2020. The Adviser was formerly known as PocketNest Inc. until 11/2019 and PocketNest L.L.C. until 11/2018.

Pocketnest RIA, LLC is 100% owned by Pocketnest Inc. The corporate owner is a FinTech firm that offers financial education solutions for banks, credit unions, employers, and others. Both firms are Delaware entities with headquarters in Detroit, MI. The principal owner of Pocketnest Inc. is Jessica M. Willis, CEO.

Jessica M. Willis, CFP®, CPWA® Chief Compliance Officer of Pocketnest RIA. Ms. Willis has been in the financial planning and investment business since 2000.

### B. ADVISORY SERVICES

**Pocketnest RIA provides education, financial planning guidance and advice exclusively through its interactive website/app.**

Pocketnest RIA provides comprehensive financial planning in a methodical, digital, nextgen platform to individual clients and families (each a “Client,” and collectively, “Clients”) via its interactive website/app at [www.Pocketnest.com](http://www.Pocketnest.com). Services are intended solely for U.S. citizens residing in the United States.

Using proprietary financial planning models and general research on the topics of investments and risk management, Pocketnest RIA guides its users along a path outlining 10 themes that make up a financial plan to discover potential financial planning and investment needs. Topics covered can include cash flow, savings, investments and comprehensive financial planning.

Clients visit the Pocketnest RIA website/app and answer online questions concerning their personal finances as well as planning, risk management and investment goals. Thereafter, the Adviser's computer-based application or algorithm processes and analyzes each client's response and transmits advice back to each client through the interactive website/app. Upon accessing the interactive website/app, clients are welcome to work through the planning themes and obtain results at any time.

Pocketnest RIA is not a broker/dealer, custodian or insurance agency. Pocketnest RIA's interactive website/app may recommend various service providers throughout the planning process. Clients are welcome to implement advice and recommendations entirely at their discretion, in whole or in part, and via the financial or insurance service providers of their choice.

The Adviser does have registered personnel, herein referred to as “*Investment Adviser Representatives*” to comply with state regulations, However, as an Internet Investment Adviser, Pocketnest RIA does not use its investment adviser representatives to elaborate or expand upon the financial and/or investment advice provided by its

interactive website/app, or otherwise provide financial and/or investment advice to its Internet clients.

Where the Financial Planning interactive process only focuses on certain areas of client interests, needs or is otherwise limited, clients must understand their overall financial and investment needs, liabilities and objectives may not be considered in the recommendations or other output produced. Clients requiring assistance on issues relating to matters outside of financial and investment advisory topics should consult their personal tax adviser, legal counsel, or other professionals for expert opinions.

Clients must understand when working with investments within retirement plans, the investment offerings and service providers are limited to those selected by the plan provider(s).

Financial Planning Services generally utilize long-term strategies so that continuous monitoring is not required. Pocketnest RIA's advice may include recommendations for updates and reviews. Clients are welcome but are never obligated to retain an unaffiliated registered investment adviser for additional or follow-up services.

Pocketnest RIA's interactive services do not include portfolio analysis, portfolio monitoring, investment reviews or investment management.

Pocketnest RIA is in no way affiliated with institutional investment managers who may disseminate publicly available data and any use of specific data by Pocketnest RIA is in no way intended to be an endorsement of the firm providing the data, unless specifically stated.

General Education Workshops: Pocketnest RIA offers complementary online general education workshops.

Other Services: Pocketnest RIA may offer a "white label" or customized version of its platform for use by unaffiliated financial services firms. The nature of services and associated fees would be set forth in a written agreement between Pocketnest RIA and the unaffiliated entities.

### **C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS**

Pocketnest RA focuses on providing financial planning via an interactive website/app. Clients and website/app visitors are welcome to complete the interactive planning process or discontinue the service at any time. To tailor its software-based services to each Client, Pocketnest RIA utilizes algorithms based on academic research and industry standard methodologies to suggest financial planning advice, recommendations and if applicable, to classify an investor's risk assessment.

Since Pocketnest RIA does not manage investment portfolios, disclosure relating to client-imposed investment restrictions are not applicable. Clients retain authority to implement recommendations and are welcome to do so, in whole or in part via the financial services provider(s) of their choice.

### **D. WRAP FEE PROGRAMS**

Pocketnest RIA is not a wrap fee sponsor or manager.

## **E. AMOUNTS OF ASSETS UNDER MANAGEMENT**

Pocketnest RIA does not manage investment portfolios.

## **ITEM 5: FEES AND COMPENSATION**

### **A. FEE SCHEDULE**

Pocketnest RIA does not charge financial planning fees to its own users. Please refer to Items 10.D and 14.A for information pertaining to referral-based compensation.

### **B. PAYMENT OF FEES**

Pocketnest RIA does not charge financial planning fees to its users.

### **C. FEES ASSOCIATED WITH INVESTING**

Clients are responsible for the payment of all third-party fees associated with investing and these will vary depending upon the nature of services utilized, products purchased and sold, and other factors. Clients may pay transaction and brokerage commission to their broker/dealer or other service providers ("*Financial Institution[s]*") as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third-party fees, deferred sales charges, odd lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

All fees paid to a selected Registered Investment Adviser for advisory and/or portfolio management services (including wrap fees, if applicable), are separate from the fees and expenses charged to shareholders of exchange-traded funds (ETF's) or mutual fund shares offered by mutual fund companies. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fees. A complete explanation of the expenses charged by an investment is contained in the investment prospectus. Clients are encouraged to read each prospectus and securities offering document. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. Pocketnest RIA and its Investment Adviser Representatives do not receive any portion of these investment-related fees.

### **D. PREPAYMENT OF FEES**

As outlined at Item 5, Pocketnest RIA does not charge a fee to its interactive users. Pocketnest RIA is compensated solely through referral-based compensation as described at Items 10.D and 14.A of this Brochure. 5.B in this Brochure.

### **E. OTHER COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS TO CLIENTS**

Pocketnest RIA and its Investment Adviser Representatives do not accept commission in connection with the recommendation of securities.

As discussed in Items 10.D and 14.A of this Brochure, Pocketnest RIA may receive direct economic benefit from unaffiliated third investment managers when it refers clients who may be interested in services offered by third parties. In such cases, Pocketnest RIA will enter into a referral agreement with the third party(ies), provide written compensation disclosure to clients at the time of a referral and will deliver any other written disclosure documents (such as a Form ADV 2 Brochure) as required by securities rules and regulations. Pocketnest RIA acknowledges its fiduciary duty to act in the best interest of its clients.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Pocketnest RIA does not manage investment portfolios and its compensation is not “performance based” (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract). Therefore, the Adviser does not engage in side-by-side management.

## **ITEM 7: TYPES OF CLIENTS**

Pocketnest RIA’s services are primarily focused on individuals and families.

Pocketnest RIA does not require a minimum fee or place minimum conditions on services. Please reference Items 5.A, 10.D and 14.A of this Brochure for Pocketnest RIA’s referral-based compensation disclosures.

Pocketnest RIA’s reserves the right to decline to provide services to any person in its sole discretion and for any reason.

## **ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. METHODS OF ANALYSIS AND GENERAL INVESTMENT STRATEGIES**

Pocketnest RIA takes the position that each client presents a unique set of goals, values, interests, objectives, time horizons and challenges. The Adviser’s interactive website/app seeks to assist various types of clients as they work through a proprietary DIY (“do it yourself”) financial planning process.

The services provided generally do not provide for advice on specific investments but may include data about various classes of investments. There may be times when general portfolio recommendations may be produced by the interactive website/app.

Pocketnest RIA provides general financial and investment recommendations based on data input by the client. Pocketnest RIA’s interactive system attempts to evaluate an investor’s entered risk tolerance, time horizon, goals and objectives in an effort to determine an investment strategy to best fit the investor’s designed profile. Obviously, the outcome of any such recommendations are based on client participation and the data provided by the client.



Pocketnest RIA shall not be required to verify any information entered by a website/app visitor or client and the Adviser's interactive website/app shall accept the financial data as entered.

Pocketnest RIA's site will obviously recommend Pocketnest RIA's own interactive services. The Adviser may also suggest the services of other professionals to implement recommendations. Clients are welcome but are never under any obligation to act upon any of the recommendations made by the Adviser or to engage the services of any such recommended service firm or professional(s) including the Adviser itself. Please refer to the important disclosure at Items 10.D and 14.A in this Brochure which describe Pocketnest RIA's recommendation of various unaffiliated investment management platforms for which it receives referral-based compensation (compensation disclosure is provided at the time of the referral).

Pocketnest RIA's general investment strategies or recommendations may be based upon a number of concepts and determined by the type of investor as services are customized for each individual client. Pocketnest RIA takes the position that risk reduction is a key element to long-term investment success. The concept of asset allocation or spreading investments among a number of asset classes (domestic equities v. foreign equities; large cap stocks vs. small cap stocks; growth stocks v. value stocks; municipal bonds vs. corporate bonds vs. government bonds) is the Adviser's guiding strategy.

Recommended unaffiliated managers or those marketing services on the Pocketnest RIA site may employ various investment strategies as set forth in those advisers' Form ADV 2A Brochures. Investors are strongly encouraged to carefully read all disclosure brochures and offering documents.

Of course, no single theory or strategy can guarantee success. *It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.*

## **B. MATERIAL RISKS INVOLVED**

Pocketnest RIA's interactive website/app does not provide recommendations or specific securities.

Pocketnest RIA takes the general position that investors with diverse portfolios have a better chance of making a profit because it is difficult to accurately predict the movement of the economy. Obviously, no single strategy can be relied upon to outperform the market. In general, and when general investment advice is provided via its interactive website/app, Pocketnest RIA primarily recommends long-term investment strategies vs. short-term trading. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investors should keep in mind that asset withdrawals may impair the achievement of a client's investment objectives.

Investors must understand that when transferred securities are liquidated, they are subject to various fees such as: transaction fees, fees assessed at the mutual fund level (*i.e.*, contingent deferred sales charge) and/or tax ramifications.

*It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.*

### **C. RISKS OF SPECIFIC SECURITIES UTILIZED**

Pocketnest RIA does not engage in the purchase or sale of securities for its clients and its interactive website/app does not recommend specific securities. However, clients should be aware of the following:

Investments in individual stocks can be risky. Some risks can be controlled, and some risks can be guarded against, but no investment strategy can carry guarantees from loss. Certain market risks cannot be controlled, such as market or economic conditions. Certain strategies may be recommended to assist a client in adjusting their portfolios or the client may determine to hold the portfolio's course. The Adviser generally suggests general portfolio strategies that focus on long-term investing, unless a client's disclosed conditions trigger the program to produce alternative strategies (such as age, etc. ). Advice does not include strategies to attempt to time the market. The Adviser takes the position that thoughtful investment selections that meet a client's stated goals and risk profile may help keep investment risks at an acceptable level.

Investments in mutual funds may bear a risk of investment loss. Clients who invest should also be prepared to bear a loss of investment proceeds.

Fixed income investments may be recommended as a portfolio diversification element as well as for income deriving investments outside of equity exposure. The Adviser does *not* recommend Mortgage-backed/Asset-backed securities (MBS/ABS).

There are certain risks involved in investing in all types of bonds: Government, Municipal, and Corporate. The following is an overview of the types of risks that one should consider in terms of bond investments: Interest rate risk; reinvestment risk; inflation risk; mark risk, selection risk, timing risk, and price risk.

Additional risks for some government agency, corporate and municipal bonds may include: Legislative risk (a change in the tax code could affect the value of taxable or tax-exempt interest income); Call risk (some corporate, municipal and agency bonds have a "call provision" entitling their issuers to redeem them at a specified price on a date prior to maturity). Declining interest rates may accelerate the redemption of a callable bond, causing an investor's principal to be returned sooner than expected. In that scenario, investors must reinvest the principal at the lower interest rates.

If the bond is called at or close to par value, as is usually the case, investors who paid a premium for their bond also risk a loss of principal. In reality prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to

be called. Additionally, there may be a liquidity risk involved if investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had

their credit rating downgraded, or bonds sold by an infrequent issuer. Bonds are generally the most liquid during the period right after issuance when the typical bond has the highest trading volume.

Additional risks for corporate and municipal bonds may include: Credit risk; default risk; event risk and duration risk.

*Past performance is not a guarantee of future returns. Investing in securities involves A risk of loss that all clients should be prepared to bear.*

## **ITEM 9: DISCIPLINARY INFORMATION**

Pocketnest RIA, its Chief Compliance Officer and its corporate owner's CEO have never been involved in any investment-related legal or disciplinary actions, criminal or investment-related civil actions, license or registration suspensions or revocations, administrative proceedings before the SEC or any other federal, state, foreign regulatory authority or self-regulatory proceedings. Pocketnest RIA's record does not reflect the existence of any data that would be material to a client's or prospective client's evaluation of Pocketnest RIA or the integrity of its management.

Information pertaining to Jessica Willis, CFP®, CPWA® is contained on The Form ADV Part 2B Brochure, a supplement to this ADV Part 2A Firm Brochure.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE**

Pocketnest RIA is not a broker/dealer firm and its Investment Adviser Representatives are not registered representatives of a broker/dealer. No such registrations are pending.

### **B. REGISTRATION AS A FUTURES COMMISSION MERCHANT (FCM), COMMODITY POOL OPERATOR (CPO) OR A COMMODITY TRADING ADVISER (CTA)**

Pocketnest RIA is not registered as a FCM, CPO or a CTA. No such registrations are pending.

### **C. REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND CONFLICTS OF INTEREST**

Pocketnest RIA and its registrants are not affiliated with or registered with other registered entities.

Pocketnest RIA does not operate and does not have a material relationship with a hedge fund or other type of private pooled investment vehicle other than what has been discussed at Item 10.C and 11.B of this Brochure.

Pocketnest RIA does not maintain registration relationships or common ownership with any of the following (and no such registrations are pending):

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- other investment adviser or financial planner
- futures commission merchant, commodity pool operator, or commodity trading adviser
- banking or thrift institution
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships

Pocketnest, Inc., which owns Pocketnest RIA, offers licensing of its proprietary automated financial education platform to unaffiliated banks, credit unions, and other financial service firms. In addition, non-financial entities may utilize the firm’s fintech to provide comprehensive financial education to their employees.

As discussed at Item 11.B of this Brochure, Pocketnest, Inc. (corporate owner of PocketNest RIA) filed a 506(b) Notice of Exempt Offering of Securities with the SEC (and notice filed the offering in Michigan and applicable states) and has raised capital via this industry-standard method for traditional tech start-up funding. The offering is limited to accredited investors. It would be rare for a Pocketnest RIA user from the general public to become an investor in the offering or other capital-raising efforts, which presents a conflict of interest between the platform users and Pocketnest RIA. However, Pocketnest RIA acknowledges its fiduciary duty to place clients’ needs ahead of its own. In addition, since Pocketnest RIA does not provide or offer to provide investment advice on specific securities, the potential for a conflict is reduced.

#### **D. SELECTION OF OTHER ADVISERS OF MANAGERS AND HOW ADVISER IS COMPENSATED FOR THOSE SELECTIONS**

Pocketnest RIA may recommend unaffiliated independent managers and other service providers when the Adviser believes the manager(s) may offer programs that are of interest to and could benefit its clients and other website/app visitors. The Adviser generally seeks to recommend managers who are fee-only (do not accept commissions in connection with securities recommendations).

The selected independent manager(s) may provide access to investment platforms not otherwise available to other investment advisers (such as those requiring high investment minimums or institutional investment programs). The Independent managers may also offer specialized investment services or are uniquely qualified in some facet of

investing. Clients are welcome but are never obligated to utilize the services of any recommended firm. Examples of recommended companies (to date) include but are not limited to:

Bloom, Inc., a Registered Investment Adviser which offers investment advice and employer sponsored retirement account portfolio management services through a web-based platform.

Swell Investment LLC, a Registered Investment Adviser that offers the Swell Investment Management Program ("SIMP"), an automated portfolio management platform for the socially-minded individual that desires to invest in companies that are cause-driven.

WealthSimple US Ltd. , a Registered Investment Adviser. Wealthsimple is an automated investment service that provides portfolio management services to individual clients and businesses (each a "Client," and collectively, "Clients") via its interactive website/app at [www.wealthsimple.com](http://www.wealthsimple.com).

Personal Capital Advisors Corporation, a Registered Investment Adviser and is a subsidiary of Personal Capital Corporation, which offers web, mobile, tablet, and personal financial management software portion. Wrap-fee based investment advisory services is delivered separately via the Investment Adviser, if desired.

Ally Invest Advisors Inc., an SEC registered investment adviser. The primary focus of Ally Invest is to provide discretionary portfolio management services to investors via its online investment services offering. The firm offers a wrap fee management services exclusively through web-based solutions and informational resources, and virtual interaction.

Pocketnest RIA will consider the investor's stated financial situation, expressed needs and objectives and will prepare a referral to one or more unaffiliated independent investment managers depending upon the client's unique situation. Pocketnest RIA will suggest managers based upon areas of expertise, experience, philosophies and senior staff personalities that may make a strong match based upon what is known about the client. The client has the ultimate decision (authority) over which independent manager's services are utilized, if any.

At the time of a referral, Pocketnest RIA's website/app will provide a link to the independent manager's ADV Part 2 Brochure, compensation disclosure information and any other materials required by rule or regulation to the investor. These referral relationships create a conflict of interest as the unaffiliated service providers offer Pocketnest RIA and its Investment Adviser Representatives an incentive to recommend their services. Pocketnest RIA acknowledges its fiduciary duty to clients and while clients are welcome, they are never obligated to utilize any service provider that may be recommended.

The services of recommended independent managers are separate and distinct from the services provided by Pocketnest RIA. The selected independent managers are responsible for providing the agreed upon financial and/or investment services, suitability and due diligence, portfolio reporting (if applicable), prompt correction of any trade errors and best execution within their respective programs and pursuant to their written agreement with investors.

Pocketnest RIA will perform analysis and due diligence on any independent manager it may recommend and will update its due diligence information no less than annually. In the event the Adviser provides referrals for any other service providers (such as law firms, tax or accounting professionals, etc.), it will do so solely as a service to clients and will not accept compensation for the referral.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. CODE OF ETHICS**

Pocketnest RIA takes the issue of regulatory compliance seriously and is committed to maintain compliance with state and applicable federal securities laws. In addition, Pocketnest RIA has a position of public trust and it is the Adviser's goal to maintain that trust; provide excellent service and advice that is suitable.

Pocketnest RIA places great value on ethical conduct. The ultimate goal of the Adviser's internal policies is to challenge its Member and personnel to live up not only to the letter of the law, but also to the ideals set forth by the owners of Pocketnest RIA.

Clients may be familiar with the roles fiduciaries play in various legal situations and in certain industries. As a Registered Investment Adviser, Pocketnest RIA is a fiduciary to each client.

As fiduciaries, Investment Advisers owe their clients several specific duties. According to the SEC (to which state regulators defer on this subject), an Investment Adviser's fiduciary duties include:

- ❖ Providing advice that is suitable based upon what we know about our clients
- ❖ Providing full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations)
- ❖ The utmost and exclusive loyalty and good faith
- ❖ Best execution of transactions under the available circumstances
- ❖ The Adviser's reasonable care to avoid ever misleading clients
- ❖ Only acting in the best interests of clients

It is the Pocketnest RIA's policy to protect the interests of each of the Adviser's clients and to place the clients' interests first and foremost in each and every situation. Pocketnest RIA will abide by honest and ethical business practices to include, but is not limited to:

- ❖ Pocketnest RIA does not engage in trade recommendations but should this change, the Adviser will not recommend trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account.
- ❖ The Adviser will make financial and investment recommendations with

reasonable grounds to believe that the decisions are suitable for the client on the basis of information furnished by the client, as evidenced in the Adviser's internal documentation.

- ❖ The Adviser and its personnel will not borrow money from clients.
- ❖ The Adviser will not recommend the purchase of a security without the reasonable belief that the security is registered, or the security or transaction is exempt from registration in states where we provide investment advice and based upon information the Adviser receives.
- ❖ Pocketnest RIA will not recommend that a client place an order to purchase or sell a security through a broker/dealer or agent or engage the services of a broker/dealer that is not licensed, based upon data available to the Adviser.
- ❖ Pocketnest RIA's Investment Adviser Representatives and staff persons who have access to the Advisers and its clients' investment data ("access persons") will report all required personal securities transactions to Pocketnest RIA's Chief Compliance Officer, as required by securities rules and regulations. Reportable trades for this Adviser include all but the following exceptions:

- Transactions effected pursuant to an automatic investment plan
- Securities held in accounts over which the access person has no direct or indirect influence or control
- Transactions and holdings in direct obligations of the Government of the United States
- Money market instruments — bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments
- Shares of money market funds
- Transactions and holdings in shares of mutual funds are not reportable, since the Adviser does not have a material relationship with an investment company which would otherwise require reporting
- Transactions in units of a unit investment trust are not reportable if the unit investment trust is invested exclusively in unaffiliated mutual funds.

All applicable securities rules and regulations will be strictly enforced. Pocketnest RIA will not permit and has instituted controls against insider trading. Investment Adviser Representatives and administrative personnel (if / when applicable) who do not follow the Adviser's Code of Ethics or who in any way violate securities rules and regulations, or who fail to report known or suspected violations will be disciplined or terminated, depending upon severity. Such persons could also face action by the SEC and/or state securities regulators.

Pocketnest RIA emphasizes the unrestricted right of clients to decline to implement any advice rendered, in whole or part. The Adviser does not maintain limited trading authority for clients' accounts.

Clients are welcome to request a copy of the Adviser's Code of Ethics by contacting the Adviser's office.

## **B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

During the course of its services, Pocketnest RIA does not recommend that clients buy or sell any security in which any of the Adviser or its related persons have a material

financial interest.

Please refer to the disclosure provided at Item 10.C of this Brochure concerning the Adviser's corporate owner (Pocketnest, Inc.) and capital raising activities via the traditional industry-standard methods for tech start-up funding.

### **C. INVESTING PERSONAL MONIES IN THE SAME SECURITIES AS CLIENTS**

Pocketnest RIA does not purchase securities. Since Pocketnest RIA's services involve an interactive financial planning website/app, it is unlikely that Pocketnest RIA would have knowledge as to the client's *contemplated* securities transactions. However, a client's data file may contact the client's net worth statement and budget as well as their investment profile which would reflect individual holdings and prior transactions.

The Adviser's Chief Compliance Officer, shareholders and personnel may have similar investment goals and objectives and as a result may buy or sell securities for their personal accounts that may be identical to or different from those recommended to clients. Thus, at times the interests of the Adviser's Chief Compliance Officer, shareholders, and/or its personnel's accounts may coincide with the interests of clients' accounts. However, at no time will the Officers, shareholders or the Adviser's personnel receive an added benefit or advantage over clients with respect to these transactions nor will they place themselves in a position to have added benefit as a result of advice given to clients.

### **D. TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS**

Pocketnest RIA does not maintain discretionary authority to place securities trades for its clients. However, the Adviser and its staff acknowledge the Adviser's fiduciary responsibility to place the investment needs of clients ahead of the Adviser and its staff when formulating recommendations. The interests of clients are held in the highest regard. Kindly refer to the above disclosure in Item 11.C.

At no time will Pocketnest RIA or any related person receive an added benefit or advantage over clients with respect to personal securities transactions. The Adviser and its personnel will not place itself in a position to have added benefit as a result of advice given to clients. Pocketnest RIA's personnel shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. The Adviser has established trading policies and reporting for its access persons. The Chief Compliance Officer is responsible for monitoring its staff's personal trading.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER/DEALERS**

Pocketnest RIA's clients are welcome to implement recommendations, in whole or in part, through the financial services firms of their choice.

Pocketnest RIA is not a broker/dealer or custodial firm. Pocketnest RIA's personnel are not registered representatives of a broker/dealer. The Adviser may recommend or post



information on its website/app that references the services of various online service providers such as Charles Schwab & Co., Inc., Pershing, LLC, TD Ameritrade and similar service providers. Clients will want to perform their own due diligence in an effort to determine which service provider is the best fit for their needs.

The recommendation of various services providers is based on (in no order): the level of customer service, fee and commission rates, product offerings, execution services, operations, financial stability, reliability and reputation, access to various markets, facilities and technology and the ability to use electronic communications networks (ECNs) to help gain liquidity, price improvement, lower rates and anonymity.

The Adviser recognizes its duty to offer best execution in terms of its recommendations to clients, depending upon the particular circumstances. While it is possible that clients may pay higher commission or transactions fee through the recommended service providers, the Adviser has determined that these firms currently offer the best overall value to its clients for the brokerage services, customer services and technology provided. The Adviser periodically reviews other alternatives that are available to the Adviser market. However, the service providers recommended are some of the largest and most sophisticated firms available to investors.

In the event a client utilizes the services of unaffiliated investment advisers, those firms may recommend the same or other service providers as disclosed in each firm's Form ADV 2A Brochures.

#### **1. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Pocketnest RIA does not accept research or other soft dollar benefits from brokerage or custodial firms.

#### **2. BROKERAGE FOR CLIENT REFERRALS**

Pocketnest RIA does not maintain discretionary authority and therefore does not receive referrals from any broker/dealer in exchange for directing trades to the referring broker/dealer or third party.

#### **3. CLIENTS DIRECTING WHICH BROKER/DEALER/CUSTODIAN TO USE**

Pocketnest RIA does not manage client portfolios. Clients are free to use their preferred financial institution(s), insurance firm(s) and investment service provider(s).

#### **B. AGGREGATION (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS**

Pocketnest RIA does not engage in securities transactions for the benefit of clients.

### **ITEM 13: REVIEW OF ACCOUNTS AND REPORTS**

Pocketnest RIA provides for a do-it-yourself ("DIY") financial planning service via its interactive website/app. The advice and recommendations offered during the user's experience may include recommendations for reviews or other follow-up services via the interactive website/app or through the clients' selected service provider(s). It would be the client's responsibility to update his or her financial, insurance and/or investment

goals and objectives on his/her own or secure additional services from the client's selected service provider(s).

Investors can expect to receive confirmation statements for transactions and customary account statements, directly from their brokerage / custodial firms. The custodian's quarterly reports detail account value, net change, portfolio holdings, and all account activity.

Pocketnest RIA's interactive website/app may provide one or more reports pertaining to the client's online responses during interactive services, which may include a DIY financial plan. A client's data planning file may contain the client's net worth statement and budget as well as their investment profile which would reflect individual holdings and prior transactions.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)**

Pocketnest RIA does not compensate solicitors for client referrals.

As noted at Item 10.D in this Brochure, Pocketnest RIA may receive direct economic benefit from third parties when it refers clients who may be interested in the services offered by third parties. In such cases, Pocketnest RIA will enter into a referral agreement with the third party(ies), provide written compensation disclosure to clients at the time of a referral and will deliver or cause to be delivered any other written disclosure documents (such as a Form ADV 2 Brochure) as required by securities rules and regulations. These referral relationships create a conflict of interest as the unaffiliated service providers offer Pocketnest RIA and its Investment Adviser Representatives an incentive to recommend their services. Pocketnest RIA acknowledges its fiduciary duty to clients and while clients are welcome, they are never obligated to utilize any service provider that may be recommended.

Pocketnest RIA's web site engages in web linking relationships which introduce or otherwise bring together outside vendors with its site visitors to possibly negotiate and consummate transactions away from Pocketnest RIA. In such cases, these relationships may generate nominal affiliate marketing fees. All weblink relationships are previewed, approved and thereafter monitored by the Chief Compliance Officer. Site visitors are reminded of the following: 1) that when they click on a link, they are leaving the Pocketnest RIA web site; 2) the visitor is linking to an alternate web site not operated by Pocketnest RIA; 3) Pocketnest RIA is not responsible for the content of the alternate web site; 4) Pocketnest RIA does not represent either the third party or the site visitor if the two enter into a transaction; and 5) the privacy and security policies may differ from those practiced by Pocketnest RIA. Examples of these companies include (to date) but are not limited to:

- \* YNAB.com - Provides software platform for personal budgeting
- \* TaxAct – An online tax prep site
- \* SoFi - Provides personal lending, such as student loan re-financing
- \* Policygenius - Independent online insurance marketplace

- \* Propser – An online lender matching service
- \* NOLO, Willmaker – Online services for will creation
- \* Lifelock, A data security firm
- \* Even Financial - an online lender matching service
- \* Creditsesame – an online credit score and credit report analysis service
- \* Ally Invest - Offers an online trading platform
- \* Aftervault - a digital lockbox for estate planning

Prospective and current clients of Pocketnest RIA are welcome but are never obligated to visit the webpages of the linked services providers or engage these entities for services.

## **B. COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS**

Pocketnest RIA does not directly or indirectly compensate any firm or person who is not part of the Adviser's registered personnel in exchange for client referrals.

## **ITEM 15: CUSTODY**

Pocketnest RIA does not maintain any form of custody in connection with investor funds or securities and does not deduct advisory fees from client accounts. Execution of securities trades and custody is facilitated through investors' selected service providers.

## **ITEM 16: INVESTMENT DISCRETION**

Pocketnest RIA does not provide investment management services and will not accept trading discretion. Clients are welcome to implement investments entirely at their discretion and via a financial services provider of their choice.

## **ITEM 17: PROXY VOTING**

Pocketnest RIA does not maintain any form of discretionary authority and therefore does not vote proxies for its clients. Investors and clients can expect to receive proxy voting materials and other solicitation directly from their custodian. Pocketnest RIA does not provide proxy voting advice nor does it solicit proxies from clients or non-clients.

## **ITEM 18: FINANCIAL INFORMATION**

### **A. BALANCE SHEET**

Pocketnest RIA does not require nor solicit prepayment of fees in exchange for its services nor does it maintain custody of client funds and/or securities. Therefore, the Adviser is not required to provide a business balance sheet with this Brochure.

## **B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR THE ADVISER'S ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Pocketnest RIA does not have any financial condition that is likely to reasonably impair the Adviser's ability to meet its user commitments to clients.

## **C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS**

Pocketnest RIA and its Chief Compliance Officer have never been a party in a bankruptcy petition.

# **PRIVACY POLICY**

As a Registered Investment Adviser, Pocketnest RIA is covered under the definition of a "financial institution" in the Federal Gramm-Leach-Bliley Act (the "Act"). Pocketnest RIA is therefore subject to the Act and the rules of privacy imposed on Investment Advisers. Privacy of nonpublic personal information is an issue the staff of Pocketnest RIA takes seriously. To maintain compliance with the Act and the Privacy Rule, every broker, dealer, investment company and Investment Adviser is required to adopt policies and procedures reasonably designed to safeguard customer and consumer records and information. Pocketnest RIA has adopted a Privacy Policy to protect clients and consumers.

In its role as Investment Adviser, Pocketnest RIA routinely collects nonpublic personal information from clients and prospective clients. This information generally will include but is not limited to:

- Information provided via Pocketnest RIA's interactive website/app and includes but is not limited to your name, address, phone number, assets, employment, income and debt, a created financial plan and reviews, investment holdings, and any other data that is deemed to be nonpublic personal information as defined by the Act and Regulation S-P.
- Data about your accounts, contemplated transactions and parties to transactions, beneficiaries, and family data
- Information from outside sources which client may elect to upload to the Adviser's interactive website/app
- Pocketnest RIA values our clients' trust and confidence. The Adviser will never sell the nonpublic personal information it obtains from consumers or clients.
- All information provided to Pocketnest RIA by website/app visitors (prospective clients) and information and advice furnished by the Adviser's interactive site to clients, shall be treated as confidential and shall not be disclosed to unaffiliated third parties, except as authorized by clients or site visitors via website/app authorization, or as required by any rule, regulation or law to which the Adviser and its staff may be subject. Site users will have access to the website/app terms of use.

Pocketnest RIA maintains clients records in a controlled environment and records (electronic and otherwise) are only available to authorized persons of Pocketnest RIA who have a need to access client information in order to deliver advisory services, provide administrative support, or to respond to client requests. Pocketnest RIA has made reasonable efforts and conducts periodic tests to ensure that its electronic network is secure. In addition, the Adviser takes reasonable efforts to help ensure clients are protected from fraud by verifying all account requests.

Pocketnest RIA's position on protecting nonpublic personal information extends beyond the completion of services. Client information is retained in a protected manner for the period of time required by regulators (five years from the date of last use) and thereafter digital records are securely destroyed.

Consumers (other than clients) who provide information via the Pocketnest RIA website/app but only complete some of the interactive service offers also receive privacy protection in accordance with the website/app terms of use. User data and completed information will be securely filed for a period of up to one year for the website/app visitor's convenience before being it is securely purged from Pocketnest RIA's site/app. However, Pocketnest RIA is not obligated to retain visitor data.

Clients are encouraged to contact Pocketnest RIA to review any questions regarding the Adviser's privacy policies and procedures with Jessica M. Willis, CFP®, CPWA®, Chief Compliance Officer whose contact information is listed on the cover page of this Brochure.

Special Note: Pocketnest RIA's website/app disclosure contains information about the site's privacy, data-collection, terms of use, cookie policy, and security policies.

# **POCKETNEST RIA, LLC**

**JESSICA M. WILLIS, CFP<sup>®</sup>, CPWA<sup>®</sup>**

**CHIEF COMPLIANCE OFFICER**

## **FORM ADV PART 2B INDIVIDUAL DISCLOSURE BROCHURE**

This brochure supplement provides information about Jessica Willis, CFP<sup>®</sup>, CPWA<sup>®</sup> that supplements Pocketnest RIA's Form ADV Part 2A Brochure. Please contact Pocketnest RIA via the information listed below if you did not receive the Pocketnest RIA Form ADV Part 2A Brochure or if you have any questions about Pocketnest RIA's services or the contents of this Brochure supplement.

*Registration does not imply a certain level of skill or training.*

Information about Pocketnest and Ms. Willis  
is available on the SEC's website:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Ms. Willis' CRD number is: 5744829

**hello@Pocketnest.com**  
**<https://www.Pocketnest.com/>**

**1420 Washington Blvd.**  
**Suite 301**  
**Detroit, MI 48226**  
**(313) 766-0134**

July 20, 2021

ITEM 1 – Cover Page

## **ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**JESSICA M. WILLIS, CFP®, CPWA®**

**CHIEF COMPLIANCE OFFICER**

Year of Birth: 1978

### **Post-Secondary Education**

University of Michigan, Ann Arbor, MI

1996-2000, Bachelor of Science

Dual Concentration in Organizational Behavior & Spanish

Loyola University Chicago, Graduate School of Business

2000-2001, Master of Business Administration

Dual Concentration Economics & International Business

### **Professional Designations**

Certified Financial Planner™ (CFP®) - Earned designation 2007

Certified Private Wealth Adviser™ (CPWA®) – Earned designation in 2013

*Please reference the pages immediately following this brochure supplement for information about the minimum qualifications required for each of the above-noted designations.*

### **Recent Business Information:**

PocketNest RIA, LLC, Detroit, MI

*Formerly PocknetNest Inc. until 11/2019*

*Formerly PocketNest L.L.C. until 11/2018*

Chief Compliance Officer

Registered Investment Adviser 5/2018 – Present

Online Educational Site and Blog 8/2017 – Present

Pocketnest Inc., Ann Arbor, Michigan

Chief Executive Officer

Fintech Provider 11/2019 - Present

Pointe Capital Management, LLC, Grosse Pointe Farms, MI

Investment Adviser Representative

Registered Investment Adviser 11/2013 – 11/2017

Plante Moran Financial Advisors, Auburn Hills, MI

Planner

Registered Investment Adviser 2004-2013

MacGregor Associates, Chicago, IL

Associate

Real Estate and Investment Firm 2000 – 2004

### ITEM 3: DISCIPLINARY INFORMATION

Ms. Willis has no history of investment-related legal or disciplinary events and her registration records do not contain any information that would be material to a client's or prospective client's evaluation of Ms. Willis or the integrity of her firm.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the *supervised person*

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or
4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the *supervised person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.

**Jessica M. Willis, CFP®, CPWA® has no information to report for Item A.**

B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which the *supervised person*

1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
2. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation and was the subject of an *order* by the agency or authority (a) denying, suspending, or revoking the authorization of the *supervised person* to act in an *investment-related* business; (b) barring or suspending the *supervised person's* association with an *investment-related* business; (c) otherwise significantly limiting the *supervised person's investment-related* activities; or (d) imposing a civil money penalty of more than \$2,500 on the *supervised person*.

**Jessica M. Willis, CFP®, CPWA® has no information to report for Item B**

C. A self-regulatory organization (SRO) *proceeding* in which the *supervised person*

1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or



2. was *found* to have been *involved* in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from *investment-related* activities; or (iii) fined more than \$2,500

**Jessica M. Willis, CFP®, CPWA® has no information to report for Item C**

D. Any other hearing or formal adjudication in which a professional attainment, designation, or license of the *supervised person* was revoked or suspended because of a violation of rules relating to professional conduct. If the *supervised person* resigned (or otherwise relinquished the attainment, designation, or license) in anticipation of such a hearing or formal adjudication (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

**Jessica M. Willis, CFP®, CPWA® has no information to report for Item D**

Disclosure background on representatives can be located via the United States Securities and Exchange Commission's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)  
Ms. Willis' CRD number is: 5744829.

## **ITEM 4: OTHER BUSINESS ACTIVITIES**

Ms. Willis is primarily engaged in the business activities of PocketNest, Inc. and PocketNest RIA. Ms. Willis is also the President of PocketNest, Inc., a Fintech provider which offers licensing of its proprietary automated financial education platform to unaffiliated banks, credit unions and other financial service firms. In addition, non-financial entities may also utilize the firm's fintech to provide comprehensive financial education to their employees. PocketNest, Inc. is 100% owner of Pocknest RIA, LLC

Ms. Willis holds two paid board positions at the following companies: Mt. Elliot Cemetery Association and First Independence Bank. While the time spent on these activities may vary through the year, it may involve up to 5 hours (each) per month.

## **ITEM 5: ADDITIONAL COMPENSATION**

As described in its Form ADV 2A Brochure, PocketNest RIA accepts compensation from unaffiliated entities for client referrals on a fully disclosed basis. Therefore, Ms. Willis indirectly receives referral-based compensation as the Adviser's registrant. Ms. Willis' also receives compensation for the other business activities in connection with PocketNest, Inc., as described above.

## **ITEM 6: SUPERVISION**

As the Chief Compliance Officer of PocketNest RIA, Ms. Willis has a vested interest in the firm's internal compliance and risk management program. PocketNest RIA takes the issue of compliance and risk management seriously. The Adviser's supervisory system establishes clear lines of authority, accountability and responsibility. The Adviser maintains clear lines of authority, accountability, and responsibility. Clients are welcome to contact Ms. Willis with questions or concerns in connection with the Adviser's

services, staff monitoring, and the Adviser's internal compliance program. Ms. Willis' contact information is listed on the first page of this Brochure.

## **ADDITIONAL INFORMATION: DESIGNATION INFORMATION**

### **MINIMUM QUALIFICATIONS FOR THE CFP® DESIGNATION**

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to obtain the certification. It is recognized in the United States (U.S.) and a number of other countries for its:

- 1) high standard of professional education
- 2) stringent code of conduct and standards of practice; and
- 3) ethical requirements that govern professional engagements with clients.

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

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

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

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

professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Note: The Certified Financial Planner™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

## **MINIMUM QUALIFICATIONS FOR THE CPWA® DESIGNATION**

The Certified Private Wealth Adviser™ (CPWA®) designation signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for the professional designation, which is centered on private wealth management topics and strategies for high-net-worth clients. The designation is administered through Investment Management Consultants Association (IMCA).

Prerequisites for the CPWA® designation are:

- A Bachelor's degree from an accredited college or university or
- Applicants must hold one of the following designations or licenses: CIMA®, CIMC®, CFA®, CFP®, ChFC®, or CPA license
- Applicants must have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements and
- Five years of experience in financial services or delivering services to high-net worth clients.

CPWA® designees have completed a rigorous educational process that includes self-study requirements, an in-class education component, and successful completion of a comprehensive examination. CPWA® designees are required to adhere to IMCA's Code of Professional Responsibility and the Rules and Guidelines for Use of the Marks. CPWA® designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification.