

*This brochure provides information about the qualifications and business practices of Falcon Wealth Planning, Inc.. If you have any questions about the contents of this brochure, please contact us at (855) 963-2526 or by email at: [info@falconwp.com](mailto:info@falconwp.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 Falcon Wealth Planning, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Falcon Wealth Planning, Inc.'s CRD number is: 174092.*

# Falcon Wealth Planning, Inc.

## Firm Brochure - Form ADV Part 2A

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

Version Date: 09/28/2021

## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Falcon Wealth Planning, Inc on March 09, 2021 are described below. Material changes relate to Falcon Wealth Planning, Inc.'s policies, practices or conflicts of interests.

- Falcon Wealth Planning, Inc. has updated Description of Advisory business (Item 4).
- Falcon Wealth Planning, Inc. has updated Brokerage Practices (Item 12).
- Falcon Wealth Planning, Inc. has removed Scottrade, Inc. as a custodian, and has added Betterment Securities, Ameritas Investment Company, and TIAA-CREF Institutional Services as custodians (Item 12).
- Falcon Wealth Planning, Inc. had updated Review of Accounts (Item 13).
- Falcon Wealth Planning, Inc has added the custodian TD Ameritrade Institutional (Item 12 & 14).
- Falcon Wealth Planning, Inc elected to participate in the CARES Act's Paycheck Protection Program (Item 18.B).
- Falcon Wealth Planning, Inc has updated their discretionary Assets under management (Item 4E).
- Falcon Wealth Planning, Inc has updated their Primary Office Address (Front Page).

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business .....	1
A. Description of the Advisory Firm.....	1
B. Types of Advisory Services.....	1
C. Client Tailored Services and Client Imposed Restrictions .....	2
D. Wrap Fee Programs.....	2
E. Assets Under Management.....	2
Item 5: Fees and Compensation.....	3
A. Fee Schedule.....	3
B. Payment of Fees.....	4
C. Client Responsibility For Third Party Fees.....	4
D. Prepayment of Fees .....	4
E. Outside Compensation For the Sale of Securities to Clients.....	4
Item 6: Performance-Based Fees and Side-By-Side Management .....	5
Item 7: Types of Clients .....	5
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss .....	5
A. Methods of Analysis and Investment Strategies.....	5
B. Material Risks Involved .....	6
C. Risks of Specific Securities Utilized .....	7
Item 9: Disciplinary Information .....	8
A. Criminal or Civil Actions.....	8
B. Administrative Proceedings .....	8
C. Self-regulatory Organization (SRO) Proceedings .....	8
Item 10: Other Financial Industry Activities and Affiliations.....	8
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	8
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	9
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	9
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections .....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
A. Code of Ethics.....	9
B. Recommendations Involving Material Financial Interests .....	10

C.	Investing Personal Money in the Same Securities as Clients.....	10
D.	Trading Securities At/ Around the Same Time as Clients' Securities .....	10
Item 12:	Brokerage Practices.....	10
A.	Factors Used to Select Custodians and/or Broker/Dealers .....	10
1.	Research and Other Soft-Dollar Benefits .....	10
2.	Brokerage for Client Referrals .....	11
3.	Clients Directing Which Broker/Dealer/Custodian to Use .....	11
B.	Aggregating (Block) Trading for Multiple Client Accounts .....	11
Item 13:	Reviews of Accounts .....	11
A.	Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	11
B.	Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	12
C.	Content and Frequency of Regular Reports Provided to Clients.....	12
Item 14:	Client Referrals and Other Compensation .....	12
A.	Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	12
B.	Compensation to Non – Advisory Personnel for Client Referrals.....	12
Item 15:	Custody.....	13
Item 16:	Investment Discretion .....	14
Item 17:	Voting Client Securities (Proxy Voting).....	14
Item 18:	Financial Information.....	15
A.	Balance Sheet .....	15
B.	Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	15
C.	Bankruptcy Petitions in Previous Ten Years .....	15

## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Falcon Wealth Planning, Inc. (hereinafter “FWP”) is a Corporation organized in the State of California.

The firm was formed in March 2015, and the principal owner is The Falcon Family Revocable Living Trust.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

FWP offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. FWP creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

FWP evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. FWP will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

FWP seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of FWP’s economic, investment or other financial interests. To meet its fiduciary obligations, FWP attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, FWP’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is FWP’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### ***Selection of Other Advisers***

FWP has discretion to choose third-party investment advisers to manage all or a portion of the client’s assets. Before selecting other advisers for clients, FWP will always ensure

those other advisers are properly licensed or registered as an investment adviser. FWP conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. FWP then makes investments with a third-party investment adviser by investing with the third-party adviser. FWP will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning, estate, budget, goal, cash flow planning; and debt/credit planning.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

### **C. Client Tailored Services and Client Imposed Restrictions**

FWP offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent FWP from properly servicing the client account, or if the restrictions would require FWP to deviate from its standard suite of services, FWP reserves the right to end the relationship.

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

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. FWP does not participate in any wrap fee programs.

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

FWP has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$411,375,333.00	\$2,746,440.00	September 2021

## Item 5: Fees and Compensation

### A. Fee Schedule

Lower fees for comparable services may be available from other sources.

#### *Asset-Based Fees for Portfolio Management*

Total Assets Under Management	Quarterly Fee
\$0 - \$350,000	0.5000%
\$350,001 - \$500,000	0.4375%
\$500,001 - \$750,000	0.3750%
\$750,001 - \$1,000,000	0.2875%
\$1,000,001 - \$2,000,000	0.2500%
\$2,000,001 - \$5,000,000	0.1875%
\$5,000,001 And Up	0.1625%

FWP will charge an extra 0.25% for all non-discretionary accounts. FWP charges a minimum fee of \$2,500 annually. These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of FWP's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 5 days' written notice.

FWP uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

#### *Selection of Other Advisers Fees*

FWP will receive its standard fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between FWP and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

These fees are negotiable.

FWP may engage in the selection of third-party money managers, but does not have any such arrangements in place at this time. This service may be canceled with 5 days' notice.

### ***Financial Planning Fees***

FWP charges \$250 to \$500 per hour, with a minimum planning fee of \$2,500. Clients may terminate the agreement without penalty for a full refund of FWP's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

### ***Payment of Selection of Other Advisers Fees***

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check. Financial planning fees are paid in advance, but never more than six months in advance.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by FWP. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

FWP collects fees in advance, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither FWP nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.



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

FWP does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

FWP generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

### ***Minimum Account Size***

There is no account minimum for any of FWP's services.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

FWP's methods of analysis include fundamental analysis, technical analysis and modern portfolio theory.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### ***Investment Strategies***

FWP uses long term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

## **B. Material Risks Involved**

### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies*

FWP's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that

an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisers:** Although FWP will seek to select only money managers who will invest clients' assets with the highest level of integrity, FWP's selection process cannot ensure that money managers will perform as desired and FWP will have no control over the day-to-day operations of any of its selected money managers. FWP would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

FWP's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither FWP nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither FWP nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Gabriel Shahin is the General Partner and a Business Consultant of Falcon Wealth Tax Services, an accounting firm. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Falcon Wealth Planning, Inc. always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of Falcon Wealth Planning, Inc. in such individual's outside capacities.

Michael Jensen is a licensed insurance agent. From time to time, Michael Jensen will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Beacon Pointe Insurance Services, LLC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any representative of Beacon Pointe Insurance Services, LLC in such individual's outside capacities.

Gabriel Shahin and Michael Jensen are partners of Falcon Wealth Planning OC, LLC.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

FWP has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Clients will pay FWP its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between FWP and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. FWP will always act in the best interests of the client, including when determining which third-party investment adviser to recommend

to clients. FWP will ensure that all recommended advisers are licensed or notice filed in the states in which FWP is recommending them to clients.

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

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

FWP has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. FWP's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

FWP does not recommend that clients buy or sell any security in which a related person to FWP or FWP has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

As part of its Code of Ethics, FWP has implemented a restricted list to ensure that neither the adviser nor its representatives will trade in securities that FWP also recommends to clients.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

Please see Item 11.C above.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on FWP's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and FWP may also consider the market expertise and research access provided by the broker-

dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in FWP's research efforts. FWP will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

FWP recommends TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC ("TD Ameritrade"). TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer.

### ***1. Research and Other Soft-Dollar Benefits***

FWP does not receive products or services other than execution ("soft dollar benefits") from a broker-dealer or third-party for generating commissions.

### ***2. Brokerage for Client Referrals***

FWP receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

FWP will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC/NFA, Charles Schwab, Ameritas Investment Company, TIAA-CREF Institutional Services, and MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer, member SIPC, will be the qualified custodian for client accounts using Betterment LLC and/or Betterment Institutional.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If FWP buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, FWP would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. FWP would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for FWP's advisory services provided on an ongoing basis are reviewed at least quarterly by Gabriel A. Shahin, Principal with regard to clients' respective investment policies and risk tolerance levels. All accounts at FWP are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Gabriel A Shahin, Principal. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, FWP's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of FWP's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. FWP will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

## **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)**

FWP does not receive any economic benefit, directly or indirectly from any third party for advice rendered to FWP's clients.



FWP participates in the institutional advisor program (the “Program”) offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. FWP receives some benefits from TD Ameritrade through its participation in the Program.

As part of the Program, FWP may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between FWP’s participation in the Program and the investment advice it gives to its clients, although FWP receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving FWP 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 FWP’s 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 FWP by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by FWP’s related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit FWP but may not benefit its client accounts. These products or services may assist FWP in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help FWP manage and further develop its business enterprise. The benefits received by FWP or its personnel 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, FWP endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by FWP or its related persons in and of itself creates a conflict of interest and may indirectly influence FWP’s choice of TD Ameritrade for custody and brokerage services.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

FWP does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

FWP will ensure that the compensated person will be properly registered as a solicitor and follow CCR 260.236(c)(2) requirements.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, FWP will be deemed to have limited custody of client's assets and must have written authorization from the

client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Because client fees will be withdrawn directly from client accounts, FWP will:

(A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.

(C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Custody is also disclosed in Form ADV because FWP has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, FWP will follow the safeguards specified by the SEC rather than undergo an annual audit.

### **Item 16: Investment Discretion**

FWP provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, FWP generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Where FWP does not have discretionary authority to place trade orders, FWP will secure client permission prior to effecting securities transactions for the client's account.

FWP will also have discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client's account.

### **Item 17: Voting Client Securities (Proxy Voting)**

FWP acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. FWP will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. FWP may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances

may vary, FWP may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a material conflict of interest between FWP and a client, then FWP will determine how to vote that proxy and whether the conflict of interest will be disclosed to the client.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting FWP in writing and requesting such information. Each client may also request, by contacting FWP in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

## **Item 18: Financial Information**

### **A. Balance Sheet**

FWP neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

In light of the COVID-19 coronavirus and historic decline in market values, FWP elected to participate in the CARES Act's Paycheck Protection Program ("PPP") to strengthen its balance sheet. FWP utilized this loan predominantly to continue payroll for the firm and ultimately obtained loan forgiveness per the terms of the PPP. Due to this and other measures taken internally, FWP was able to operate and continue serving its clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

FWP has not been the subject of a bankruptcy petition in the last ten years.