



## **PART 2A OF FORM ADV – BROCHURE**

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This Brochure provides you information about the qualifications and business practices of Planning Alternatives, Ltd. (referred to in this Brochure as “us,” “we,” “our” or the “firm”). If you have any questions about the contents of this Brochure, please contact our Compliance Department at (248) 645-1520 or [info@planningalt.com](mailto:info@planningalt.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

Additional information about us also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **ITEM 4: ADVISORY BUSINESS**

### **Our Owners and Principals**

Planning Alternatives, Ltd. has been providing investment management and financial planning services to our clients since 1982.

We must inform you of any persons owning twenty-five percent (25%) or more of our firm's outstanding stock. Nathan Mersereau owns more than twenty-five percent (25%) of our firm's stock.

### **Our Advisory Services**

We offer wealth management services, explained in more detail below.

#### ***Wealth Management Services***

Our wealth management services include financial planning and consulting services, investment management services and advisory services.

#### ***Financial Planning and Consulting Services***

We provide you with financial planning services to include financial analysis and recommendations to guide you toward achievement of your objectives. Financial planning services include an initial analysis of the following planning areas, as may be applicable: financial independence, retirement income, investment planning, cash management, tax position, insurance and estate planning, education planning, real estate planning, debt management and planning for business owners. We consult with you to gather information about your current financial situation, goals, objectives, risk tolerance, and any special or particular circumstance unique to you. When we provide financial planning services, we will rely on the accuracy and completeness of all information you provide to us. We will not verify this information when preparing our recommendations.

As part of your financial plan, we may recommend the services of other professionals to implement our recommendations. While recommending our own services is a conflict of interest, you are under no obligation to act upon any of our recommendations and you are not required to engage the services of any recommended professional, including us as an investment manager. You retain absolute discretion over all financial planning implementation decisions and may accept or reject any of our recommendations. It is your responsibility to notify us promptly if there is any change in your financial situation or investment objectives so that we may review, evaluate, or revise our previous recommendations.

#### ***Investment Management Services***

We provide investment management services for clients on a discretionary basis. If you engage us, we will assist you in gathering information about your current financial situation, goals, objectives, risk tolerance, and any special or particular circumstance unique to you. We

will use this information to prepare an investment policy statement (IPS). Based upon your IPS we will generally recommend investment in risk-based portfolios. We request that you promptly update us, in writing, of any changes to your financial goals or financial circumstances. You may impose restrictions on investing in certain securities or types of securities.

We utilize a variety of investment strategies, depending on your circumstances, financial objectives, and risk tolerance. We follow the philosophical foundation of Modern Portfolio Theory to create portfolios that are globally diversified across multiple asset classes. We are cost conscious and look to implement low cost investment solutions whenever appropriate.

We may implement these strategies using mutual funds, Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs), as well as other investment vehicles. We promote portfolio diversification across various asset classes such as equities, bonds, and alternative strategies. We may recommend periodic purchases, sales, and exchanges of those investments when there are changes in your needs, the economy, or in market conditions.

While we do not typically manage direct investments and non-liquid instruments like limited partnerships or private equity, we may offer consultation and review of these offerings upon your request, to determine the appropriateness of the investment.

We will take into consideration the factors and regulations prescribed by the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) for retirement plans that are subject to ERISA.

### ***Investment Management as 3(38) Fiduciary Manager for Qualified Plans***

We provide investment management services to qualified retirement plans which are subject to ERISA. As part of our services to qualified plans, we will act as a fiduciary of the plan under Section 3(21)(A)(ii) and as an Investment Manager under Section 3(38) of ERISA. As a 3(38) investment manager, you give us discretionary authority to manage your plan’s assets. This means that you shift your fiduciary responsibility to us for the selection of your investments.

For all qualified plan clients, we start by assisting with the creation and maintenance of your IPS. Any limitations or restrictions applicable to the investments or our services may be placed in your IPS. We then use our investment process to select and recommend the mutual funds and, at times, ETFs that comprise your plan’s investment menu. We ensure that the recommended investment options are permitted investments under your IPS. We monitor the performance of all investment options.

### ***Recommendation to Rollover and/or Transfer Retirement Assets***

We act as an “investment advice fiduciary” under Employment Retirement Income Security Act, as amended (“ERISA”) and the Internal Revenue Code of 1986, as amended (the “Code”) when we provide fiduciary investment advice to retirement investors. Retirement investors include ERISA plans, participants and individual retirement account (“IRA”) owners.

When we make a recommendation to rollover or transfer a retirement plan account or individual retirement account including, Health Savings Accounts (“HSAs”), Medical Savings Accounts (“MSAs”) and Coverdell Education Savings Accounts (“Educational IRAs”), we must provide prudent investment advice designed to meet the retirement investor’s investment goals. In addition, we must among other requirements put the retirement investor’s financial interest ahead of our own interest when making such recommendations and avoid misleading statements about conflicts of interest, fees, and investments.

A retirement investor leaving an employer has four options regarding an existing retirement plan (and under certain circumstances may engage in a combination of the following options). Our investment adviser representative will provide general education for discussion purposes regarding the “pros and cons” to each of these choices: (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an IRA, or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If we recommend a roll over from a retirement plan account or a transfer of an IRA account into an account to be managed by us, such a recommendation creates a conflict of interest if the retirement investor accepts the recommendation as we earn a fee on the market value of the rollover or transferred IRA which would not be earned if the money was not placed under our management.

### ***Advisory Services***

We charge an all-inclusive advisory fee for advice provided to clients with respect to the asset allocation and investment selection for clients’ Section 401(k), 401(a), 403(b), 457(b), 529 plans, variable annuities, and other client accounts (“Advisory Accounts”).

You may engage us on an ongoing basis for advisory services as part of our investment management services to monitor and review your Advisory Accounts. With your authorization we will review your account not less than quarterly, according to your pre-approved allocation guidelines documented in your IPS and make changes if appropriate.

### ***Selection of Other Investment Managers***

We may also recommend investment platforms available through unaffiliated third-party investment management firms in an effort to help you meet your investment objectives. Based upon your individual needs and objectives, we will recommend strategies, provide advice regarding the selection of the third-party investment advisors, managers, mutual funds and other investment products. If our services to you include the use of these managers or strategies, you will typically sign an agreement with them in addition to the advisory agreement you will sign with us. In such cases, we remain the primary advisor and contact for you even while you utilize the services of outside firms. We will monitor and report on investments for some or all of your accounts managed by other investment advisors based upon our agreement with you. You are under no obligation to act upon any of our recommendations.

## **Assets Under Management**

We manage your assets on either a discretionary or a nondiscretionary basis. As of December 31, 2021, we had \$ \$1,219,942,741 in client assets managed on a discretionary basis.

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

### **Wealth Management Fee Schedule**

We charge one all-inclusive annual management fee for investment management, financial planning, and advisory services. There are no hidden fees, and no trailing fees. Family member house-holding of tiered billing rates is available.

Although our fees for our services may be negotiated under certain circumstances, our standard fee schedule is as follows:

#### **Wealth Management Fee Schedule**

<i><u>Value of Account(s)</u></i>	<i><u>Annual Fee</u></i>
First \$2,000,000	0.95%
Next \$3,000,000	0.75%
Next \$5,000,000	0.50%
Next \$15,000,000	0.35%
Next \$25,000,000	0.25%
Over \$50,000,000	0.20%
Minimum Annual Fee	\$5,000

The specific way we charge fees is established in our written wealth management agreement with you. Your fees will be calculated based upon the total value of the accounts managed by us using the fee schedule above. Our fees are billed quarterly, in arrears, on calendar-year quarters, based upon end of quarter value(s) of your account(s).

Because we are compensated based on the total value of assets we are managing for you, a conflict arises whenever you seek advice from us that would reduce the assets under our management-because reducing the assets under our management will, in turn, reduce our fees. For example, if you withdraw funds to pay off a home mortgage, our wealth management fees will be reduced.

### **Additional Information on Fees**

For new clients we pro-rate the fee for your first quarter based on the number of calendar days from the date of the initial contribution to the end of the quarter.

When assets are deposited or withdrawn from your account after the initial quarter, we do not adjust or pro-rate our fee with respect to such assets based on the number of days remaining in the quarter.

We may negotiate fees, in certain circumstances. Negotiated fees may be higher or lower than those described in this Brochure. In these circumstances, we will establish the negotiated fee schedule with you. We may change our fees at any time and we always have the right to amend our fees to be lower than the fees set forth in the above Fee Schedule. Any changes will only become effective after 30-days prior written notice from us, unless you terminate our agreement.

Mutual funds, ETFs, ETNs and other investments we may use typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. We generally use a combination of no-load retail and institutional class mutual funds, and ETFs which may or may not have transaction fees. Each fund's current prospectus discloses these separate fees and expenses. A copy of the prospectus is available from the fund or we can provide it to you upon request.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one level of fees to the fund and one level of advisory fees to us. Most mutual funds, ETFs, and ETNs may be purchased directly, without using our services and without incurring our advisory fees.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that you will incur. You may incur certain charges imposed by custodians, brokers, third-party investment managers and other third parties. We do not receive any compensation from these fees or commissions.

### **Investment Management as 3(38) Fiduciary Manager for Qualified Plans**

Although fees for wealth management services to our qualified plan clients may be negotiated under certain circumstances, our standard fee schedule is as follows:

#### **Qualified Plan Fee Schedule**

<i><u>Value of Account(s)</u></i>	<i><u>Annual Fee</u></i>
\$0 - \$1,500,000	0.75%
Next \$3,500,000	0.50%
Next \$5,000,000	0.35%
Amount greater than \$10,000,000	0.25%

The specific manner in which we charge fees is established in our written investment management agreement for ERISA Plans. We bill our fees quarterly, in arrears, on calendar-year

quarters, based upon the end of quarter value of the Plan assets in the account in accordance with the fee schedule above.

### **Ongoing Advisory Services**

Generally, our fees for ongoing advisory services are based on a percentage of the assets under management with the third-party adviser or in your Advisory Accounts. We charge you in accordance with our “**Wealth Management Fee Schedule**” on page 4. Our fees are billed quarterly, in arrears, on calendar-year quarters, based upon end of quarter value of the Advisory Account. We reserve the right to negotiate our fee, at our sole discretion. For investment management services provided by a third party, any fees charged by the third-party advisor are in addition to the fees charged by us.

If you choose, you may grant us the authority in the wealth management agreement to deduct our advisory fees for your account directly from your investment management custodial account.

### **Termination of Agreement**

Our wealth management agreement may be terminated without cost or penalty, within the first five business days after the date on the agreement. Thereafter, you may terminate the agreement at any time by giving us 30 calendar days’ prior written notice, and we may terminate the agreement at any time by providing you 30 calendar days’ prior notice. Termination of our agreement shall not affect liabilities or obligations incurred from transactions initiated under our agreement prior to the termination date, such as the investments we purchase for your account. You are responsible for any cost incurred in transferring assets from your account to a different account and any management fees accrued and unpaid at the time of termination. After the termination date, we shall have no further duties or obligations to you under our agreement.

In the event of termination, fees are calculated on a pro-rata basis, according to the terms of the wealth management agreement.

### **Direct Billing to Your Custodian**

With your authorization, we will directly debit fees from your accounts or bill you for our fees. Generally, our clients authorize us under the wealth management agreement to deduct our fees directly from their account. If you provide us such authorization, the custodian’s periodic statements will show each fee deduction from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying your custodian or us in writing. Fees paid directly by check are due upon receipt of the fee invoice.

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

We do not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of your assets).



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

We provide wealth management services to, high net worth individuals, individuals, pension and profit-sharing plans, trusts and estates, charitable institutions, foundations, corporations and other business entities.

These services are intended to assist you in making financial and investment decisions within the context of your entire financial circumstances. To that end, we need you to provide us with all the necessary financial and personal information that is required to make the appropriate recommendations. Therefore, wealth management services may not be possible, if you do not provide all your financial information or fail to regularly update us regarding changes to your financial situation.

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

### **Methods of Analysis**

We purchase research and conduct our own research, utilizing fundamental technical analysis techniques to evaluate markets and individual securities. We assess national and global macroeconomic conditions to help determine which asset classes, sectors, and industries to utilize in our portfolios. We also analyze a number of quantitative and qualitative factors for the mutual funds, ETFs, ETNs and other investments we select for your account.

Fundamental analysis is a technique that attempts to determine a company's value by focusing on their economic well-being; particularly its ability to generate future cash flows. Because it can take a long time for an investment's value to be reflected in the market, there is the risk that a gain may never be realized while we hold it.

Technical analysis analyzes data such as price, volume and other market information to study the supply and demand in the market for securities. By comparing existing data trends to those of the past, we hope to capitalize on trends as they become evident. There is a risk that past trends will not hold true in the future, and that they may change unpredictably.

We obtain information from several sources, including information that is publicly available information and available for sale. These sources include research materials prepared by third parties, corporate rating services, annual reports, prospectuses and filings with the SEC, company press releases and financial newspapers and magazines. We believe these resources for information are reliable. We regularly depend on them for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Third-party money managers will have their own methods of analysis, investment strategies and unique investment risks that you should review and consider before investing. If we recommend that you use a third-party manager, please refer to their ADV Brochure and associated disclosure documents for details on their particular strategy, analysis methods and

risks. We perform due diligence on our approved third-party managers to determine appropriateness, but reserve the right to add or remove managers as necessary to serve our clients.

### **Types of Investments and Risk of Loss**

We may offer advice about a wide variety of investments including stocks, bonds, municipal securities, corporate securities, mutual funds, index funds, ETFs, ETNs, and fixed and variable annuities. Each investment has differing risk types and magnitude. We review these risks with you to determine an investment mix best suited for your situation.

Be aware that investing in securities involves risk of loss. Pursuing higher rates of return on investments typically entails accepting higher levels of risk.

We cannot foresee all potential risks, and many more exist than listed below. However, these are the most common risks investors face:

**Interest-rate Risk:** Fluctuations in interest rates will cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds tend to become less attractive, potentially causing their market values to decline.

**Market Risk:** The price of a security, may drop in reaction to market events. This type of risk is caused by external factors independent of a security's particular circumstances. For example, political, economic and social conditions may trigger market events.

**Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar in the future, because purchasing power is eroding at the rate of inflation. Your investment will lose value, if it is not keeping pace with inflation.

**Currency Risk:** Overseas international investments are subject to fluctuations between the dollar and other currencies. This is also referred to as exchange rate risk.

**Reinvestment Risk:** The risk that proceeds from maturing investments may have to be reinvested at a potentially lower rate of return. This primarily affects fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. As an example, pharmaceutical companies depend on developing new drugs (a lengthy and expensive process) which may or may not be successful, thus affecting future profits. Their risk of a profit shortfall is typically greater than an electric company, which tends to generate a more predictable income from customers.

**Liquidity Risk:** Liquidity is the ability to quickly convert an investment into cash without affecting the asset's price. For example, Treasury Bills are highly liquid, while real estate is not.

**Financial Risk:** Excessive borrowing to finance business operations increases the risks to profitability, because the company must consistently meet the terms of its debt obligations. The inability to meet debt obligations may result in declining market value of the company's debt and equity securities. In extreme circumstances, even bankruptcy may result.

We construct diversified portfolios to mitigate the above risks. Nevertheless, diversification alone cannot eliminate the possibility of significant price declines. We work with you to identify the balance of risk and reward most appropriate for you. However, it is still your responsibility to ask questions, if you do not fully understand the risks associated with any investment or investment strategy.

While we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments. We cannot assure you that your investments will be profitable. Past investment performance is not a predictor of future results.

#### **ITEM 9: DISCIPLINARY INFORMATION**

As a registered investment adviser, we must inform you of all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

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

As a registered investment adviser, we must disclose information regarding our business activities, other than giving investment advice, and financial planning, or our other activities in the financial industry, and any arrangements with related persons that are material to you or our advisory business. We are also required to disclose if we receive cash or other economic benefits from a third party in connection with advising you. We have nothing to disclose for this item.

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

We have adopted a Code of Ethics (the "Code"). The Code sets forth the standards of business conduct that we expect all officers, directors, employees, and investment adviser representatives to follow. The Code also describes certain reporting requirements with which particular individuals associated with or employed by us must comply.

Our principals and representatives will often own the same securities we recommend to you. Generally, these securities will be open-ended mutual funds, ETFs, individual stocks and bonds traded on a national securities exchange where the time and size of their purchases or sales will not affect transactions for you or our other clients.

If we do recommend the purchase or sale of a thinly traded security to you, we will ensure that our principals' and representatives' transactions do not adversely affect you nor improperly benefit them. We typically mitigate this risk by completing our principals' and representatives' transactions after all your transactions have been made. Orders for your account may sometimes be aggregated or "batched" into one large order, as described in "**ITEM 12: BROKERAGE PRACTICES**" below.

We will provide the current copy of the Code to you upon request. You may request a copy of our Code by contacting our Compliance Department at (248) 645-1520.

## **ITEM 12: BROKERAGE PRACTICES**

### **Directed Brokerage & Soft Dollars**

We recommend and have established brokerage relationships with Charles Schwab & Co., Inc. ("Schwab"), Fidelity Institutional Wealth Services ("Fidelity"), and TIAA Individual & Institutional Services, LLC ("TIAA") registered broker-dealers for custodian and brokerage services. We have evaluated each of these brokers and have determined they offer our clients a variety of services, financial stability and competitive commission rates. We are not affiliated with Schwab, Fidelity or TIAA and we do not receive remuneration from any broker (including Schwab, Fidelity or TIAA). From time to time, we may evaluate other brokers to determine if a better combination of services and costs are available.

In certain client arrangements, their employer sponsored retirement plans may utilize TIAA or Fidelity for custodial services. We do not choose the menu of investments on such plans. The plan sponsor (for example the employer) dictates the available investment choices, and we select from those investments options to construct portfolios in line with client objectives. We receive account-level data feeds from Fidelity and TIAA. Fidelity and TIAA serve as custodians and their documents serve as official records.

In selecting custodians, we consider not only their execution capabilities, financial responsibility and responsiveness to instructions, but also their full range of services provided, including services that do not directly benefit clients. For example, Schwab makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements);
- Facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- Provides pricing and other market data;
- Facilitates payment of our fees from our clients' accounts; and
- Assists with back-office functions, recordkeeping, and client reporting.

Our custodians offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events;
- Consulting on technology and business needs;
- Consulting on cybersecurity and compliance related needs;
- Publications and conferences on practice management and business succession; and
- Marketing consulting and support.

Our custodians provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us.

Our custodians also discount or waive their fees for some of these services or pay all or a part of a third party's fees. Our custodians also provide us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

We have not and do not intend to enter into any contractual third-party soft-dollar arrangements, such as committing to place a specific level of brokerage with a specific firm in return for various research related products or services that are generally available for cash purchase. For example, we have received discounts on software applications as a result of participating in Schwab Advisor Services, previously known as Schwab Institutional Service program. The benefits received through participation in the Schwab program do not depend upon the amount of transactions or assets directed to Schwab.

### **Specified Broker-Dealer of Choice**

You may request us to utilize a specified broker-dealer of your choice to execute transactions in your account. If we approve this arrangement, you should understand the following:

- You will be solely responsible for negotiating the terms and arrangements on which those broker- dealers are engaged, and we will have no responsibility for reviewing the fairness of those terms and arrangements;
- We will not seek better execution services or prices from other broker-dealers in connection with transactions for your account;
- We will not be able to “batch” or “aggregate” transactions for your account with transactions for our other clients not subject to a similar such arrangement;
- We will not monitor the performance of or the services provided by the brokers and dealers so designated; and
- You may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case.

However, we may seek better execution services or prices from other broker-dealers or “batch” your transactions for execution, if such action is required by law or fiduciary duties. These laws or duties include but are not limited to, the fiduciary duty provisions under ERISA, if you are a plan subject to ERISA, or if the designated broker -dealer is unable or unwilling to effect a particular transaction or transactions, which may occur with certain transactions involving fixed-income securities.

### **Research**

From time to time, one of our Investment Committee members may participate in conferences sponsored by mutual fund families or other financial industry firms. Their sponsorship may provide a benefit to us by reducing or eliminating the conference fee, travel expenses and/or hotel accommodations. Our Investment Committee approves such events in advance. We may use the research from these sponsored conferences to service accounts. Although this could potentially create a conflict of interest, we mitigate this risk by making investment decisions through the Committee, where each committee member has only one vote.

### **Aggregation of Orders**

We have adopted a trade allocation policy to govern how we handle the aggregation of orders for more than one client’s account. We regularly aggregate orders for securities transactions for more than one client. In doing so, we strive to treat each client fairly and will not favor one client or a proprietary account over another client. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is for our administrative convenience and to seek better execution for the aggregated order than might be achieved by processing each of the transactions separately.

Clients having a directed brokerage relationship may not obtain as good a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will participate at the average share price for all the transactions submitted in that order by us in that security. If permitted by the broker-dealer effecting the transaction, transaction costs will be shared on a pro-rata basis. Some broker-dealers charge brokerage commissions to each participating client in accordance with the size of that client's order, regardless of the total size of the aggregated order.

If the aggregated order is partially filled, then each account will participate in the aggregated order on a pro-rata basis, unless such a method will, in our opinion, work adversely to the benefit of a significant number of clients or adversely affect certain clients. A client could be adversely affected if the client would only be allocated a few shares and the trading costs would outweigh the benefit of purchasing shares for your account. In that event, we will implement a rotational system for allocating recommendations among clients who invest in a similar investment strategy. On a partially filled order using a rotational method for allocating a partial fill, we will start with different accounts from the previous rotational allocation.

### **Trade Rotation**

Trade rotation systems are used to ensure that clients are treated fairly and to show that no one group of clients is favored over another group of clients. We use multiple custodians and trading accounts, so it is not possible for us to trade all accounts simultaneously. Therefore, a trade rotation policy and procedure has been instituted to provide all clients' fair treatment in the execution of aggregated or "batched" trades initiated by our Investment Committee for our model portfolios. Trades initiated by a client's cash deposit or request for a cash withdrawal, or any client-initiated change in their portfolio strategy, which may be "batched" for administrative convenience, will not be subject to our trade rotation procedure.

Trades of open-ended mutual funds, initiated by our Investment Committee for our model portfolios, will be entered on the same day. Since all orders, for an open-ended mutual fund, placed the same day receive the same price, these security trades are not covered by this rotation policy.

### **Trade Error Policy**

We have the responsibility to process trade orders correctly, and promptly and to ensure the best interests of our clients are served. In the event an error occurs in the handling of any client transaction, due to our action, inaction, or actions of others, our policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting us.

Generally, if related trade errors result in both gains and losses in the client's account, they will be netted. Our primary custodians are Schwab, Fidelity and TIAA; their policies differ on the treatment of trade error corrections.

Trade Error Losses - If a trade error occurs at Schwab or Fidelity because of our actions and it results in a loss in the client's account, the client's account is reimbursed for the entire amount of the loss as soon as practical after the discovery of the error. In the case of Fidelity, all losses are charged to our trade error account. In the case of Schwab, if the loss is greater than \$100, Schwab will invoice us. If the loss is less than \$100, Schwab will absorb it to reduce their administrative time and expense. If a trade error occurs at TIAA as a result of our actions and it results in a loss in the client's account, then we would incur all costs associated with the error. If a trade error occurs at TIAA because of TIAA's actions, TIAA would incur all costs associated with the error.

Trade Error Gains - If a trade error at Schwab results in a gain of less than \$100, Schwab will retain the gain to reduce its administrative time and expense. If a trade error results in a gain of more than \$100, the gain will remain in the client's account, unless the same error involved other client account(s) that should have received the gain or it is not permissible for the client to retain the gain. If the gain does not remain in the client's account, Schwab will donate the amount of any gain of \$100 or more to charity. Fidelity collects the costs of all trade errors in a separate error account and nets all gains and losses. All net losses are charged to Planning Alternatives and all net gains are donated to charity. Fidelity typically processes these through the error account twice per year. Planning Alternatives may select a charity to receive funds from the Fidelity approved list; Fidelity uses a default selection if one is not designated by Planning Alternatives. If a trade error occurs at TIAA and it results in a gain in the client's account, then the client is awarded the full amount of the gain.

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

Our Investment Committee meets on a regular basis to review and make investment decisions, including asset allocation recommendations. Whenever the committee deems it necessary, we will make investment changes to your account.

If we provide you with investment management services, on an annual basis, our investment adviser representatives will request a review with you to discuss any material changes in your circumstances. At your request, we will also initiate a review of your account(s). If appropriate, we will update your IPS and make any necessary adjustments to your investment strategy. Reviews may involve entire accounts, or just specific securities held. It is our belief that regular meetings with our clients allows us to deepen our understanding of each client's financial situation which allows us to provide them with tailored advice aimed at helping them reach their goals.

### **Client Reports**

When we provide you with wealth management services, we generally send asset position statements quarterly with a detailed performance report along with a benchmark performance comparison. As described in more detail in "ITEM 15: CUSTODY" beginning on



page 16, we urge you to review your custodial statements. Please be reminded that the custodial statements are the report of record. Our reports are for informational purposes.

For qualified plans, your custodian will provide you with monthly statements that contain your investments and transactions. In addition, these statements will include earnings, gains, losses and any expenses or fees that we charge or credit.

In addition, both Planning Alternatives and your custodian provide optional online access to your accounts where you may review your investments, account balances, fees, activity, tax statements, etc. at any time.

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

### **Other Third-Party Solicitors**

We may engage solicitors to market our services. If we do so, you will receive a separate solicitor's disclosure brochure describing our solicitation arrangements, the compensation we pay to the solicitor, and the terms of that relationship. You will also receive a copy of this Brochure. Solicitor compensation may be paid during a specified period after we begin providing advisory services to you or for the entire time that you remain one of our clients. The solicitor will therefore have a financial incentive to recommend our advisory services over other programs or services. The amount of this compensation may be more than the amount the solicitor would receive if you participated in other programs or paid separately for investment advice, brokerage and other services.

Generally, the fee earned by the solicitor is paid out of the normal and customary fee schedule charged by us, which would not result in an increase of the fee to you.

### **Schwab Advisor Network®**

Previously, we received client referrals from Schwab through participation in Schwab Advisor Network®. The Schwab Advisor Network® (SAN) is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with us. Schwab does not supervise us and has no responsibility for our management of client portfolios or our other advice or services. We continue to pay Schwab fees for the previous client referrals received through the Schwab Network. Although we are not a member, and no longer accept referrals from the Schwab Network, this arrangement raises potential conflicts of interest described below.

We pay Schwab a participation fee on all referred clients' accounts that are maintained in custody at Schwab and a custody fee on all accounts that are maintained at or transferred to a custodian other than Schwab. The participation fee paid by us is a percentage of the fees the client owes to us or a percentage of the value of the assets in the client's account, subject to a minimum participation fee. We pay Schwab the participation fee during the time the referred client's account remains in custody at Schwab and we remain the investment manager. The

participation fee is billed to us quarterly and may be increased, decreased, or waived by Schwab from time to time. The participation fee is paid by us and not by the client. We have agreed not to charge clients referred through the Schwab Network fees or costs greater than the fees or costs we charge clients with similar portfolios who were not referred through the Schwab Network.

We generally pay Schwab a custody fee even if Schwab does not maintain the referred account, or assets in the account are transferred from Schwab. This fee does not apply if the client was solely responsible for the decision to move the assets away from Schwab. The custody fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The custody fee is higher than the participation fees we generally would pay in a single year. Thus, we will have an incentive to recommend that clients referred to us by Schwab use Schwab for custodial services.

Both the participation and custody fees will be based on assets in accounts of our clients who were referred by Schwab as well as the accounts of family members living in the same household. Thus, we will have an incentive to encourage household members of clients referred through the Schwab Network to maintain custody of their accounts and execute transactions at Schwab.

For accounts of our clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from the client in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, we have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. We, nevertheless, acknowledge our duty to seek best execution of trades for client accounts.

In addition, as described in more detail in the “**Directed Brokerage & Soft Dollars**” section beginning on page 10, we receive various other benefits and services from Schwab and Fidelity.

#### **ITEM 15: CUSTODY**

We do not maintain custody of client assets. Rather, each client appoints a qualified custodian to take possession of all client funds and securities. We do not accept cash or securities. We have procedures in place to direct employees regarding the inadvertent receipt of any client funds or securities. Nevertheless, we are deemed to have custody when we are authorized, by the client, to directly debit our advisory fees from the client's custodian account. We are also deemed to have custody when a client establishes a letter of instruction or other asset transfer authorization arrangement with their qualified custodian, authorizing us to disburse funds to one or more third parties specifically designated by the client.

You will receive statements, at least quarterly, from the qualified custodian that holds and maintains your investment assets. We urge you to carefully review such official custodial records against your account statements that we may provide to you, as described in “**ITEM 13: REVIEW OF ACCOUNTS**” beginning on page 14. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **ITEM 16: INVESTMENT DISCRETION**

We generally receive discretionary authority in writing from clients at the outset of an advisory relationship via the wealth management agreement. If you choose to give us discretionary authority, you grant us the ability to determine, without obtaining your specific consent, the securities to purchase or sell for your portfolio, the amount of securities to be purchased or sold, and in most cases, the qualified custodian we use and the commission rate to be paid. In all cases, however, such discretion is to be exercised in a manner consistent with your stated investment objectives, the size of your account and your risk tolerance.

In addition, you may sign an agreement with your custodian, which generally includes a limited power of attorney. This grants us authority to direct the investment of your assets within your account, but not assets outside of your account.

As described in more detail in “**ITEM 4: ADVISORY BUSINESS**” beginning on page 1, you may establish written investment guidelines and restrictions regarding your portfolio.

#### **ITEM 17: VOTING CLIENT SECURITIES**

We do not vote proxies for clients and their custodian is instructed to send all proxies directly to the client.

If you are a qualified plan client, you will specifically undertake the responsibility of responding to or voting proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account.

#### **ITEM 18: FINANCIAL INFORMATION**

As a registered investment adviser, we must disclose certain information about our financial condition, if we have financial commitments that impair our ability to meet contractual and fiduciary obligations to you. We have not been the subject of a bankruptcy proceeding nor do we have any financial commitments that would impair our ability to meet contractual or fiduciary commitments to you.



## **ITEM 2: MATERIAL CHANGES**

We may provide this summary of material changes detailing any revision we consider material since the last annual update March 16, 2021, in lieu of sending a full copy of our Brochure to all our clients. We consider the following revision to be material. In addition to the change identified below, we have made certain other non-material changes throughout the Brochure.

### **Amendments to Form ADV Part 2A, Disclosure Brochure**

#### ***Item 4: Advisory Business***

We updated our disclosures to reflect our fiduciary duty under the Employee Retirement Income Security Act of 1974 (“ERISA”) and the Internal Revenue Code Section 4975 when we provide recommendations to rollover or transfer retirement investor’s retirement plan account or individual retirement account to us for management.

#### ***Item 18: Financial Information***

We applied for and received a loan under the Paycheck Protection Program (PPP) authorized pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Consistent with the CARES Act and related rules, we applied the PPP loan proceeds to our qualifying expenses and we have received confirmation from that the entire amount of our PPP loan has been forgiven in accordance with its terms, and we have no further obligations under that loan.

#### ***Additional Information***

To request a copy of our Brochure, please contact us at (248) 645-1520 or [info@planningalt.com](mailto:info@planningalt.com). Additional information about us is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with us who are registered, or are required to be registered, as one of our investment adviser representatives of us.