



# HERITAGE FINANCIAL PLANNING

## Part 2A of Form ADV Firm Brochure

March 2022

HFP Wealth Management, LLC  
d/b/a

### Heritage Financial Planning

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## **Item 1: Cover Page, continued**

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

Additional information about Heritage Financial Planning is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Heritage Financial Planning is 131525. Any references to Heritage Financial Planning as a registered investment adviser or its related persons as registered Advisory Representatives does not imply a certain level of skill or training.

## **Item 2: Material Changes**

This section outlines only specific material changes made by HFP Wealth Management, LLC doing business as Heritage Financial Planning, LLC (HFP and/or the Firm). This HFP Brochure provides you with a summary regarding such changes. We will ensure that you receive a summary, at the close of our Firm's fiscal year, concerning any material changes to this Brochure and our subsequent Brochures within 120 days. Furthermore, we will provide you with applicable updates regarding material changes. Our last annual updating amendment occurred in March 2021. Please note the following changes to our Brochure:

### **Item 4 B. Description of Advisory Services Offered**

- As of December 2021, the Firm implemented policies to the Department of Labor Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") regarding rollover recommendations.

### **Item 4 E. Client Assets Under Management**

- As of December 31, 2021, we have approximately \$262 million in client assets under our discretionary management for 138 clients.

A copy of our updated brochure may be requested by contacting us at 214-446-2100 and/or [info@heritagefinancialplanning.com](mailto:info@heritagefinancialplanning.com). Our brochure is available to you free of charge.

Additional information about HFP is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm's CRD/IARD number is 131525. The SEC's website provides information about any persons affiliated with HFP who are registered, or are required to be registered, as Advisory Representatives of the Firm.

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## **Item 4: Advisory Business**

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

Since its inception in July 2004, HFP operated as a Sole Proprietorship. In January 2015, the Firm's legal name was changed to HFP Wealth Management, LLC. As of 2019 Steve Blankenship maintains majority firm ownership, with A.G. Geiger Inc. owning less than ten percent of the Firm. Mr. Blankenship is the Managing Member. HFP is based in Texas and offers wealth management planning, asset management, and financial planning services in Texas and Georgia. Through its Wealth Enhancement Team, HFP offers additional services such as college admissions planning, Social Security and Medicare planning, tax planning, estate planning, insurance planning, etc.

### **B. Description of Advisory Services Offered**

HFP is strictly a fee-only financial planning and investment management firm. HFP does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The Firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

HFP provides fee-only, financial planning and asset management services to individuals and various entities. These services may be general in nature or focused on a particular area of interest or need, depending on the individual's unique circumstances.

An estimated 80 percent of our activities involve providing investment advice, which may include advice on asset allocation and ongoing asset management services. An estimated 20 percent of our activities involve providing financial advice, which may include advice on income and expense planning, tax planning, insurance planning, estate planning, retirement planning, and education planning.

We offer an initial meeting, called a Get Acquainted Meeting, which is free of charge and considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

### **Financial Planning/Consulting Services**

Our service typically begins with the financial planning process. First, we gather information about the client's personal financial situation and meet with the client to clarify the client's personal financial information and determine the client's specific needs, objectives, goals, and tolerance for risk. We then analyze the client's current financial situation and possible future scenarios, when appropriate. Next, we present a summary of significant observations, assumptions, and recommendations in each area for which we were engaged to provide advice. The engagement is concluded upon completion of this presentation.

The client may re-engage us as needed. Periodic financial reviews are recommended, and it is the client's responsibility to initiate these reviews.

A financial plan is designed to help the client with all aspects of financial planning with or without ongoing investment management after the financial plan is completed. Hourly fees are listed in *Item 5-Fees and Compensation*.

Hourly projects tend to be more focused; our fixed fee (i.e., project based) arrangements tend to be more wide ranging in the scope of the topics covered and tend to be more holistic. Fixed fees for project-based work are based on the complexity of the client's situation.

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

Detailed investment advice and specific recommendations are provided as part of a financial plan. Detailed investment advice may be written, verbal or both. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee is negotiable. Because financial planning is a discovery process, situations may arise wherein the client is unaware of certain financial exposures or predicaments that may change the scope of our engagement.

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

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they occur.

### **Asset Management Services**

Generally, asset management services are initiated only after financial planning has been completed. On occasion, asset management services may be engaged as a stand-alone service, or the financial planning work of another advisor may be deemed sufficient to proceed with asset management services.

Regarding the asset management process, first, we gather information about the client's personal financial situation and then meet with the client to clarify the client's personal financial information and determine the client's specific needs, objectives, goals, and tolerance for risk. We design a

proper asset allocation based on the client's personal financial situation. Next, we select specific investments for the recommended asset allocation. And finally, we manage the portfolio on a continuous and ongoing basis. At times, a conflict of interest may occur as HFP offers both financial plans and asset management services which may cause the client additional fees and/or expenses payable to the Firm.

HFP does not act as a custodian of client assets. HFP has standing authority for transferring funds on behalf of Firm clients (SLOA). These SLOAs have been put in place upon the client's written request and signature. However, the discretion to move money from a client's account to a third-party is outside the Firm's existing authority, if the request is not submitted by the client, in writing, affirmed by HFP and presented to the custodian. For example, the amount or timing of a disbursement request may not be on the SLOA originally submitted to the custodian; however, at a future date, a client may contact HFP requesting the adviser submit instructions to the custodian to remit a specific dollar amount from the account to the designated third-party. The process shall require additional consent as outlined by the parties. In addition, HFP meets the seven conditions the SEC has set forth that are intended to protect client assets in such situations.

HFP places trades for clients under a limited power of attorney. A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also offered to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended. It is recommended that periodic reviews be held annually but such reviews are at the discretion of the client.

The scope of work and fee for asset management services is provided to the client in writing prior to the start of the relationship.

The annual advisory fee is based on a percentage of the investable assets according to the schedule listed in *Item 5-Fees and Compensation*.

Although the Agreement is an ongoing agreement and periodic adjustments are required, the length of service to the client is at the client's discretion. The client or HFP may terminate the Agreement by written notice to the other party. At termination, fees will be billed on a pro-rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. HFP will refund any unearned prepaid fees within 30 days of written request from the client.

#### *Asset Allocation Advice and Periodic Monitoring of Outside Accounts*

When designing the proper asset allocation and managing client's overall portfolio, HFP will include those assets held with custodians in outside accounts. The client may establish an account with other financial institutions (referred to as outside accounts) such as mutual fund companies, other brokerage firms, and retirement plan providers including 401(k) accounts. These outside accounts are not held with our custodian and are not managed by HFP under the Asset

Management Services as described in this Brochure. HFP will not implement any investment recommendations. Instead, HFP will periodically provide recommendations for rebalancing or reallocation. The client is free to accept, reject, or implement any portion of the recommendations provided by HFP. The client understands that partial implementation or delayed implementation may have an impact on the performance of the account. Because HFP may not have access to the client's outside accounts, the client is responsible for providing HFP with copies or duplicate statements.

### **IRA Rollover Considerations and Recommendations**

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

We comply with the Department of Labor (DOL) Prohibited Transaction Exemption 2020-02 (PTE 2020-02) where applicable. Our firm is providing the following additional acknowledgment:

When the Adviser provides investment advice to individuals regarding a retirement plan account or individual retirement account, the firm is deemed a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way the Adviser makes money creates potential conflicts with a client's interest. Therefore, the Adviser, operates under a special rule which requires the firm to act in a client's best interest and not put the Adviser's interest ahead of the client. Under this special rule's provisions, the Adviser must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the Adviser's financial interests ahead of a client when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees and investments;
- Follow policies and procedures designed to ensure advice given is in the client's best interest;
- Charge no more than is reasonable for services; and
- Provide basic information about conflicts of interest.

The Adviser benefits financially from the rollover of a client's assets from a retirement account to an account managed by the firm. This is a primary conflict of interest because when the Adviser provides investment advice, the assets increase the firm assets under management and, in turn,



advisory fees. To meet the fiduciary responsibility the Adviser only recommends a rollover when it is deemed in the client's best interest.

### **Termination of Agreement**

HFP or a client may terminate the aforementioned agreement at any time by notifying the other party in writing. The client is financially responsible for time spent on the investment advisory engagement prior to termination. If the client made an advance payment, HFP will refund any unearned portion of the advance payment within 30 days of written request from the client.

### *Wealth Enhancement Team*

HFP may contract with various professionals to provide value-added services and expertise in a number of areas including, but not limited to, college admissions planning, Social Security and Medicare planning, tax planning, estate planning, property and casualty insurance planning, life insurance planning, health insurance planning, disability insurance planning, and business insurance planning. HFP maintains independent contractor agreements with each team member.

The Wealth Enhancement Team services are available only to those HFP clients that participate in the Firm's asset management services. Clients electing to use the services of the Wealth Enhancement Team will sign an Advisor Consent Form allowing HFP to share client information with members of the Wealth Enhancement Team as it relates to their unique situation and in relation to the work being performed by members of the Wealth Enhancement Team.

### *Educational Seminars/Workshops*

HFP may partner with members of the Wealth Enhancement Team and others to sponsor educational seminars or workshops on various topics. The seminars are generally provided to clubs, civic groups, individuals, employee groups, or other interested parties. These educational seminars are provided at no charge to the participants.

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

Each client's account is managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account, for example, restricting the type or amount of security to be purchased in the portfolio.

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

HFP does not participate in wrap-fee programs. (Wrap-fee programs offer services for one all-inclusive fee.)

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

As of December 31, 2021, we have approximately \$262 million in client assets under our discretionary management for 138 clients.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

#### A.1. Fee Schedule

Clients may engage HFP to provide discretionary investment advisory services on a fee-only basis. HFP's annual advisory fee will be based on a percentage of the market value of the assets placed under HFP's management (between negotiable and 1.00%) as follows:

<u>Account Size*</u>	<u>Annual Fee</u>
First \$ 1,000,000	1.00%
Next \$ 2,000,000	0.85%
Next \$ 2,000,000	0.75%
Next \$ 5,000,000	0.65%
Next \$ 40,000,000	0.50%
Over \$ 50,000,000	Negotiable

\*Account size is based on client's total investment portfolio including accounts under our asset management services as well as outside accounts receiving our asset allocation advice and monitoring services.

The current minimum annual fee for Asset Management Services is \$10,000 unless engaged under a fee schedule in effect at the time of engagement for clients working with Steve Blankenship. The minimum annual fee for Asset Management Services is \$5,000 for those clients working with Allison Geiger or Chad Smith. All minimum annual fees are subject to negotiation.

Fees charged for asset management services are billed quarterly in advance, and unless otherwise agreed upon, deducted from client accounts. Services can be terminated by the client at any time. If the Agreement is terminated prior to the end of the three month service period, the client will be entitled to a refund of all fees for the current service period less fees for the actual time period that services were rendered. The refund will be provided upon written request by the client. HFP will refund any unearned prepaid fees within 30 days of written request from the client.

#### A.2. Additional Terms for All HFP Client Accounts

A client investment advisory agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be refunded within 30 days of written request from the client; unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within 5 business days after entering into the agreement.

### **A.3. Hourly and Fixed-Fee Arrangements**

Financial planning/consulting fees are charged at the rate of \$500 per hour for work conducted by the Firm's Certified Financial Planners, with a minimum of \$125 per 15-minute increment. Mr. Blankenship's hourly rate for work conducted is \$750 with a minimum of \$187.50 per 15-minute increment. Fees may also be set as a fixed fee for financial planning services or for special educational services. Fixed fees for financial planning services will range from \$1,000 to \$15,000 depending on the complexity of a specific case. Fees are negotiable. Fees may be discounted for an engagement (or multiple engagements for client groups such as extended families, trade associations, affinity groups, or employee groups). No performance-related fees are charged. One-half of an estimated engagement fee is required upon contract execution; otherwise fees are payable immediately upon services rendered.

Financial planning/consulting fees may be waived for clients that engage HFP for asset management services and/or asset allocation advice and periodic monitoring of outside accounts. Although HFP has established the aforementioned fee schedule(s); the Firm retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs may be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, and reports, among other factors. The specific annual fee schedule is identified in the contract between the Firm and each client. Annual fees may effect account assets and investment options.

Either party may terminate an engagement upon written notice within five days of signing the Service Agreement, at which time no fees would be due. If the client terminates the engagement after this date, the client is responsible and will be invoiced for any time charges incurred by the Firm in the preparation of their plan. HFP will refund any unearned prepaid fees within 30 days of written request from the client.

Fees paid to HFP for financial planning and advisory services are completely separate from the fees and expenses charged by mutual fund companies and their portfolio managers. A complete explanation of these fees and expenses are provided in each mutual fund prospectus. Clients are encouraged to read the prospectus before investing. Clients may also incur transaction costs or administration fees from broker-dealers, trust companies, or other service providers. Clients are encouraged to obtain a complete schedule of these fees from the service provider prior to entering into any engagement. HFP does not receive any portion of these other fees.

Payment of invoices shall be made within 30 days of the date of the invoice.

### **A.4 Wealth Enhancement Team Fees**

HFP maintains an independent contractor agreement with each member of the Wealth Enhancement Team to provide value-added services in their area of expertise. For most clients, team members will be compensated by HFP for some or all of their fees based on an arrangement specified in each respective independent contractor agreement. If the work required by a client exceeds the agreed-upon fee arrangement with a given professional, such additional costs will be

disclosed to the client in advance and the client will be responsible for paying these additional costs directly to the independent contractor.

#### **A.5 Educational Seminars/Workshop Fees**

HFP may partner with members of the Wealth Enhancement Team and others to sponsor educational seminars or workshops on various topics. These educational seminars are provided at no charge to the participants.

### **B. Client Payment of Fees**

HFP's fees will be billed directly to and paid from the client's account by the custodian of the portfolio unless a client has asked to be invoiced directly. HFP will deduct its advisory fees directly from the client's account, provided that:

- The client provides the qualified custodian written authorization
- The qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

### **C. Additional Client Fees**

The fees charged by HFP do not include fees charged by any exchange-traded fund or mutual fund. The management fees for an exchange-traded fund or mutual fund are generally disclosed in the respective fund's prospectus. Clients are advised to read the fund's prospectus carefully before investing. All fees paid to HFP for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, and by any broker-dealer or custodian retained by the client. If a mutual fund also imposes redemption charges, the client may pay a redemption charge as further described in the mutual fund's prospectus. A client using HFP may be precluded from using certain mutual funds because they may not be offered by the client's custodian. For additional information, please refer to *Item 12 – Brokerage Practices*.

### **D. Prepayment of Client Fees**

HFP's fees will either (1) be paid directly by the client or (2) disbursed to the Firm by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

Our wealth management agreement may be canceled at any time by the client or by HFP with written notice to the other. The client has the right to terminate the agreement without penalty within five business days after entering into the agreement. Upon termination of the agreement, HFP will refund any unearned, prepaid fees within 30 days of written request from the client. Any earned, unpaid fees will be due and payable.

## **E. External Compensation for the Sale of Securities to Clients**

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

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

HFP does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

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

The Firm provides its services primarily to individuals. We do not require minimums as to income, assets, net worth, length of engagement, or other conditions for engaging our services.

Clients engaged in our hourly or project-based services do not have minimums related to income, assets, net worth, length of engagement, or other conditions for engaging our services. Clients participating in our Asset Management Services will be assessed a \$10,000 minimum annual fee if working with Steve Blankenship, a \$5,000 minimum annual fee if working with Allison Geiger or Chad Smith. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management. All minimum annual fees are subject to negotiation.

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

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

HFP employs a fundamental, long-term, buy-and-hold philosophy with regard to investment advice. We favor a passive approach to investing.

We recommend a proper asset allocation based on the client's personal financial situation. We perform an asset allocation analysis using our best judgment to help the client achieve their overall financial objectives and goals while minimizing risk exposure. We believe that the appropriate allocation of assets across diverse investment categories (i.e., stock vs. bond, foreign vs. domestic, large cap. vs. small cap., high quality vs. high yield, etc.) is the primary determinant of portfolio returns and is critical to the long-term success of a client's financial objectives and goals. We recommend specific investments, primarily low-cost, no-load, index investments, to fill out the recommended asset allocation. We recommend that the portfolio be maintained by rebalancing annually and/or making adjustments as needed.

#### **B. Investment Strategy and Method of Analysis Material Risks**

Although we believe our investment strategy is designed to potentially produce the highest possible return for a given level of risk, it cannot guarantee that an investment objective or goal

will be achieved. Some investment decisions made by the Firm may result in loss, which may include the original principal amount invested. The client must be able to bear the various risks involved in investing, which may include but are not limited to market risk, liquidity risk, interest rate risk, currency risk or political risk. Low-cost, no-load, index investments have the potential to be affected by tracking error risk, which is defined as a deviation from the stated benchmark index.

### **C. Concentration Risk**

There is an inherent risk for clients whose investment portfolios lack diversification—that is, they have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9: Disciplinary Information**

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

HFP has nothing to disclose for this item.

### **B. Administrative Enforcement Proceedings**

HFP has nothing to disclose for this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

HFP has nothing to disclose for this item.

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

### **A. Broker-Dealer or Representative Registration**

Neither HFP nor its affiliates are registered broker-dealers and do not have a pending application to register.

### **B. Futures or Commodity Registration**

Neither HFP nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading advisor and do not have a pending application to register.

### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

In addition to the information described in *Item 12-Brokerage Practices* of this Brochure, Mr. Blankenship is a partner in and serves as the Chief Investment Officer for Wealth Advisors Trust Company (Wealth Advisors Trust). Wealth Advisors Trust is an independent, non-custodial, corporate trust company serving financial planners, investment advisors, insurance agents, wealth managers, and multifamily offices as they implement and monitor the lifecycle plans of their clients and their families. HFP may recommend to its clients who are in need of non-custodial trust services to use the services of Wealth Advisors Trust, which may create a conflict of interest between the Firm and Wealth Advisors Trust. However, if such a recommendation is made, other alternative firms such as Santa Fe Trust and Advisory Trust Company of Delaware may be suggested as well to applicable clients to determine the appropriate non-custodial trust services and avoid a potential conflict of interest. Clients are free to use the services of any trust company and are advised that the use of Wealth Advisors Trust is not a condition of being a client of HFP.

### **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

HFP does not recommend separate account managers or other investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

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

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

The Firm has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for the Firm's staff. We accept the obligation not only to comply with the mandates and requirements of all applicable laws and regulations, but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. Our Code of Ethics is as follows:

Each HFP supervised and access persons (staff) have a duty to exercise its authority and responsibility for the benefit of the client, to place the interests of the client first, and to refrain from having outside interests that conflict with the interests of the client. The Firm must avoid any circumstances that might adversely affect or appear to affect its duty of complete loyalty to its clients.

## **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

HFP does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, HFP does not recommend any securities to advisory clients in which it has some proprietary or ownership interest. In seeking to meet the Firm's regulatory obligations, HFP addresses potential conflicts of interest in the following manner:

HFP staff shall not put their own interest above the interest of an advisory client.

HFP staff may not buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.

It is the expressed policy of the Firm that HFP staff may not purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents staff from benefiting from transactions placed on behalf of advisory accounts.

HFP requires prior approval for any IPO or private placement investments by related persons of the Firm.

HFP maintains a list of all reportable security(ies) holdings for the Firm and staff associated with HFP. These holdings are reviewed on a regular basis by the Firm's Chief compliance Officer or her designee.

HFP has established procedures for the maintenance of all required books and records. The Firm and its staff have a duty to disclose potential and actual conflicts of interest to their clients. Registered Investment Advisers and when applicable, Solicitors have a duty to report potential and actual conflicts of interest to the Firm. The Firm's staff should not accept gifts (other than de minimis gifts) from persons or companies doing business with HFP.

A copy of HFP's Code of Ethics is available to the Firm's clients or prospective clients. You may request a copy by sending an email to [info@heritagefinancialplanning.com](mailto:info@heritagefinancialplanning.com) or by calling 214-446-2100.

## **C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

HFP, its affiliates, staff and their families, trusts, estates, charitable organizations, and retirement plans established by it may purchase the same securities as are purchased for clients.



## **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

HFP, its affiliates, staff and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other of the Firm's clients. HFP will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, staff, or staff-related accounts. Trades executed the same day will likely be subject to an average-pricing calculation.

**It is the policy of HFP to place the clients' interests above those of the Firm and its staff.**

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Broker-Dealers for Client Transactions**

HFP recommends that clients establish brokerage accounts with TD AMERITRADE INSTITUTIONAL & CHARLES SCHWAB (TDA&S), a division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA. TDA&S is a qualified custodian to maintain custody of clients' assets and to effect trades for their accounts.

HFP participates in the institutional customer program offered by TDA&S. Through this program, TDA&S offers various services to independent investment advisors, including custody of securities, trade execution, and clearance and settlement of transactions. The Firm receives some benefits from TDA&S through its participation in these programs.

##### **A.1. Institutional Trading and Custody Services**

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

For HFP investment advisory clients, TDA&S generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through TDA&S or that settle into TDA&S's accounts.

##### **A.2. Other Products and Services**

TDA&S may also make available to HFP other products and services that benefit HFP but may not directly benefit HFP's clients' accounts. Many of these products and services may be used to service all or some substantial number of HFP's accounts, including accounts not maintained at TDA&S.

Some of these other products and services assist HFP in managing and administering clients' accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements)
- Facilitate trade execution and allocation of aggregated trade orders for multiple client accounts
- Provide research, pricing information, and other market data
- Facilitate payment of HFP's fees from its clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Many of these services may generally be used to service all or a substantial number of HFP's accounts, including accounts not maintained at such custodians. TDA&S also makes available to HFP other services intended to help HFP manage and further develop its business enterprise. These services may include:

- Consulting
- Publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing.

### **A.3. Independent Third Parties**

In addition, TDA&S may make available, arrange, and/or pay for these types of services rendered to HFP by independent third parties. TDA&S may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to HFP. As a fiduciary, HFP endeavors to act in its clients' best interests. The Firm's recommendation that clients maintain their assets in accounts at TDA&S may be based in part on the benefit to HFP of the availability of some of the foregoing products and services, and not solely on the nature, cost, or quality of custody and brokerage services provided by TDA&S, which may create a conflict of interest.

In certain instances and subject to approval by HFP, the Firm will recommend to clients certain other broker-dealers and/or custodians, who shall be properly licensed based on the needs of the individual client and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by HFP is made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

#### **A.4. Additional Compensation Received from TDA&S**

HFP participates in institutional customer programs sponsored by TDA&S. HFP may recommend TDA&S to clients for custody and brokerage services. There is no direct link between the Firm's participation in such program and the investment advice it gives to its clients, although HFP receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may 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 HFP participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to HFP by third-party vendors.

TDA&S may also pay for business consulting and professional services received by HFP's related persons, and may pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses for the Firm's personnel to attend conferences). Some of the products and services made available by TDA&S through its institutional customer program may benefit HFP but may not benefit its client accounts. These products or services may assist HFP in managing and administering client accounts, including accounts not maintained at TDA&S as applicable. Other services made available through the program are intended to help the Firm manage and further develop its business enterprise. The benefits received by HFP or its personnel through participation in this program do not depend on the amount of brokerage transactions directed to the broker-dealer.

#### **B. Aggregating Securities Transactions for Client Accounts**

HFP maintains the ability to block trade purchases across accounts. Although block trading may benefit clients by purchasing larger blocks in groups, the Firm does not believe clients are at a disadvantage due to the best execution practices of our custodian.

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

### **A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Once the portfolio is designed and implemented, it is managed on a continuous and ongoing basis. Rebalancing occurs when deemed necessary to manage the risk of the portfolio. In taxable portfolios, the tax consequences of portfolio adjustments will be considered, although tax considerations will be treated as secondary to portfolio performance or obtaining client's stated investment objective. Ongoing financial planning services and reviews are also included for those clients subscribing to these Advisory Service Fees after the initial financial plan has been constructed. These reviews are conducted by Steve Blankenship, Allison Geiger and/or Chad Smith. The Firm recommends periodic reviews with the client be conducted. At a minimum, an annual review is encouraged, but such reviews are at the discretion of the client.

### **B. Review of Client Accounts on Non-Periodic Basis**

HFP may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, significant changes in market conditions, or a material change in how HFP formulates investment advice.

### **C. Content of Client-Provided Reports and Frequency**

HFP may, only upon request, provide written reports to clients quarterly, semi-annually, or annually, depending on the client's preference. These reports may include:

- Changes in market values
- Current and historical time-weighted performance statistics.

HFP may, only upon request, provide reports showing the investment performance of a client's account. The client's independent custodian also provides regular account statements directly to the client. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by HFP.

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

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Other than as described in *Item 12- Brokerage Practices* of this Brochure, HFP does not receive economic benefits from external sources.

### **B. Advisory Firm Payments for Client Referrals**

HFP does not directly or indirectly compensate any person or entity for client referrals.

### **Item 15: Custody**

Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. The custodian's statement is the official record of the account.

**Please note:** Clients are urged to compare any statement or report provided by HFP with the account statements received from the custodian. The custodian does not verify the accuracy of HFP's advisory-fee plan.

HFP has standing authority for transferring funds on behalf of Firm clients (SLOA). These SLOAs have been put in place upon the client's written request and signature. HFP's existing authority regarding client account disbursements is exclusive to the SLOA submitted to the custodian.

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

By execution of our advisory agreement, the client will grant HFP authorization to manage their accounts on a discretionary basis. HFP will have the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. The client may terminate discretionary authorization at any time upon receipt of written notice to the Firm.

Discretionary trading authority facilitates placing trades in client accounts so that HFP may promptly implement the investment policy that clients have approved in writing. A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney allowing the Firm to execute trades, subject to the limitations of the agreement.

In all cases, such discretion is exercised in a manner consistent with the client's Investment Policy Statement, which specifies investment objectives, goals, and asset allocation for the account. Investment guidelines and restrictions must be provided to HFP in writing.

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

HFP does not take discretion with respect to voting proxies on behalf of its clients. The Firm will not make recommendations to clients on voting proxies regarding shareholder vote, consent, election, or similar actions solicited by or with respect to issuers of securities beneficially held as part of the Firm's supervised and/or managed assets.

## **Item 18: Financial Information**

### **A. Balance Sheet**

HFP does not require the prepayment of fees of \$1,200 or more, six months or more in advance and as such is not required to file a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

HFP does not have any financial issues that would impair its ability to provide services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

There are no bankruptcy petitions to report.

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

Heritage Financial Planning is not a state registered Advisor, the Firm is registered with the Securities and Exchange Commission.