

Item 1

## Cover page Firm

### Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Woodfield Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at: 847-726-9600, or by email at: [jdobbs@woodfieldfinancialadvisors.com](mailto:jdobbs@woodfieldfinancialadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Woodfield Financial Advisors, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 14, 2023

## Item 2 Material Changes

### Annual Update

The Material Changes section of this brochure will be updated annually if and when material changes occur since the previous release of the Firm Brochure.

### Material Changes since the Last Update

There have been no material changes since our last filing on October 18, 2022.

### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 847-726-9600 or by email at: [jdobbs@woodfieldfinancialadvisors.com](mailto:jdobbs@woodfieldfinancialadvisors.com).

## Item 3

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Form ADV-Part 2A-Firm Brochure

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## **Item 4 ADVISORY BUSINESS**

### **Firm Description**

Woodfield Financial Advisors Inc. was founded in 2009. Woodfield Financial Advisors, Inc. is the successor to Woodfield Planning Corporation which was founded in 1982.

Woodfield Financial Advisors, Inc., provides personalized confidential financial planning and investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

**Principal Owners** – James B. Dobbs is the sole stockholder

### **Types of Advisory Services**

Woodfield Financial Advisors, Inc. provides investment advisory services, also known as asset management services; furnishes investment advice consultations; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

Many clients choose to have Woodfield Financial Advisors, Inc. manage their investable assets in order to obtain ongoing in-depth advice and life planning. Portfolio Management for individuals, small businesses and institutional clients (other than investment companies) entails portfolio design based on risk tolerance, goals, age and past investment experience. We suggest an asset allocation model after completing an interview with the prospective client which includes a written risk questionnaire. After establishing an asset allocation model we transfer assets to the selected investments. We then monitor portfolio performance and client reaction to market swings, recommending adjustments to asset allocation model if necessary. Portfolios will be rebalanced semi-annually to their respective original asset allocation model(s). All servicing of accounts will be performed by our firm. This includes but is not limited to; client requested distributions, additional investments and registration changes.

The quarterly Investment Advisory Agreement fee is based on a percentage of the investable assets according to the following schedule:

0.25%\* (1% annual rate) of the account invested asset value at the beginning of the preceding quarter, adjusted for cash flows in/out of the account during the quarter (dividend and capital gain distribution activity is excluded from this calculation).

[\*applicable to the first \$5 million aggregate client account(s) invested balance for all accounts held at Fidelity WealthScape, a quarterly fee of 0.20% (0.80% annual rate) applies to the aggregate client invested balance that exceeds \$5 million asset value]

The client or Woodfield Financial Advisors, Inc. may terminate an Investment Advisory Agreement by written notice to the other party. At termination, fees will be charged 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.

As of December 31, 2022, Woodfield Financial Advisors, Inc. manages approximately \$ 111,209,104 on a discretionary basis and \$720,000 on a non-discretionary basis.

We do not participate in wrap fee accounts.

On more than an occasional basis, Woodfield Financial Advisors, Inc. furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

### **Tailored Relationships**

The goals and objectives for each client are documented. Investment policy statements may be created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

A financial plan is designed to help the client with all aspects of financial planning and may include an ongoing Investment Advisory Agreement after the financial plan is completed (see section titled Investment Advisory Agreement). Planning may be done on an hourly basis if desired by the client. The hourly rate for limited scope engagements is \$250. Flat fee engagements may also be arranged. The initial meeting may be by telephone or in person, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment advisory services that may be beneficial to the client.

The financial plan may include but is not limited to: a net worth statement; cash flow management; strategic tax planning; a review of insurance policies and

coverage levels, estate planning, education planning, review of retirement accounts and plans including investment allocation in 401k and other accounts where client has discretion over the asset allocation model; a review of investment accounts.

A written evaluation of each client's initial situation as well as our recommendations is provided to the client. Periodic reviews are also communicated 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.

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

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

**Net worth Statement** includes preparation of a detailed statement of the clients' financial condition including all assets, liabilities. (1-2 hours)

**Cash flow management** could include advice on which investment to take distributions from for income needs or required minimum distributions. We may give advice on what order debts should be paid down. For example; paying down credit card debt would usually be a priority. (1-5 hours)

**Tax planning** could include advice about the advantages of retirement plan contributions (through employment or individually) to fund retirement and reduce current income taxes. Giving advice on which assets will generate the least tax liability upon taking distributions. (1-5 hours)

**Insurance planning** may include a review of client's auto, homeowners, life, disability, long term care and health insurance (when applicable) and give advice tailored to individual situation. Our recommendations may result in our implementing changes or may result in our directing client to make changes through employer benefits department or current agent. (1-5 hours)

**Estate Planning** for our clients is generally accomplished with the collaboration of an estate planning attorney and an accountant. Our main concern is that the client's assets are distributed according to their wishes with the least tax liability for the client's heirs. The decision whether our client uses a will or trust, or other beneficiary arrangements are ultimately between the client and their attorney.

We will assist in implementing changes in registration or beneficiaries for client's assets. In some cases, Life insurance will be required to accomplish the estate plan. This might be necessary to pay the outstanding balance on a mortgage, so the spouse does not have their living standard reduced during their remaining years. It may be used to fund a "buy/sell" agreement for business owners to heirs to be compensated for their share of the business. (1-5 hours)

**Education funding** is calculated based upon current cost of schooling, expected rate of return, anticipated inflation rate and date at which funds will be required. The need will be satisfied with the option of a lump sum investment today or monthly investment until the time that school begins. After the need is determined and agreed on, we will implement the program if our client approves. Typically, this will involve using mutual funds within a 529 plan or UTMA account depending on the specific situation. (1-5 hours)

**Retirement planning** consists of doing an analysis based on our client's estimated monthly income need after retirement. We will take into consideration current invested assets including current retirement plans, future pensions and social security benefits when analyzing income required. If there is an anticipated shortfall, we will suggest that the client begin saving the pre-determined amount to accumulate enough assets to allow monthly distributions that will satisfy the shortfall. Lastly, we will implement this strategy typically utilizing a portfolio of "no load" mutual funds that matches the client's tolerance for risk. After retirement we continually monitor portfolio performance as well as client withdrawals. If client is making excessive withdrawals, we will counsel restraint. Our estimates regarding performance tend to be conservative. This is meant to give a little "comfort zone" to prevent depleting assets prior to the point when the need no longer exists. (1-5 hours)

The goals and objectives for each client are documented. Clients may impose restrictions on investing in certain securities or types of securities.

## **Item 5 Fees and Compensation**

### **Description**

Woodfield Financial Advisors, Inc. investment advisory fees are charged as a percentage of assets under management. The quarterly Investment Advisory Agreement fee is based on a percentage of the investable assets according to the following schedule: For services rendered, Advisor will debit a quarterly fee equal to 0.25%\* (1% annual rate) of the account invested asset value at the beginning of the preceding quarter, adjusted for cash flows in/out of the account during the quarter

(dividend and capital gain distribution activity is excluded from this calculation).

[\*applicable to the first \$5 million aggregate client account(s) invested balance for all accounts held at Fidelity WealthScape, a quarterly fee of 0.20% (0.80% annual rate) applies to the aggregate client invested balance that exceeds \$5 million asset value]

An advisory client has the right to terminate the contract without penalty within 5 business days after entering into the contract and no fee will be charged. After 5 days advisory fees will be pro-rated.

Woodfield Financial Advisors, Inc. may also earn commissions from the sale of insurance products. ADVISORY FEES ARE NOT CHARGED ON PRODUCTS THAT PAY A COMMISSION. The practice of selling investments that pay a commission represents a conflict of interest and gives us an incentive to recommend investment products based on the compensation received, rather than on a client's needs. We disclose the fact that we are receiving a commission to you when applicable. In the majority of situations, we recommend no-load mutual funds. You have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

Fees are not negotiable.

### **Fee Billing**

Investment management fees are billed quarterly, in ARREARS, meaning that we charge your account AFTER the three-month billing period has ENDED. Fees are deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Woodfield Financial Advisors, Inc., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition).

### **Hourly Planning Engagements**

Woodfield Financial Advisors, Inc. provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements



is \$250. An advisory client has the right to terminate the contract without penalty within 5 business days after entering into the contract. If the client is dissatisfied for any reason no hourly fee will be charged.

### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.50% for their services. These fees are in addition to the fees paid by you to Woodfield Financial Advisors, Inc. Performance figures quoted by mutual fund companies in various publications are all net of fees.

### **Item 6 Performance based fees and side-by-side analysis**

Woodfield Financial Advisors, Inc. does not accept performance-based fees.

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

Woodfield Financial Advisors, Inc. generally provides investment advice to individuals, companies, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Client relationships vary in scope and length of service ranging from a one- time consultation to a 30-year + relationship.

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

#### **Methods of Analysis**

Security analysis method used is fundamental analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

#### **Investment Strategies**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Advisory Agreement that documents their objectives and their desired investment strategy.

## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electricity company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability

to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9 Disciplinary Information**

### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

We do not recommend or select other investment advisors for our clients.

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

### **Code of Ethics**

The employees of Woodfield Financial Advisors, Inc. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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

Woodfield Financial Advisors, Inc. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Woodfield Financial Advisors, Inc. Compliance Manual.

### **Personal Trading**

The Chief Compliance Officer of Woodfield Financial Advisors, Inc. is James B. Dobbs. He reviews all employee trades each quarter. His trades are reviewed by Donald Monsen. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Item 12 Brokerage Practices**

Woodfield Financial Advisors, Inc. does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such

services. Woodfield Financial Advisors, Inc. recommends custodians based on the proven integrity and financial responsibility of the firm.

### **Order Aggregation**

All trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Item 13 Review of Accounts**

### **Periodic Reviews**

Account reviews are performed quarterly by advisors James B. Dobbs, CFP® President Donald J. Monsen, CFP® Vice-President and Martin Konsor CFP®. Account reviews are performed more frequently when market conditions dictate.

### **Review Triggers**

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

### **Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Investment Advisory clients receive periodic communications on at least an annual basis. Investment Advisory clients receive written statements on the value of their investments and activity within their accounts monthly.

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

### **Incoming Referrals**

Woodfield Financial Advisors, Inc. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### **Referrals Out**

Woodfield Financial Advisors, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Item 15 Custody**

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of

clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

We are deemed to have custody as a result of our Standing Letters of Authorization ("SLOA(s)") to transfer funds from their account to third parties. In such instances where we act under such an SLOA, it is our policy to only initiate these transactions when directed by the client to transfer funds to a third party the client designates for a designated amount and at a designated time, all of their choosing. A surprise examination is not required in this circumstance where we are deemed to have custody due to SLOAs, as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, we confirm that in those situations

- you provide an instruction to the qualified custodian, in writing, that includes your signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed;
- you authorize us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time;
- the qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify your authorization, and the qualified custodian provides a transfer of funds notice to you promptly after each transfer;
- you have the ability to terminate or change the instruction to the qualified custodian;
- we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in your instruction;
- we maintain records showing that the third party is not a related party of Woodfield or located at the same address as Woodfield; and
- the qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Woodfield Financial Advisors, Inc.

### **Net Worth Statements**

Clients may be provided net worth statements. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of

land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Item 16 Investment Discretion**

Woodfield Financial Advisors, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. Woodfield Financial Advisors, Inc. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used. Woodfield Financial Advisors, Inc. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

If you do not grant this limited investment discretion, your IAR will be required to contact you and get affirmation regarding our investment recommendations, such as the security being recommended, the number of shares, and whether the security should be bought or sold before implementing changes in your account.

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a discretionary basis, it is critical that you respond promptly. If we do not receive a response to our request immediately, the timing of trade implementation can lead to an adverse impact where we cannot achieve the optimal trading price.

On a case-by-case basis, you can place reasonable restrictions on the types of investments that can be purchased or sold in your account so long as the restrictions are explicitly set forth or included as an attachment to the investment advisory agreement.

## **Item 17 Voting Client Securities**

### **Proxy Votes**

Woodfield Financial Advisors, Inc. does not vote proxies on securities. Clients are expected to vote their own proxies. When assistance on voting proxies is requested, Woodfield Financial Advisors, Inc. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18 Financial Information**

### **Financial Condition**

Financial statements will be provided to the Illinois Department of Securities each year no later than four months from the end of our fiscal year which ends on December 31.

We do not have discretionary authority or custody of client funds or securities or require or solicit prepayment of any fees in advance. All fees are collected in arrears.