



# HERITAGE

## FINANCIAL PLANNING

**10440 N. Central Expressway, Suite 1120  
Dallas, TX 75231**

**Telephone: 214-446-2100**

***March 2023***

**FORM ADV PART 2A  
BROCHURE**

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, contact us at 214-446-2100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Heritage Financial Planning is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Our last annual updating amendment occurred in March 2022. Please note the following changes to our Brochure:

As of January 1, 2023, Lanswan Investments LLC is a direct owner of HFP Wealth Management.

***See Item 4 Investment Advisory Business***

## Item 3 Table of Contents

Item 2 Summary of Material Changes .....	2
Item 3 Table of Contents .....	3
Item 4 Advisory Business .....	4
Item 5 Fees and Compensation .....	5
Methods of Compensation and Fee Schedule .....	5
Fee Schedule .....	5
Item 6 Performance-Based Fees and Side-By-Side Management .....	8
Item 7 Types of Clients .....	8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 Disciplinary Information .....	10
Item 10 Other Financial Industry Activities and Affiliations .....	10
Item 11 Code of Ethics, Participation or Interest in Client Transactions .....	11
Item 12 Brokerage Practices .....	11
Item 13 Review of Accounts .....	12
Item 14 Client Referrals and Other Compensation .....	12
Item 15 Custody .....	13
Item 16 Investment Discretion .....	13
Item 17 Voting Client Securities .....	13
Item 18 Financial Information .....	13
Item 19 Requirements for State-Registered Advisers .....	14
Item 20 Additional Information .....	14

## Item 4 Advisory Business

### Description of Firm

HFP Wealth Management LLC d/b/a Heritage Financial Planning is a registered investment adviser primarily based in Dallas, TX. As of 2023 Lanswan Investments, LLC maintains majority firm ownership, with A.G. Geiger Inc. owning less than ten percent of the Firm. Mr. Blankenship is the Managing Member. Heritage Financial Planning (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.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Heritage Financial Planning and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

In providing account management services, we do not accept client restrictions on the specific securities or the types of securities that may be held in your account.

### Wrap Fee Programs

We do not participate in any wrap fee program.

### Types of Investments

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.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

### 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.

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.

### **IRA Rollover Recommendations**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries 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 we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Assets Under Management**

As of December 31, 2022, we provide continuous management services for \$239,165,253 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Methods of Compensation and Fee Schedule**

#### **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.

### **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.

### **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.

### **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.

### **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.

## **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.

### **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.

### **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.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange

traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory 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.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

### **Our Methods of Analysis and Investment Strategies**

We use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

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.

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.

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.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

#### **Recommendation of Particular Types of Securities**

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

### **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

In addition to the information described in *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.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, nonpublic information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

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

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

## **Item 12 Brokerage Practices**

While you are free to choose any broker-dealer or other service provider as your custodian, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. HFP recommends that clients establish brokerage accounts with TD AMERITRADE INSTITUTIONAL & CHARLES SCHWAB (TD&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&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.

### **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.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products are in addition to any benefits or research we pay for with soft dollars, and may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

#### **Aggregated Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "aggregated trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Item 13 Review of Accounts**

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

At your request, we may meet with you and/or your other professionals to discuss asset allocation, but we will not make recommendations regarding specific investments or provide any regular written reports to you. At our sole discretion, reviews and meetings may be subject to our then current hourly rate. 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.

Ongoing financial planning services and reviews are 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.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## 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

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## Item 18 Financial Information

We have not filed a bankruptcy petition at any time in the past ten years.

You have not indicated whether the firm is currently (or is attempting to become) SEC or state registered. You must indicate one or the other on the Master Adviser Questionnaire ("MAQ"). After you have submitted the amended MAQ, return to the checklist for this draft and update the client template.

## Item 19 Requirements for State-Registered Advisers

Refer to the Part(s) 2B for background information about our principal executive officers, management personnel and those giving advice on behalf of our firm.

For information on the other business activities and the approximate amount of time we spend on that business refer to *Other Financial Industry Activities and Affiliations* above.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Refer to the *Performance-Based Fees and Side-By-Side Management* section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings, or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

## Item 20 Additional Information

### Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.