

Firm Brochure
(Part 2A and 2B of Form ADV)

FEE-ONLY FINANCIAL PLANNING, LC

45 Sugar Mill Drive, Okatie SC 29909

WWW.FEEONLYROANOKE.COM

This brochure provides information about the qualifications and business practices of FEE-ONLY FINANCIAL PLANNING, LC.

If you have any questions about the contents of this brochure, please contact us by telephone 540-342-7102, or by email anne@feeonlyroanoke.com

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Additional information about the firm is available on the SEC's website at www.adviserinfo.sec.gov

October 2, 2023

Fee-Only Financial Planning LC

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Material Changes

Annual Update

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

Material Changes since the Last Update March 2022

We are required to include all the topics detailed in this document. We have made the following material changes since last update:

Firm Location- Cover page Primary location 45 Sugar Mill Drive, Okatie, SC

Advisory Business

Firm Description

Fee-Only Financial Planning, LC was founded in 1981.

We are a fee-only financial planning firm. We do not sell insurance, annuities, stocks, bonds, mutual funds, or any other products. The firm is not affiliated with anyone that sells financial products or securities. No commissions in any form are accepted. No finder's fees are accepted. We are compensated only by our clients.

Our clients are individuals, trusts and estates. We offer advice on cash flow, tax planning, insurance review, investment evaluation, retirement, and estate planning.

Investment advice is an integral part of financial planning. We do not act as a custodian of client assets. We may place trades for clients under a limited power of attorney when engaged to do so if assets are held at qualified custodians.

We do not provide legal or accounting services. Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client if needed.

We offer complimentary exploratory interviews. These determine the extent to which financial planning and investment management may be beneficial to the client and if the prospective client profile is suitable to the firm. Any advice perceived to be offered then is impersonal, generic in nature and is for explanatory purposes only. Initial meetings require completion of a Financial Planning Checklist from www.feeonlyroanoke.com

Principal Owners

Andrew M. Hudick II owns 51%, Anne Marie Hudick 42%, Margaret Eden Bowen 7%.

Types of Advisory Services

SERVICES OFFERED

We offer to provide financial planning and discretionary investment advisory services on a *fee-only* basis as discussed below. Before engaging us to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with us setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. To commence the investment advisory process, we will ascertain each client's investment objective(s) and then allocate the client's assets consistent with the client's designated investment objective(s). Once allocated, we provide ongoing supervision of the account(s). Our annual investment advisory fee shall generally (exceptions can occur-**see below**) include investment advisory services, and financial planning and consulting services as disclosed on the *Investment Advisory Agreement*. In the event that the client requires extraordinary planning and/or consultation services (to be determined in our sole discretion), we may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

Stand-Alone Financial Planning and Non-Investment Consulting Services. We may also provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. on a stand-alone basis per the terms and conditions of a separate written agreement and fee, the fee for which shall generally be based upon the individual providing the service and the scope of the services to be provided. Prior to engaging us to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* or *Limited Consulting Agreement* with us setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to us commencing services.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by the client, we will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc., we will generally provide such consulting services inclusive of its advisory fee set forth below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which the firm may charge a separate or additional fee). **Please Note:** We believe that it is important for the client to address financial planning issues on an ongoing basis. Our advisory fee, as set forth below, will remain the same regardless of whether or not the client determines to address financial planning issues with the firm. **Please Also Note:** We **do not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, We **do not** prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). The client is not under any obligation to engage any such professional(s). The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from our firm and/or its representatives. If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** the firm, shall be responsible for the quality and competency of the services provided.

Please Note: Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account to be managed by the firm, such a recommendation creates a conflict of interest if we will earn new (or increase its current) compensation as a result of the rollover. If we provide a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), we are acting as 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. **No client is under any obligation to roll over retirement plan assets to an account managed by us, whether it is from an employer's plan or an existing IRA. Our Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

Cash Sweep Accounts. Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, we shall generally endeavor to purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless we reasonably anticipate that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

Cybersecurity Risk. The information technology systems and networks that we and third-party service providers use to provide services to our clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in our operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and our advisors are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although we have established our systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that we do not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Custodian Charges-Additional Fees. As discussed below, when requested to recommend a broker-dealer/custodian for client accounts, we generally recommend that *Charles Schwab & Co., Inc. ("Schwab")* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Schwab* do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note:** there can be no assurance that *Schwab* will not change their transaction fee pricing in the future. **Please Also Note:** When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom we

and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by Schwab). These fees/charges are in addition to the firm’s investment advisory fee below. We do not receive any portion of these fees/charges. **ANY QUESTIONS: Our Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions that a client or prospective client may have regarding the above.**

Portfolio Activity. We have a fiduciary duty to provide services consistent with the client’s best interest. We will review client portfolios on a contractually prescribed basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when we determine that changes to a client’s portfolio are neither necessary, nor prudent. Clients remain subject to the fees described below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by us will be profitable or equal any specific performance level(s).

Please Note-Use of Mutual and Exchange Traded Funds: We utilize mutual funds and exchange traded funds for its client portfolios. In addition to our investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Client Retirement Plan Assets. If requested to do so, we shall provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client’s employer. In such event, we shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. Our ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. We will not receive any communications from the plan sponsor or custodian, and it shall remain the client’s exclusive obligation to notify us of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by us to the contrary, in writing, the client’s 401(k) plan assets shall be included as assets under management for purposes of us calculating its advisory fee. We shall not maintain client retirement account passwords.

Please Note: Cash Positions. We continue to treat cash as an asset class. As such, unless determined to the contrary by us, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating our advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), we may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, our advisory fee could exceed the interest paid by the client’s money market fund. **ANY QUESTIONS: Our Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions that a client or prospective may have regarding the above fee billing practice**

Client Obligations. In performing our services, we shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify us if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by us) will be profitable or equal any specific performance level(s).

Disclosure Statement. A copy of our written Brochure and Client Relationship Summary, as set forth on Part 2 of Form ADV and Form CRS respectively, shall be provided to each client prior to the execution of any advisory agreement.

We offer advice to financial planning clients regarding cash flow, investments, tax planning, insurance evaluation, retirement, and estate planning. We do not offer, or participate in, a wrap program.

We provide ongoing investment management services and give objective advice regarding securities already held by clients.

As of December 31, 2022, we managed approximately \$302,556,169 in assets on a discretionary basis and \$5,192,379 in assets on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are evaluated when proposing the appropriate agreements which dictate how we deliver services. We provide these services within parameters agreed upon in writing. Clients may impose restrictions on security selection.

Types of Agreements

The following agreements define typical client relationships. We may offer specialized engagements that incorporate a portion of these services.

Financial Planning Agreement – FIRST YEAR ENGAGEMENT

Absent the discovery process that takes place within the context of a financial plan, critical factors may remain unknown which can jeopardize success. All financial planning agreements are offered in anticipation of renewal engagements. The financial plan may include a: net worth statement; cash flow summary; review and repositioning recommendations of investments; strategic tax planning; review of insurance policies; one or more retirement scenarios; estate planning review and education planning. Implementation is at the discretion of the client.

Financial plans consist of a letter or series of letters and supporting documents personalized to the client that summarize objectives and provide advice consistent with attainment. We do not utilize boilerplate planning software. Implementation coordinated with client's tax, insurance and legal professionals is included if desired. Fees are computed from a base rate of one percent (1%) of the investable assets of the client plus 1.5% of gross income. Calculated fees may be adjusted for perceived degree of complexity. A minimum financial planning fee of \$10,000 is adjustable at our discretion.

Fees are predicated upon facts known at the start of the engagement. If the client's situation is substantially different than disclosed, a revised fee may be proposed. Clients must approve changes in advance when a fee increase is warranted. Fees for financial plans require a 25% retainer in advance with the balance due in three quarterly installments.

Limited-Service Engagement

We offer a limited-service engagement to typically young professional clients that do not fit our traditional service model. This short-term engagement ranges from 30-180 days. The flat fee is usually from \$500-\$2,000, adjusted according to the agreed upon timeframe and complexity involved. 50% of the total service fee is required as a retainer with the 50% balance due at the time of completion.

Hourly Planning Engagements

We do not provide hourly ongoing planning services. Hourly fees may be assessed for work outside the scope of current engagements for a planning client that needs an ancillary job performed. Fees are charged at \$250 per hour for associate advisor and \$500 per hour for senior advisor services. We may offer limited duration abbreviated planning engagements billed hourly that require 50% of the estimated fee as a retainer.

Advisory Service Agreements- RENEWAL ENGAGEMENTS

Retainer Agreements

Provides semi-annual summarized review and analysis with personalized written recommendations. Minimum annual fee \$7,500 billed quarterly in advance, adjustable at our discretion. Financial planning services may be included if detailed in your contract.

Investment Advisor Agreement

Provides quarterly detailed review, performance reporting and analysis with personalized written recommendations. Cost basis reconciliation is provided where possible. Ongoing financial planning consultation is included. First year fee is one percent (1%) of assets under management (AUM) annually billed quarterly in advance at 0.25%. After the first full year, fees are reduced to 0.75% AUM annually billed quarterly in advance at 0.1875%. Quarterly billing calculations are based on AUM value as of last day of the month of prior quarterly billing period using reasonably obtained reputable third-party valuation sources. Cash is considered an asset class and is included in fee calculations. Varying minimums may be

imposed beginning at \$10,000 annually. Reduced fees may be offered for engagements we perceive to be less complex.

Termination of Agreement

Clients may terminate agreements by providing written notice to Fee-Only Financial Planning, LC, 45 Sugar Mill Drive, Okatie, SC 29909. Clients remain financially responsible for services provided within the contractual expressed notice period of termination receipt. We will pro-rate and refund unearned fees or collect balance due.

Our obligations to you conclude at termination and it is your responsibility to retain prior communications and work product. Written requests for copies and supporting documents will be honored as soon as practical and must be accompanied by a minimum fee for time and expense of \$500. We retain records for five years.

Access to your Client Portal is revoked upon termination. Any account residing on our Institutional custodial platforms at termination will be transferred to Retail custodial divisions, which may result in higher fees and reduced access to services.

Fees and Compensation

Description

The Firm is generally compensated for its investment management services on an annual basis. Fees are calculated on a percentage of assets, income or fixed retainer fees and are agreed upon in advance in writing. We may impose minimums depending upon the scope of engagement. Hourly fees or expense reimbursement may be assessed for services agreed to be outside the scope of the engagement or for limited engagements. In the event that the fee is determined quarterly, in advance, based upon the market value of such assets on the last day of the previous quarter, the firm's policy is to treat intra-quarter account additions and withdrawals on existing accounts equally (the firm does not charge for intra-quarter additions or withdrawals-revise as necessary) unless indicated to the contrary on the Investment Advisory Agreement executed by the client.

As noted above, the services to be provided by us under the Investment Advisory Agreement include initial and ongoing financial planning services as detailed on Schedule A of the IAA. During the initial engagement year, the firm seeks to review and advise on various financial planning and related topics as described on the Checklist of Information Needed for Financial Planning (to the extent such topics are applicable to, or review thereof is desired by, the client). Subsequent to the initial engagement year, we remain available to address financial planning issues to the extent such services are contracted for as detailed on Schedule A and specifically requested by the client. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the firm), the firm may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

During the initial engagement year, the firm's annual fee for the services provided under Investment Advisory Agreement shall generally be based upon a percentage (%) of the market value of the assets under management and a percentage (%) the client's gross

income upon engagement (generally 1.5%) in accordance with the fee schedule annexed to Investment Advisory Agreement herewith as Exhibit "A". Thereafter, the annual fee shall generally be based upon a percentage (%) of the market value of the assets under management (between negotiable and 1.00%-see Fee Differentials below), unless the firm determines to enter into an annual fixed fee arrangement. Each year, our annual fee shall be set forth on an amended Schedule "A" (unless the annual fee shall remain unchanged). The annual fee shall be prorated and paid quarterly, in advance. That portion of the fee that is based upon a percentage (%) of the market value of the assets under management shall be based upon the market value of the assets on the last business day of the previous quarter. If a fixed fee, the annual fee shall be payable in four (4) equal quarterly advance payments. No increase in the annual fee or fee percentage shall be effective without prior written notification to the client. The amount upon which we bill may vary from the account balance presented on your custodial statement in connection with consideration of accrued interest and dividends

Unless the firm agrees otherwise, in writing, we shall debit the account directly for its advisory fee. In the event of termination, we shall refund any unearned portion of the advanced fee paid based upon the number of days remaining in the billing quarter.

Please Note: Fee Differentials. We shall generally price its advisory services based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the type, amount and market value of their assets, the anticipated complexity of the engagement, the anticipated level and scope of the overall investment advisory and consulting services to be rendered. Additional factors effecting pricing can include related accounts, competition, and negotiations. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by the firm to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **Please Also Note:** Depending upon the assets under management and the anticipated planning and consulting services, we can also impose an annual minimum fee as referenced on Exhibit "A" to the *Investment Advisory Agreement*. In the event that the client is subject to an annual minimum fee, the client could pay a higher percentage fee than referenced above. **ANY QUESTIONS: The firm's Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions regarding advisory fees.**

Margin Accounts: Risks/Conflict of Interest. We **do not** recommend the use of margin for investment purposes. A *margin account* is a brokerage account that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Should a client determine to use margin, we will include the entire market value of the margined assets when computing its advisory fee. Accordingly, our fee shall be based upon a higher margined account value, resulting in us earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since we may have an economic disincentive to recommend that the client terminate the use of margin. **Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction. **ANY QUESTIONS: The firm's Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions that a client or prospective client may have regarding the use of margin.**

Fee Billing

Financial Planning fees are billed 25% in advance, with quarterly installments of the balance. Fees may be deducted from a designated client account(s) to facilitate billing.

Retainer and Investment Advisor Agreement fees are billed quarterly in advance. These fees are deducted from designated client account(s) to facilitate billing. The client must consent in advance to direct debiting of their investment account. Hourly and limited-service agreements require a 50% retainer fee with the balance due at the completion of the engagement. We do not bill for services more than six months in advance.

Other Fees, Adjustments

Custodians may charge transaction fees on purchases or sales of certain securities. These fees are not commissions, and we are not paid. Where possible we have negotiated reduced or below market fees on behalf of our clients and consider fees when making investment recommendations.

FEE-ONLY FINANCIAL PLANNING, LC, in its sole discretion, may waive its minimum fee and/or charge a lesser 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, negotiations with clients, etc.)

Expense Ratios

We place an emphasis on minimizing the cost of investing. We stringently examine the cost of acquiring and owning investments in making recommendations. Mutual funds generally charge internal management fees or expense ratios to cover their costs. An expense ratio of 0.50 means it will cost you 0.5% annually to own this investment. For this reason, we heavily favor investments with modest expense ratios, like index funds and individual bonds. Expense ratios are paid to fund companies, not to us. They should be considered an investment cost in addition to the fees you pay us.

Past Due Accounts and Termination of Agreement

We reserve the right to stop work on any account in arrears on fees and are not responsible for any action or inaction that results. Unresolved past due accounts may be transferred from our Institutional platforms and will lose affiliated benefits. Agreement may be terminated upon contractually expressed written notice by either party. Fees are prorated to end of notice period. Unearned fees will be refunded, or outstanding invoices collected.

Please Note: Fee Differentials. We shall generally price its advisory services based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the type, amount and market value of their assets, the anticipated complexity of the engagement, the anticipated level and scope of the overall investment advisory and consulting services to be rendered. Additional factors effecting pricing can include related

accounts, competition, and negotiations. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by the firm to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **Please Also Note:** Depending upon the assets under management and the anticipated planning and consulting services, the firm can also impose an annual minimum fee as referenced on Exhibit "A" to the *Investment Advisory Agreement*. In the event that the client is subject to an annual minimum fee, the client could pay a higher percentage fee than referenced above. **ANY QUESTIONS:** **The firm's Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions regarding advisory fees.**

Margin Accounts: Risks/Conflict of Interest. We **do not** recommend the use of margin for investment purposes. A *margin account* is a brokerage account that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Should a client determine to use margin, We will include the entire market value of the margined assets when computing its advisory fee. Accordingly, the firm's fee shall be based upon a higher margined account value, resulting in us earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since we may have an economic disincentive to recommend that the client terminate the use of margin. **Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction. **ANY QUESTIONS:** **The firm's Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions that a client or prospective client may have regarding the use of margin.**

Sharing of Capital Gains

We are not a party to any performance or incentive-related compensation arrangements with its clients.

Types of Clients

Description

We provide services to individuals, trusts, and estates. Client relationships vary in scope. We accept new clients with the expectation they will endure.

Account Minimums

We do not impose absolute account minimums. Factoring in the cost of investing is a critical aspect to success in our view. Retainer or Investment Advisor Agreements are offered after weighing the perceived benefit our services may have on your long-term success.

Due to variations in assets, tenure, complexity and factoring in minimum fees imposed, some clients may pay a higher percentage rate in annual fees than the fees paid by clients with greater or lesser assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We utilize publicly provided information and consider the individual client when making investment selection.

Investment Strategies

We heavily consider the cost of acquiring and owning investments. We favor individual bonds for fixed income, and we evaluate offerings for credit worthiness using industry recognized sources and ratings services. We believe in the benefits of lower cost and diversification and prefer indexed mutual funds and Exchange Traded Funds.

The primary investment strategy for client accounts is asset allocation. We work with each client to establish an investment model of diversified asset classes and suggest rebalancing against the model at agreed upon intervals. Allocations are intended to complement client objectives and may be modified over time. Clients are encouraged to utilize this model as a framework for investment decisions. Our strategies generally favor long-term purchases over short-term purchases.

Risk of Loss

All investments have certain risks that are borne by the investor. Our approach constantly balances the risk of loss against achievement of client objectives. All 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 electric 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.

Disciplinary Information

Legal and Disciplinary

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

Other Financial Industry Activities and Affiliations

Financial Industry Activities

We are not active in any other related industry.

Affiliations

We have no material arrangements with any related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. The firm maintains an investment policy relative to personal securities transactions. This investment policy is part of the firm's overall Code of Ethics, which serves to establish a standard of business conduct for all of the firm's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, the firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the firm or any person associated with the firm.
- B. Neither the firm nor any related person of the firm recommends, buys, or sells for client accounts, securities in which the firm or any related person of the firm has a material financial interest.
- C. The firm and/or representatives of the firm may buy or sell securities that are also recommended to clients. This practice may create a situation where the firm and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the firm did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the firm's clients) and other potentially abusive practices. The firm has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the firm's "Access Persons". The firm's securities transaction policy requires that an Access Person of the firm must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the firm selects; provided, however that at any time that the firm has only one Access Person, he or she shall not be required to submit any securities report described above.
- D. The firm and/or representatives of the firm may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the firm and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above, the firm has a personal securities transaction policy

in place to monitor the personal securities transaction and securities holdings of each of the firm's Access Persons.

Brokerage Practices

In the event that the client requests that recommend a broker-dealer/custodian for execution and/or custodial services, we generally recommend that investment advisory accounts be maintained at *Schwab*. Prior to engaging us to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with the firm setting forth the terms and conditions under which we shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that we consider in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the firm, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as *Schwab* can charge transaction fees for effecting certain securities transactions. To the extent that a transaction fee will be payable by the client to *Schwab*, the transaction fee shall be in addition to the firm's investment advisory fee referenced above.

To the extent that a transaction fee is payable, we shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although we will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

Research and Benefits: Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we can receive from *Schwab* (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by us can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services (including those provided by unaffiliated vendors and professionals), discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support (including client events), computer hardware and/or software and/or other products used by us in furtherance of our investment advisory business operations. Certain of the benefits that could be received can also assist us to manage and further develop our business enterprise and/or benefit the firm's representatives.

The firm's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as the result of this arrangement. There is no corresponding commitment made by us to *Schwab*, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

ANY QUESTIONS: The firm's Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.

Directed Brokerage. We recommend that our clients utilize the brokerage and custodial services provided by *Schwab*. The firm generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific broker-dealer/custodian, other than one generally recommended by us(i.e., *Schwab*).

Order Aggregation. Transactions for each client account generally will be effected independently unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. The firm may (but is not obligated to) combine or "batch" such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the firm's clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that the firm becomes aware that a firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "batch" transaction or transacted after all discretionary client transactions have been completed. The firm shall not receive any additional compensation or remuneration as the result of such aggregation.

Review of Accounts

Periodic Reviews

Account reviews are performed periodically based upon contracted services, and more frequently upon client request.

Review Triggers

Conditions that may trigger reviews are changes in tax laws, new investment information, and changes in a client's own situation. Clients are responsible for alerting us to any changing circumstances which may warrant additional review and requesting reviews outside contracted intervals.

Regular Reports

Account reviews are conducted by Andrew M. Hudick II, CFP and M. Eden Bowen, CFP. They 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.

Clients receive periodic communications. Investment Advisor Agreement clients receive regular written updates at agreed upon intervals. The written updates include a personalized letter and portfolio statement. Clients are generally responsible for approving recommendations prior to implementation.

Client Referrals and Other Compensation

Incoming Referrals

Our new clients generally come from existing clients, some of whom have been with us from the beginning! We do not compensate any referring parties, but we value the confidence they place in us.

Referrals Out

We do not accept referral fees of any kind from other professionals when a prospect or client is referred to them.

Other Compensation

None

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by us. Our reports rely on data provided from outside sources.

We shall have the ability to deduct our advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary

account statement directly from the custodian (i.e., *Schwab*, etc.) at least quarterly. **Please Note:** To the extent that We provide clients with periodic account statements or reports, the client is urged to compare any statement or report provided by us with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the firm's advisory fee calculation.

Investment Discretion

Discretionary Authority for Trading

Fee-Only Financial Planning, LC accepts discretionary authority to manage accounts held at Charles Schwab & Co., Inc., and in some cases American Funds/Capital Group, TIAA and Fidelity Investments. This facilitates placing trades in authorized Investments accounts to implement the investment recommendations we have agreed upon. We have the authority to determine, without obtaining specific consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. When practical we will generally consult with the client before placing trades.

The client approves the custodian to be used. We do not receive any portion of the transaction fees or commissions paid by the client to the custodian on any trades or investment acquisitions. Independent client trading in any account maintained on our Institutional platform is strongly discouraged and will likely constitute basis for client termination.

The client can determine to engage us to provide investment advisory services on a discretionary basis. Prior to engaging us to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with the firm setting forth the terms and conditions under which we shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Clients who engage us on a discretionary basis may, at any time, impose restrictions, in writing, on our discretionary authority. (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe our use of margin, etc.). **Please Note:** Although we are vested with discretionary authority, it will generally endeavor (if/when, in the firm's sole discretion, it is feasible and practical to do so) to address transactions with the client before execution;

Outside Assets

When desired and if possible, we may incorporate outside accounts in client services. An outside account is one not held on our Institutional platforms with TIAA-CREF, Charles Schwab & Co., Inc. or Fidelity Investments. Clients who desire inclusion of outside accounts in reporting may do so by linking these accounts to data aggregator ByAllAccounts or by providing periodic outside account statements. Clients are responsible for maintaining the ByAllAccounts access and accept all liability for doing so. Absent updated ByAllAccounts data or client provided account statements, we will utilize last provided account valuations

in our advice, reports, and billing. We do not make trades in outside accounts and clients are responsible for implementation of any recommendations made within these outside accounts. When permitted, we may provide limited administrative support for outside accounts.

Limited Power of Attorney

A limited power of attorney is an authorization for a specific account. Clients sign a limited power of attorney so that we may execute trades, bill designated accounts and provide the agreed upon services that they have approved.

Voting Client Securities

We do not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (2) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact us to discuss any questions they may have with a particular solicitation.

Financial Information

- A. We do not require clients pay fees more than six months in advance.
- B. We are unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. We have not been the subject of a bankruptcy petition.

The firm's Chief Compliance Officer, Anne Marie Hudick, CFP, remains available to address any questions regarding this Part 2A.

Business Continuity Plan

General

FOFP, LC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. Our business model is remote operation which lends itself to minimal potential for disruptions. We maintain cellular devices which also function as hotspots in the event of loss of internet. We maintain up to date business continuation plans from our key vendors. The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, cellular outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up in real time across multiple systems and archived offsite. These include client statements, confirms and all communication.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

We have an informal Business Continuation Agreement with another fee-only financial advisory firm to support clients in the event of two of our three principal's serious disability or death. In the event of one principal's incapacity or death, the two remaining would continue operation of the business.

Information Security Program

Information Security

We maintain an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

We are committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain secure offices to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed. We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

We do not employ interns or outside advisors. All work product is prepared by three CFP®'s with a combined eighty plus years of experience in financial planning.

Professional Certifications

Professionals at our Firm are certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). Therefore, they may refer to themselves as a CERTIFIED FINANCIAL PLANNER™ professional or a CFP® professional, and I may use these and CFP Board's other certification marks (the "CFP Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has determined are necessary for the competent and professional delivery of

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Fee-Only Financial Planning LC

financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.

- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement and agree to be bound by CFP Board's Code of Ethics and Standards of Conduct ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- **Ethics** – Commit to complying with CFP Board's Code and Standards. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the Code and Standards.

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ANDREW M. HUDICK II, CFP®, MS, CERTIFICATIONS

Year: 1958

Educational Background:

- University of Virginia, BS Civil Engineering, 1980
- College for Financial Planning, CFP®, 1983
- College for Financial Planning, MS, 1990

Business Experience:

- Founder, Fee-Only Financial Planning LC, 1981- Present
Managing Member and Chief Investment Officer

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

ANNE MARIE HUDICK, CFP®, CERTIFICATIONS

Year: 1962

Educational Background:

- College for Financial Planning, CFP®, 1992

Business Experience:

- Bowen Financial Group 1989- 1992
- Independent fee-only Financial Planner, 1992-2001
- Principal Fee-Only Financial Planning LC, 2001- Present
Chief Financial and Compliance Officer

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

MARGARET EDEN BOWEN, CFP® CERTIFICATIONS

Year: 1993

Educational Background:

- Bridgewater College Magna Cum Laude Business, 2014
- College for Financial Planning, CFP®, 2019

Business Experience:

- SmartPak, Product Specialist, 2015-2016
- Fee-Only Financial Planning LC 2016- Present
Financial Planner and Chief Operations Officer

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None