Item 1 – Cover Page

Commencement Financial Planning LLC

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253.820.6432

www.commencefp.com

March 11, 2019

This Brochure provides information about the qualifications and business practices of Commencement Financial Planning LLC ["ADVISOR"], IARD/CRD Number 154056. If you have any questions about the contents of this Brochure, please contact us at 253.820.6432 or tas@commencefp.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.

Commencement Financial Planning LLC is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Commencement Financial Planning LLC also is available on the SEC's website at www.advisorinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated March 11, 2019 replaces our last update dated March 2, 2018.

This Item discusses only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

There are no material changes to this brochure since the last update.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Troy Sapp CPA, CFP® at 253.820.6432 or tas@commencefp.com. Our Brochure is also available on our web site www.commencefp.com, also free of charge.

Additional information about Commencement Financial Planning LLC is also available via the SEC's web site www.advisorinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Commencement Financial Planning LLC who are registered, or are required to be registered, as investment advisor representatives of Commencement Financial Planning LLC.

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Item 4 – Advisory Business

Troy Sapp CPA, CFP® formed Commencement Financial Planning LLC ("Advisor") during 2010 after providing fee-only comprehensive financial planning services at a private financial services firm for 14 years. Troy Sapp CPA, CFP®, the Advisor's sole owner, formed Commencement Financial Planning LLC to provide similar fee-only comprehensive financial planning services to individuals and families of the general public. Since the Advisor's only compensation is what it receives directly from the clients it serves, its services are unbiased by commissions or other payments from vendors.

The Advisor offers fee-only comprehensive financial planning services to individuals and families. The Advisor's services generally include the development of comprehensive financial plans; development of investment policy statements; assistance in the implementation of investment policies, including the selection of mutual funds and/or separate account managers; and as a financial planning and portfolio oversight resource (on a non-discretionary basis). The Advisor's services can be engaged as ongoing or on a project basis as mutually defined by the Advisor and client.

The following table summarizes the total assets managed and supervised by the advisor as of March 9, 2019:

Assets Under Management (Discretionary)	$ -
Assets Under Management (Non-Discretionary)	42,847,960
Total Assets Under Management	$ 42,847,960

The Advisor's comprehensive financial planning services include the gathering, review, implementation, and monitoring of insurance, portfolio allocation and operational policy, estate planning, tax planning, retirement planning, education planning, and cash flow planning. The Advisor works with clients to understand their unique situation and financial goals, then helps them to identify and implement strategies consistent with those goals. After the development and implementation of financial strategies, the Advisor believes the client's situation should be periodically reevaluated for changes in client circumstances, and adjustments should be made to those strategies accordingly.

The Advisor believes low-cost passive mutual funds and exchange traded funds ("ETFs") should be the core holding of client portfolios. The Advisor also understands clients may have constraints or preferences to holding individual securities or actively managed funds. In these situations the Advisor will assist clients to identify and understand the pros and cons of such investments then help them develop an investment policy suited to those constraints or preferences.

The Advisor makes no attempt to time the market. The Advisor recommends clients adopt target asset allocations consistent with their risk tolerance, time horizon, objectives, constraints, and preferences. The Advisor then recommends occasional rebalancing to the client's agreed upon allocation targets if such rebalancing makes sense given transaction fees and tax consequences. Further, the Advisor assists clients to identify unrealized tax-losses and whether realizing those losses make economic sense given transaction costs.

Item 5 – Fees and Compensation

All fees are subject to negotiation.

There are two methods of compensation: (1) Asset based fees; and (2) Hourly fees.

Asset Based Fees

Asset based fees for supervised assets are determined using the schedule below:

Portfolio Value	Annual Fee
First $1,000,000	.50%
$1,000,001-$5,000,000	.30%
Over $5,000,000	.20%

Example:

Average gross assets for quarter= $2,100,000

$1,000,000 x .005 = 5,000

$1,100,000 x .003 = 3,300

$8,300 x ¼ = $2,075 = fee for quarter

Asset Based Fees are based on the aggregated value of a client's accounts and are billed in arrears on a quarterly basis. The aggregated value is based on the average of month end gross asset values for the past quarter. The fee for any partial quarter upon opening or termination of an account will be prorated.

Clients have the option of paying advisory fees by check or by having fees deducted from their account if one is opened with Charles Schwab & Co., Inc. ("Schwab"). The Advisor recommends that all clients hold their investments in brokerage accounts established at Schwab. Schwab is unaffiliated with Commencement Financial Planning LLC and provides a broad range of trading and custodial services, some of which have associated fees. The Advisor does not share in any of the fees or commissions charged by Schwab. For a more complete discussion of custodial fees and expenses, please see "Brokerage Practices" below.

For client assets held with Schwab, the Advisor will manage client assets on a non-discretionary basis, which means that the advisor will consult the client and obtain written approval before placing any trades in the client's account(s).

The Client or Advisor may terminate investment advisory contracts at any time by written notice. In the event of termination, Asset Based Fees are prorated to the date of termination and any unearned fees paid by the client are refunded promptly.

As negotiated by the Advisor and client, one or more accounts of one or more members of the same family may be combined for fee calculation purposes.

Hourly Fees
The Advisor charges hourly fees at the rate of $175/hour. Clients are provided with a service agreement outlining the scope of work to be performed, the process to be followed, and the Advisor's current hourly rate schedule along with an estimated project cost. Fees are paid at the end of each meeting and based on actual time spent by the Advisor.

Other Fees
The Advisor's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also carry internal fund fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to the Advisor's fee, and the Advisor shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that the Advisor considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

The Advisor does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

The Advisor generally provides investment advice to individuals and families.

The Advisor has no minimum account size for clients engaged on an hourly basis.

The Advisor imposes an account minimum of $500,000 for clients engaged on the basis of asset based fees. Under asset based fee arrangements, the Advisor's services encompass all of the client's financial affairs. Accordingly, the Advisor does not limit its services to advising on assets on which the fees are based. The Advisor retains the right to waive its account minimum and may do so on a case-by-case basis.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

The Advisor does not believe clients should attempt to time the market. The Advisor recommends that clients adopt stock and bond target allocations consistent with their risk tolerance, time horizon, objectives, constraints, and preferences. The Advisor believes maintaining the adopted stock and bond target allocations is the single most important factor in maintaining a portfolio's anticipated risk/return profile.

The Advisor believes no single security should represent more than 5% of a client's overall investment portfolio. The Advisor believes a concentration in any one security of over 5% exposes the portfolio to undue risk. Further, the Advisor offers no opinion on individual securities, but may provide the client with unaffiliated third party analyst reports (such as those available through Morningstar®) to assist them in their decision making process.

The Advisor uses the following investment strategies and analyses to assist clients fulfill their targeted stock and bond allocations:

Stock Portfolio Allocation

The Advisor believes that low cost passive mutual funds and exchange traded funds ("ETFs") should be the core strategy. The Advisor generally recommends no-load passive mutual funds with low internal fund fees, low transaction fees, and that have proven to consistently track the profile, return, and volatility of their passive benchmark. The Advisor recommends stock ETFs with the same attributes as the mutual funds it recommends, but the Advisor prefers ETFs with large market capitalization and trading volume. (See below: *Special Risks of Exchange-Traded Fund Shares)*

The Advisor recommends stock portfolios be constructed by first examining the weighted allocation of the market's valuations for each investible asset classes of U.S. Large Cap, U.S. Small Cap, Foreign Developed, and Emerging Markets. The Advisor believes history has shown us that Value and Small Capitalization valuation attributes have afforded better results than their counterparts and will likely continue to do so over the long term. Therefore, the Advisor recommends a bias toward Value and Small Capitalization asset classes over what the market's weighted valuations would suggest. The Advisor also believes publicly traded Real Estate Investment Trusts (REITs) have unique characteristics which provide additional diversification benefit. Given this, the Advisor generally recommends stock portfolios have an amount allocated specifically to publicly traded REITs.

The Advisor also believes momentum occasionally exists among the various asset classes which can cause them to be overvalued or undervalued when compared to their expected "true" value. The Advisor believes that occasional large undervaluation or overvaluation can be estimated through fundamental analysis. The Advisor believes most of this perceived momentum can be captured by periodic portfolio rebalancing. The Advisor also believes that modifications should occasionally be made to market weighted allocations for its valuation estimates.

Since the Advisor may recommend stock allocations which differ from the investible stock market's weighted allocation, the Advisor's recommendation may perform worse than the overall stock market.

Though the Advisor generally recommends low cost passive investment funds to fulfill stock allocation targets, upon client request the Advisor may express opinions on specific actively managed investment funds. (See below: *Special Risks of Actively Managed Funds*)

Bond Portfolio Allocation
The Advisor recommends bonds portfolios be constructed using mainly investment grade U.S. Treasury, Agency, Corporate, and Municipal bonds denominated in U.S. currency. The Advisor recommends holdings of bonds denominated in foreign currencies be hedged to help neutralize currency risk. As bonds can carry high levels of interest rate and inflation risk, the Advisor recommends bonds portfolios with constrained duration and have an amount allocated Treasury Inflation Protected Securities. Further, the Advisor recommends that below investment grade and foreign bonds be only a small portion of a client's overall bond portfolio, if any.

The Advisor recommends utilizing the same types of investment funds for the same reasons (in addition to quality and duration issues mentioned above) as it does to gain exposure to stocks. However, if no passive funds exist to fulfill bond allocation targets, the Advisor recommends using actively managed funds with well-established track records of closely matching the profile, return, and volatility of the desired benchmark. (See below: *Special Risks of Actively Managed Funds*)

Since the Advisor recommends bond allocations which may differ from the investible bond market's weighted allocation, the Advisor's recommendation may perform worse than the overall bond market.

Special Risks of Actively Managed Funds
Upon client request, the Advisor does occasionally express opinions on specific actively managed stock and bond funds which the Advisor does not usually recommend or monitor. In these instances, the Advisor reviews fundamental fund data including internal fund fees, manager tenure, investment process, investment fund profile (and whether the fund managers maintain the fund's investment profile), portfolio turnover, tax efficiency, and historical volatility of the fund's net asset value when compared to its benchmark. After its review, the Advisor will provide the client with its opinion, but will not monitor the fund(s) going forward.

History has shown that very few actively managed funds outperform their benchmarks over the long term. The Advisor believes the probability is high that any given actively managed fund will underperform its benchmark over the long term going forward. The portfolio attributes of many actively managed funds also change over time. Such future changes may or may not be consistent with client portfolio allocation targets developed at the time of the Advisor's review.

The Advisor does monitor the profile, return, and volatility of the actively managed funds it usually recommends. These funds are generally limited to market segments to which the Advisor recommends clients gain exposure, but where the Advisor has been unable to identify desirable passive investment funds. There is risk that one or more of the Advisor recommended actively managed funds will fail to perform as well as the desired benchmarks.

Special Risks of Exchange-Traded Fund Shares

ETF Shares are not individually redeemable. They can be redeemed with the issuing Fund at Net Asset Value ("NAV") only in large blocks known as Creation Units, which would cost millions of dollars to assemble.

The market price of ETF Shares may differ from NAV. ETF Shares are listed for trading on a national securities exchange and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF Share typically will approximate its NAV, there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

The market price of ETF Shares, like the price of any exchange-traded security, includes a "bid-asked spread" charged by the exchange specialist and other market-makers that cover the particular security. In times of severe market disruption, the bid-asked spread can increase significantly. This means that ETF Shares are most likely to be traded at a discount to NAV, and the discount is likely to be greatest, when the price of ETF Shares is falling fastest—and this may be the time that you most want to sell ETF Shares.

An active trading market for ETF Shares may not exist. Although ETF Shares are listed on a national securities exchange, it is possible that an active trading market may not be maintained.

Trading may be halted. Trading of ETF Shares on an exchange may be halted whenever trading in equity securities generally is halted by the activation of market wide "circuit breakers" (a rule that requires a halt in trading for a specific period of time when market prices decline by a specified percentage during the course of a trading day). Trading of ETF Shares may also be halted if (1) the shares are delisted from the listing exchange without first being listed on another exchange or (2) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Advisor or the integrity of the Advisor's management. The Advisor has no legal or disciplinary events applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The Advisor is a fee-only comprehensive financial consultant and neither it nor its owner/manager, Troy Sapp CPA, CFP®, is affiliated with any other service provider.

Since the Advisor is fee-only and is not affiliated with other service providers, it has no conflicts of interest with its clients as in arrangements where this is not the case.

Item 11 – Code of Ethics

The Advisor has adopted a Code of Ethics and other Policies for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics and other Policies include provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of the Advisor must acknowledge the terms of the Code of Ethics and other Policies annually, or as amended.

The Advisor anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which the Advisor has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Advisor and/or its clients, directly or indirectly, have a position of interest. The Advisor's employees and persons associated with the Advisor are required to follow the Advisor's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Advisor may trade for their own accounts in securities which are recommended to and/or purchased for the Advisor's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Advisor will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of the Advisor's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between the Advisor and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with the Advisor's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Advisor will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

The Advisor's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Troy Sapp CPA, CFP®.

It is the Advisor's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. The Advisor will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

The Advisor only receives monetary compensation directly from its clients. The Advisor may receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits"). However, the Advisor does not receive these benefits in connection with client securities transactions.

The Advisor does not take custody of client investments. Instead, the Advisor recommends its clients use Charles Schwab & Co., Inc. (Schwab) as their qualified custodian. Schwab is a registered securities broker/dealer and a member of SIPC. The Advisor receives no compensation or soft dollar benefits from Schwab (or their affiliates) in connection with this recommendation. However, if the client desires to have the Advisor execute security transactions for them they must use Schwab for brokerage services. While the Advisor recommends its clients use Schwab, they are not obligated to do so.

In making this recommendation the Advisor considered a number of factors including:

- The combination of transaction execution services and asset custody services (generally, without paying an additional or separate fee for custody services)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate money transfers and payments to and from accounts such as wire transfers, check requests, bill payments
- Available investments like stocks, bonds, mutual funds, exchange traded funds
- Availability of investment research and tools that help the Advisor advise its clients
- Quality of service
- Cost effectiveness and competitiveness of commission rates, margin interest rates, and other fees and willingness to negotiate
- Industry reputation, financial strength, and stability
- Prior experience
- Availability of other products or services that benefit the Advisor and helps to serve its clients

Schwab generally does not charge separately for custody services. They are compensated by charging commissions or other fees on trades. Schwab's commission rates applicable to the Advisor's clients' accounts are negotiated based on the aggregate value of client investments maintained at Schwab and the type and volume of transactions executed by Schwab.

In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the Advisor executes with a different broker/dealer and have settled to the client's Schwab account. These fees are in addition to the commissions paid to the executing broker/dealer. As a result, to minimize trading costs, the Advisor executes most trades through Schwab. The Advisor believes that executing most trades with Schwab is consistent with its duty to seek the best execution of client trades. Best execution means that the client receive the most favorable terms for a transaction based on all relevant factors.

All security transactions executed by the Advisor on behalf of the client must be approved by the client in writing before its execution. Not all advisors require their clients to direct brokerage activity in this manner. Though this policy adopted by the Advisor may not allow the client to achieve most favorable execution of client transactions, thus may cost clients more money, the Advisor believes the long term benefit of having clients actively involved in understanding and approving transactions before they are made outweighs the possible additional monetary costs.

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like Commencement Financial Planning, LLC. They provide the Advisor and its clients with access to their institutional brokerage services, like trading, custody, and reporting. Some of these services are not available to individual Schwab customers through the Schwab retail system.

Schwab also makes available to the Advisor various support services, such as training and education. Some support services help the Advisor manage or administer its clients' accounts more efficiently and effectively. Other support services are more focused on helping the Advisor to grow and manage our business. Schwab's support services generally are available to the Advisor on an unsolicited basis and at no charge.

The following is a more detailed description of Schwab's support services:

Services that directly benefit the client - Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which the Advisor might not otherwise have access or that would require a significantly higher minimum initial investment by its clients.

Services that may not directly benefit the client - Schwab also makes available products and services that may benefit the Advisor, but may not directly benefit clients or their accounts. These products and services assist the Advisor in managing and administering client accounts. They include investment research, both Schwab's own and that of third parties. The Advisor may use this research to service all or a substantial number of its clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data, such as duplicate trade confirmations and account statements
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of the Advisor's fees from its clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally only benefit the Advisor - Schwab also offers other services intended to help the Advisor manage and further develop its business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human resource consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide the Advisor with other benefits, such as occasional business entertainment.

The Advisor uses Schwab's services extensively, both those that benefit its clients directly and indirectly and those that generally only benefit the Advisor. The Schwab services the Advisor may use include:

- Web-based technology that enables the Advisor to efficiently process trades and perform various cashiering functions like issuing checks to its clients or moving money between client accounts
- Access to institutional mutual funds typically not available to retail investment clients
- Web-based fixed income research and trading applications and a fixed income trading desk that enable the Advisor to screen, select and obtain competitive bids and offers on municipal, corporate and US Treasury and agency bonds
- Software and other technology that enables the Advisor to download and import client account transactions, securities positions and prices into its portfolio management and accounting system
- Software and web-based applications to upload Advisor management fees for payment from client accounts
- Web-based applications that facilitates opening new accounts and transferring investments from other financial institutions
- Proprietary as well as third-party investment research
- On-line access to educational programs
- On-line access to technology, compliance and business consulting resources
- Occasional informational or educational seminars or presentations, some of which provide free professional continuing education credit
- Discounts on third-party products, such as investment research and software

Advisor interest in Schwab's services - The availability of these services from Schwab benefits the Advisor because it does not have to produce or purchase them. The Advisor does not have to pay for Schwab's services. These services are not contingent upon the Advisor committing to any specific amount of business to Schwab in terms of trading commissions or assets held in custody. The Advisor believes that its selection of Schwab as custodian and broker is in its clients' best interest. The Advisor's selection is primarily supported by the scope, quality, and price of Schwab's services as more completely described previously on pages 8-9 of this document.

Item 13 – Review of Accounts

For clients with an asset-based fee service agreement in force with the Advisor, the Advisor will review their accounts at least 3 out of 4 quarters of each calendar year. Other triggering factors for review include changes in client objectives, cash needs, cash available for investment, tax loss harvesting, client requests, rebalancing according to the client's specific investment policy, and changes in the Advisor's recommended investment funds. The Advisor will discuss recommendations resulting from the reviews with the client.

All reviews and subsequent advice will be performed by Troy Sapp CPA, CFP®, Managing Member, according to the guidelines approved by clients in their written Investment Policy Statement(s). All Advisor recommendations and subsequent client decisions will be documented in writing (see Item 16).

For clients with an asset-based fee service agreement in force with the Advisor, the Advisor will prepare and review with the client an updated written financial planning report at the client's request (see Item 16).

For clients engaged on an hourly fee basis with the Advisor, the Advisor will fulfill the review and reporting requirements as agreed to in the client's service agreement. This sort of engagement is typically short-term (one to three months). After the Advisor's obligations under the service agreement have been satisfied, the Advisor will not monitor or review the client's accounts until a new service agreement has been executed with the client.

Item 14 – *Client* Referrals and Other Compensation

The Advisor is a fee-only comprehensive financial consultant; therefore the only cash benefit it receives is what its clients pay directly. However, the Advisor does receive an economic benefit from Schwab in the form of the support products and services they make available to it and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit the Advisor, and related conflicts of interest are described above (see "Brokerage Practices" above). The availability to the Advisor of Schwab's support products and services is not based on the Advisor giving any specific investment advice or product recommendation, such as purchasing specific securities. In the normal course of the Advisor's business it may receive new client referrals from other clients and professional advisors. While the Advisor may solicit and certainly welcome new client referrals, it does not directly or indirectly compensate referral sources. From time to time, however, the Advisor may entertain referral sources and to the extent that the Advisor pays for such entertainment it may be considered compensation. Entertainment expenses, however, are generally immaterial in amount (less than $100) and there is no explicit expectation of reciprocity. Therefore, the Advisor does not believe that entertainment of referral sources creates a conflict of interest or in any way compromises its fiduciary duty to clients.

Item 15 – Custody

The Advisor does not take custody of client investments. Under government regulations, however, the Advisor is deemed to have custody of client assets if, for example, the client authorizes the Advisor to deduct its fees directly from their account or move money from one of the client's accounts to another account registered in another name. Clients will receive quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains their investment assets. The Advisor urges its clients to carefully review such statements and compare such official custodial records to the account statements that the Advisor may provide its clients. The Advisor's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

The Advisor does not receive discretionary authority from the client to select the identity and amount of securities to be bought or sold. Instead, the Advisor assists the client in identifying a collection of investment funds and a target allocation of them consistent with the client's risk tolerance, time horizon, constraints, and preferences. The client will then either direct brokerage activity directly or direct the Advisor to make transactions on their behalf. The Advisor will not execute security transactions on behalf of a client without the client's prior written approval.

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, the Advisor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The Advisor may provide advice to clients regarding the clients' voting of proxies, if requested.

Item 18 – Financial Information

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about the Advisor's financial condition. The Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Further, the Advisor does not require or solicit prepayment of more than $500 in fees per client, six months or more in advance. The Advisor also does not have discretionary authority or custody of client funds or securities.

Item 19 – Requirements for State-Registered Advisors

The Advisor requires all persons who help determine or give investment advice to hold a college degree, to have either the CERTIFIED FINANCIAL PLANNER™ (CFP®) or Chartered Financial Analyst (CFA) designation, and to have a minimum of 5 years of related experience.

Education and Business Background of Management Person

Troy Sapp CPA, CFP®
Managing Member
Year of Birth: 1969

Education:

Bachelor of Science in Business, Accounting (1994)
University of Minnesota, Twin Cities

Business Experience:

Financial Consultant
Fiduciary Counselling, Inc., 1996 - 2010

Professional Associations:

- Financial Planning Association, member
- National Association of Personal Financial Advisors, member

Professional Designations:

- Active Certified Public Accountant (CPA) registered in Minnesota and Washington
- CERTIFIED FINANCIAL PLANNER™

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.