Gray Financial Planning

Planning Today for a Brighter Tomorrow

Gray Financial Planning LLC
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Form ADV Part 2

February 14, 2025

This brochure provides information about the qualifications and business practices of Gray Financial Planning LLC. If you have any questions about the contents of this brochure, please contact Mr. Dan Gray at (469) 422-6082.

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

While the firm and its associates may be registered with the State of Texas or other jurisdictions, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Item 2 - Material Changes

The firm's client assets under management, had been amended to update its current assets under management. For future filings this section of the brochure may address only those material changes that have been incorporated since the firm's last annual update.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: www.adviserinfo.sec.gov or you may contact our firm at (469) 422-6082.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

Item 3 - Table of Contents

Important Note: Throughout this document, Gray Financial Planning LLC may be referred to by the following terms: “the firm,” “we,” “us,” or “our.” The client or prospective client may be referred to as “you,” your,” etc.

This brochure contains 29 pages and should not be considered complete without all pages.

Item 4 - Advisory Business

About Our Firm

Gray Financial Planning LLC is a Texas-based limited liability corporation, and is not a subsidiary of nor does it control another financial industry entity. In addition to our 2011 registration as an investment advisor in Texas, our firm and its associates may register or meet certain exemptions to registration in other states in which we conduct business. Mr. Gray, noted in Item 19 of this brochure, is our firm's managing member, majority shareholder and designated officer (supervisor).

We hold ourselves to a *fiduciary standard*, which means our firm and its associates will act in the utmost good faith and perform in a manner believed to be in the best interest of our clients. As investment advisors we are required to put *you – our client – first*. We feel this sets us apart from other types of firms that may be held to a, perhaps lesser, "suitability" standard and may not be required under current regulation to place clients' interests ahead of their own or to disclose their conflicts of interest involving their clients' transactions that they have recommended.

Our Services

An estimated 40% of our business involves *financial planning* services, including working with clients in such areas as cash flow and budgeting, retirement planning, risk management, etc. Approximately 30% of time is engaged in furnishing periodic investment advice through consultations that do not include ongoing supervision or management of an investment account (termed *investment consultation*). The remaining 30% of activity is involved in advisory activities providing ongoing and continuous supervision of our client portfolios (termed *investment supervisory services*). We currently have $5,482,936 client assets under management.

To begin, a complimentary interview is conducted by a qualified representative of our firm to determine the scope of services to be provided. During or prior to this meeting, we will provide you with our current ADV Part 2 brochure that incorporates our Privacy Policy.

Should you wish to engage our firm, we must enter into a written agreement; thereafter discussion and analysis will be conducted to determine your financial need, goals, holdings, etc. Depending on the scope of the engagement, we may require current copies of the following documents early in the process:

- Wills, codicils and trusts;
- Insurance policies;
- Mortgage information;
- Tax returns;
- Current financial specifics including W2's or 1099s;
- Information on current retirement plans and benefits provided by your employer;
- Statements reflecting current investments in retirement and non-retirement accounts; and
- Completed risk profile questionnaires or other forms provided by our firm.

It is important that the information and financial statements you provide are accurate. We may, but are not obligated to, verify the information you have provided which will then be used in the financial planning or investment advisory process.

Financial Planning and Investment Consultation Services

A description of our offered services is described below and an estimate of the minimum time needed to complete each service is also shown; although the time needed to complete these services may vary depending on the complexity of the engagement. If several or all of the services described below are provided together, the total time needed to complete the services may be less than the time it would take to complete each service separately because of the efficiency gained by combining more than one service together.

Our services may be broad-based or more narrowly focused as you desire. Note that when these services focus only on certain areas of your interest or need, however, your overall situation or needs may not be fully addressed due to limitations you may have established.

Cash Flow and Budget Analysis (2+ Hours)

A review of your income and expenses to determine the current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications.

Advice is also provided on the appropriate cash reserve that should be considered for emergencies and other financial goals, a review of accounts (such as money market funds) for such reserves, plus strategies to save the desired amounts.

Retirement Planning and Investment Analysis (4.5 – 13 Hours)

Our retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary goal. For situations where projections show less than the desired results, we may make recommendations that include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter your spending during your retirement years.

College Planning (2.5+ Hours)

Our college funding services often include projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Advice might also include the "pros-and-cons" of various college savings vehicles such as Section 529 college savings plans and any advantages to you (i.e., reduction of income taxes) of using a particular state's Section 529 plan or prepaid savings plan or another plan, such as Coverdell Education Savings Accounts.

<u>Investment Analysis</u> (2+ Hours)

Our investment consultation services may involve providing information on the types of investment vehicles available, employee stock options, investment analysis and strategies, asset selection and portfolio design, as well as assisting you in establishing your own investment account at a selected broker-dealer or custodian (collectively, we term as "service providers") of your choosing. Investments reviewed or recommended are further discussed in a later section of this brochure.

<u>Insurance Analysis</u> (2+ Hours)

Our services include an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability or the need for long-term care. Advice is provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential costs of not purchasing insurance (self-insuring). We may consult with your insurance agent, other insurance agents or brokers and/or other insurance experts to assist you in making prudent risk management decisions and to help you purchase any appropriate insurance policies.

<u>Basic Financial Plan</u> (8 – 18 Hours)

The *Basic Financial Plan* encompasses each of the earlier noted areas, providing an overall view of your current situation and the development of a broad-based plan to assist you in reaching your financial goals.

<u>Financial Check</u> (3+ Hours)

Our *Financial Check* involves a review and update of our previous financial plan. We may also provide a review of a plan you may have had in the past from another firm to ensure you are on track.

In all instances you will retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make. Further, it remains your responsibility to promptly notify us if there is any change in your financial situation or investment objectives for the purpose of our reviewing, evaluating, or revising previous recommendations and/or services.

Upon completion of our presentation or delivery of advice, our engagement is typically concluded. However, we highly recommend a check-up meeting at least annually, or whenever your circumstances change.

<u>Educational Workshops</u>

We may provide educational workshops on an "as announced" basis for groups desiring general advice on investments and personal finance. Topics may include issues related to wealth management, financial planning, retirement strategies, or various other economic and investment topics.

Our workshops are educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one person's need nor do we provide individualized investment advice to attendees during our general sessions.

Investment Supervisory Services

You may also choose to engage our firm to implement the investment strategies we have recommended to you. Our Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy;
- Investment policy statement;
- Asset allocation;
- Asset selection;
- Risk tolerance; and
- Regular portfolio monitoring.

We generally employ Modern Portfolio Theory as part of our investment strategy while employing investment vehicles, such index funds, listed stocks, exchange-traded funds (ETFs), among others and are described in further detail in Item 8 of this brochure. We provide these services under a non-discretionary engagement agreement (see Item 15).

Whenever practical, we will assist you in preparing an investment policy statement (IPS), or similar document, reflecting your investment objectives, time horizon, tolerance for risk, as well as any account constraints. Your IPS will be designed to be specific enough to provide future guidance while concurrently allowing flexibility to respond to changing market conditions. Since the IPS will to a large extent be a product of information and data you have provided, you will be responsible for reviewing and providing final approval of the document/plan.

General Information

We do not provide legal or accounting services. With your consent, we may work with your other advisors (attorney, accountant, etc.) to assist with coordination and implementation of accepted strategies. You should be aware that these other advisors may bill you separately for their services and these fees will be in addition to those of our firm.

Our firm will use its best judgment and good faith effort in rendering its services. Gray Financial Planning LLC cannot warrant or guarantee any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within our client agreement is intended to diminish in any way our fiduciary obligation to act in your best interest or in any way limit or waive your rights under federal or state securities laws or the rules promulgated pursuant to those laws.

Item 5 - Fees and Compensation

Hourly Fees

We may be engaged for our financial planning and investment consultation services under an hourly fee arrangement. Fees for these services are $195 per hour. You will be billed for the actual time spent by our firm, assessed in 30-minute increments, and a partial increment will be treated as a whole.

Based on our current hourly rate, our financial planning and investment consultation menu would result in an estimated fee for services of:

Cash Flow and Budget Analysis – $390 and up
Retirement Planning and Investment Analysis – $878 to $2,535
College Planning – $488 and up
Investment Analysis – $390 to $1,755
Insurance Analysis – $390 and up
Basic Financial Plan – $1,560 to $3,510
Financial Check – $585 and up

Fixed Fees

At our discretion, we may offer our services on a fixed fee basis, generally ranging from $2,000 to $5,000. The fee takes into consideration factors such as the complexity of your financial profile; assets that comprise your overall portfolio we are providing advice, number of individual accounts comprising the portfolio, whether you or our firm will implement transactions for the account(s), among others, as well as whether our firm is being engaged for broad-based services. Therefore, fixed fees may be above or below the noted range and is determined by the complexity of the engagement.

Asset-Based Fees

We assess an annualized asset-based fee for accounts for which we provide our investment supervisory services and they are calculated based on the reporting period end value and as noted in the following table.

Assets Under Management	Annualized Asset-Based Fee
$0 – $1,000,000	1.00% or 100 Basis Points
$1,000,001 – $3,000,000	0.75% or 75 Basis Points
$3,000,001 – Above	0.50% or 50 Basis Points

For the benefit of discounting your asset-based fee, we may aggregate accounts for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member or incompetent person's account. Should, however, investment objectives be substantially different for any two or more household accounts requiring different investment approaches or operational requirements, we do reserve the right to apply our fee schedule separately to each account.

For all of our engagements, the services that are to be provided to you and the anticipated fee range will be detailed in the written service agreement. Fees for these services are negotiable at the discretion of our firm principal and comparable services may potentially be provided elsewhere for a lower fee.

Client Payment of Fees

Financial Planning and Investment Consultation Services

You will be directly invoiced for our financial planning and investment consulting services, whether the engagement involves hourly or fixed fee assessments. We do not withdraw these fees from a client investment account for these services.

We typically require an initial deposit (described in a later paragraph) with the balance of fees due immediately upon our presentation of the plan to you or your legal agent. Should project engagements span more than three months, you will be billed monthly, in arrears.

Asset-Based Fees

Our annualized asset-based fees or minimum account fee (when required) for our firm's investment supervisory services will be billed monthly, in arrears. An account's first billing cycle will occur once the agreement is executed and accounts are funded. This is irrespective of a partial period under our management, however, a partial period will be assessed a pro-rated fee. Fee payments will generally be assessed within 10 business days following each calendar billing period. For those accounts held by your selected service provider that our firm does not maintain an agreement, you will be directly billed and our fee will be due in full within 20 days of receipt of our invoice.

For purposes of determining account asset values, securities and other investment instruments traded on a market in which actual transaction prices are publicly reported will be valued at the last reported sale price on the principal market in which they are traded. If there are no sales on such date, then they will be determined by the mean between the *closing bid* and *asked price* on that date. Other readily-marketable securities will be valued using a pricing service or through quotations from one or more inter-market dealers. In the absence of a market value, we may seek an independent third party opinion or through a good faith determination by a qualified associate of our firm.

You will be required to authorize our firm in writing to allow your selected service provider to deduct our advisory fees from your account and all fees will be clearly noted on your statements. In jurisdictions where required, we will send you a written notice of the fees to be deducted from your account and it will include the total fee assessed as well as the covered time period, calculation formula utilized, and assets under management in which the fee has been based.

For those accounts held by a brokerage firm or custodian that our firm does not maintain an agreement with, you will be directly billed and fees will be due in full within 15 days of receipt of our firm's invoice.

Workshops

Our workshop engagements are generally *pro bono* in nature. In the event there is a charge for a workshop, it is anticipated to be paid by the engagement sponsor, such as an employer or association.

Fees for these events would typically be a flat-rate amount based on the firm's hourly fee and/or cost of workshop materials, and would be negotiated with the sponsor in advance of the presentation.

<u>Additional Fee Information</u>

<u>Other Potential Fees</u>

Specific product recommendations made by our firm usually involve "no-load" (i.e., no commission), if available, or low-load products. In some cases, such as insurance or actively-managed mutual funds, there may not be a suitable selection of no-load products available for recommendation.

Any transactional or custodial fees assessed by the selected service providers, individual retirement account fees, or qualified retirement plan account termination fees will be borne by you and are as provided in the current, separate fee schedule of the selected service provider. Fees paid to our firm for our services are separate from any transactional charges you may pay as well as those for mutual funds, ETFs, or other investments of this type.

Further information about our fees in relationship to our operational practices is noted in Item 12 of this document.

<u>Advance Payment for Certain Services</u>

We may require an initial deposit for either hourly or fixed fee financial planning and investment consultation engagements in the amount of the lesser of $500 or one-half of the lower-end of the estimated fee range, which will be defined in your engagement agreement. Our annualized asset-based fees for investment supervisory services will be billed monthly, in arrears, and do not require advance payment.

<u>Termination of Services</u>

Either party may terminate the agreement at any time, which will typically be in writing. Should you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute.

If you are a new client, you may terminate an agreement with our firm within five business days after the signing of our engagement agreement without penalty or charge. Should you terminate an engagement after this date, you may be invoiced for any time charges incurred by our firm in the preparation of your financial plan or investment allocation. In the case of any prepaid fees, we will promptly return any unearned amount upon receipt of a written termination notice.

For investment supervisory services accounts, following termination notice, our firm will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice.

External Compensation For the Sale of Securities to Clients

Our firm and its associates are engaged for fee-only services and we attempt to recommend "no load" investments whenever appropriate. We do not charge or receive a commission or mark-up on your securities transactions, nor will the firm and our associates be paid a commission on your purchase of an insurance contract or securities investment that we recommend.

We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company we may recommend. Fees charged by issuers are detailed in prospectuses or product descriptions and you are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

You will always have the option to purchase recommended investments through your selected service provider.

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

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as "performance-based fees." Performance-based compensation may create an incentive for a firm to recommend an investment that may carry a higher degree of risk to a client. Gray Financial Planning LLC does not use a performance-based fee structure because of the conflict of interest this type of fee structure may pose.

Side-by-side management refers to a firm simultaneously managing accounts that do pay performance based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, does not conform to our firm's practices.

Item 7 - Types of Clients

We provide our services to individuals, estates or trusts, and businesses of various scale to assist them in meeting their financial objectives in what is believed to be a cost-effective way.

Our ability to provide our service and advice depends on access to important information. Accordingly, you are expected to provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to source of funds, income levels, your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our financial planning or investment strategy for you and your account.

It is very important that you keep us up-to-date on significant changes that may call for an update to your financial and investment plans. Events such as job changes, early retirement, marriage or divorce, or the purchase or sale of a home or business can have a tremendous impact on your circumstances and needs. If we are aware of such events, we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

We do not require minimum income levels, minimum level of assets, or other conditions for our services. Certain fixed fee arrangements may be impractical for those clients with smaller investment accounts, therefore, in those instances the firm will only serve the client/account under an hourly or asset-based fee arrangement.

We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, pre-existing relationships, or as otherwise may be determined by a firm principal. We also reserve the right to decline services to any prospective client for any reason.

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

Method of Analysis

If we are engaged to provide investment advice, we will first gather and consider several factors, including your:

- current financial situation;
- current and long-term needs;
- investment goals and objectives;
- level of investment knowledge; and
- tolerance for risk.

We make asset allocation and investment policy decisions based on these and other factors. We will then discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure.

To achieve this, we typically employ a blend of fundamental and cyclical analyses to develop our investment strategies. This includes evaluating economic factors such as interest rates, current state of the economy, future growth of an issuer or sector, among others, as well as the ongoing review and estimation of price movement and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

Our research and recommendations may be drawn from sources that include financial publications; investment analysis and reporting software; research materials from outside sources; corporate rating services; annual reports, prospectuses and other regulatory filings; and company press releases.

Investment Strategies

Our investment advice incorporates the principles of Modern Portfolio Theory (MPT), whose concepts are based on rigorous, long-term academic research. The major premises of MPT include:

- Markets are typically efficient (though not always rational); therefore, it may be difficult to gain a competitive edge by exploiting market anomalies.

- Risk and reward are highly correlated. Over time, assets of greater risk provide higher expected returns to compensate investors for accepting this level of risk.

- Adding high-risk, low-correlating asset classes to a portfolio can reduce volatility/risk while increasing expected rates of return.

- Proper diversification of a portfolio can maximize expected return for a certain level of risk; likewise, it can minimize risk for a certain expected rate of return.

Our firm believes that a long term, buy-and-hold investment strategy with periodic rebalancing is preferred over most active investment strategies. Therefore, investment policy decisions are made in our best judgment to help you achieve your overall financial objectives while minimizing risk exposure.

We generally develop diversified portfolios principally through the use of cost-efficient index mutual funds or ETFs whenever feasible, as well as individual securities when felt necessary. Existing positions within an account will be evaluated and may be recommended to remain when deemed appropriate. We may recommend periodically rebalancing your portfolio in an attempt to maintain an optimal allocation while minimizing tax exposures, trading costs, etc.

Investment Strategy and Method of Analysis Material Risks

While we believe our strategies and investment recommendation are designed to potentially produce the highest possible return for a given level of risk, we cannot guarantee that an investment objective or planning goal will be achieved.

Some investment decisions may result in loss, including potential loss of the original principal invested. Each client must be able to bear the various risks involved in the investment of account assets, which may include market, currency, interest rate, liquidity, operational or political risk, among others.

If our research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, we are relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves. We make a reasonable effort to determine the accuracy of the information received but we cannot predict events, actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice to a client or account.

When your portfolio employs a passive, efficient markets approach, you will need to consider the potential risk that at times your broader allocation may generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the average return for the asset class. We believe this variance from the “expected return” is generally low under normal market conditions if the portfolio is made up of diverse, non-correlated assets.

If we are asked to engage in more active investment management strategies for your account, at times the account may outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover” within an account. This may result in shorter holder periods, higher transactional costs and/or create taxable events that will be borne by the investor and thereby potentially reducing or negating certain benefits that may be derived by shorter term investing.

Security Specific Material Risks

You will need to keep in mind that investment vehicles such as ETFs and indexed funds have the potential to be affected by "tracking error risk," which might be defined as a deviation from a stated benchmark (index). Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a "sample index" that may not closely align the benchmark. In these instances, we may choose to reduce the weighting of a holding or use a "replicate index" position as part of the core holding to minimize the effects of the tracking error in relation to the overall portfolio.

Many index funds and ETFs are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are certain asset classes or holding periods within a fund or ETF that may not benefit. Shorter holding periods or certain commodities and currencies (potentially within the fund/ETF) may be considered nonqualified, therefore the investments QDI will be considered if tax efficiency is an important aspect of your portfolio.

Item 9 - Disciplinary Information

Neither Gray Financial Planning LLC nor a member of our firm's management has been involved in a reportable material criminal or civil action, administrative enforcement, or self-regulatory organization proceeding that would reflect upon our firm's advisory business or the integrity of our firm.

Item 10 - Other Financial Industry Activities and Affiliations

Our policies require our firm and its associates to conduct business activities in a manner that avoid actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence.

Neither Gray Financial Planning LLC nor a member of firm management is registered, or has an application pending to register, as a broker-dealer or a registered representative of a FINRA or NFA broker-dealer; nor is the firm or its management registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither Gray Financial Planning LLC nor a member of our firm's management is or has a material relationship with any of the following types of entities:

- broker-dealer, municipal securities dealer, or government securities dealer or broker;
- other investment advisor or financial planner;
- futures commission merchant, commodity pool operator, or commodity trading advisor;
- banking or thrift institution;
- accountant or accounting firm;*
- lawyer or law firm;*
- insurance company or agency;*

- pension consultant;
- real estate broker or dealer;
- sponsor or syndicator of limited partnerships; or
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).

*Upon your request, we may provide referrals to various professionals, such as an attorney or accountant. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by Gray Financial Planning LLC.

We do not provide recommendations to or make selection of third party registered investment advisor firms for your account.

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

Code of Ethics

We have adopted a Code of Ethics that establishes policies of ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities.
Our policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others.

Associates who are CFP® designees or FPA members also adhere to the Certified Financial Planner Board of Standards Code of Ethics. These principles include:

Principle 1 – Integrity

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage.

Advisors are placed by clients in positions of trust by clients, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 – Objectivity

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 – Competence

Advisors will maintain the necessary knowledge and skill to provide professional services competently.

Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Principle 5 – Confidentiality

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

Additionally, associates of our firm that are NAPFA or Garrett Planning Network members adhere to the NAPFA *Fiduciary Oath* that states that:

> "*The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client.*
>
> *The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor.*
>
> *The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product.*
>
> *The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.*
>
> ***Following the NAPFA Fiduciary Oath means I shall:***
>
> ** Always act in good faith and with candor.*
> ** Be proactive in disclosing any conflicts of interest that may impact a client.*
> ** Not accept any referral fees or compensation contingent upon the purchase or sale of a financial product.*"

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually.

Our firm will provide of copy of its Code of Ethics to any client or prospective client upon request.

<u>Privacy Policy Statement</u>

We respect the privacy of all our clients and prospective clients; both past and present. We recognize that you have entrusted us with non-public personal information and it is important to us that all employees and clients of our firm know our policy concerning what we do with that information.
We collect personal information about our clients from the following sources:

- Information our clients provide to us to complete their financial plan or investment recommendation;

- Information our clients provide to us in agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts.

- Information our clients provide to us orally, and

- Information we may receive from service providers, such as custodians, about client transactions.

We do not disclose non-public personal information about our clients to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our clients have specifically authorized us to do so,
- When required during the course of a firm assessment (i.e., independent audit), or
- When permitted or required by law (i.e., periodic regulatory examination).

Within our firm, we restrict access to client information to staff that need to know that information. All personnel and our service providers understand that everything handled in our office is confidential and they are instructed to not discuss client information with someone else that may request information about an account unless they are specifically authorized in writing by the client to do so. This includes, for example, providing information about a spouse's IRA account; children about parents' accounts, etc.

To ensure security and confidentiality, we maintain physical, electronic, and procedural safeguards to protect the privacy of client information.

We will notify you annually of our privacy policy and at any time, in advance, if our policy is expected to change.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Our employees are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

We recognize that should we act as the advisor to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of our associates serves in an advisory capacity to one or more of the plan's participants, a potential conflict of interest may occur. We may require our associate to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue with consideration being made to offset certain fees where appropriate.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. At no time, however, will our firm or any related party receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Item 12 - Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

Gray Financial Planning LLC does not maintain custody of your assets for which we provide our investment supervisory services, although we may be deemed to have custody of your assets if you give us authority to withdraw assets (i.e., advisory fees) from your account (see Item 15). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank (service provider).

When we are engaged to provide investment advice and should you request our recommendation of a service provider to execute your transactions or provide custodian services, we may recommend you use the provider with whom your assets are currently maintained. Should you ask whom we would recommend or prefer to engage, we recommend that our clients use the institutional services division of Charles Schwab & Co., Inc (“Charles Schwab”) as the qualified custodian.

Charles Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them. While we recommend that you use Charles Schwab as service provider, you will decide whether to do so and will open your account with Charles Schwab by entering into an account agreement directly with them.
We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Charles Schwab, then we may not be able to manage your account under an investment supervisory services engagement.

We seek to use a service provider who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account),
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.),
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.),
- Quality of services,
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.),
- Reputation, financial strength, and stability,

- Prior service to us and our other clients,
- Availability of other products and services that benefit us, as discussed in the following paragraphs.

For our clients' accounts that Charles Schwab maintains, Charles Schwab generally does not charge you separately for custody services but is compensated by charging you fees on trades that it executes or that settle into your Charles Schwab account.

We have determined that having Charles Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Charles Schwab may also provide us and our clients with access to its institutional brokerage— trading, custody, reporting, and related services—many of which are not typically available to their retail customers. Charles Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Their support services generally are available on an unsolicited basis and at no charge to us. Charles 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 Charles Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Charles Schwab's services described in this paragraph generally benefit you and your account.

Charles Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Charles Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Charles Schwab. In addition to investment research, Charles Schwab also makes available software, technology and services that:

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts,
- Provide pricing and other market data,
- Facilitate payment of our fees from our clients' accounts,
- Assist with back-office functions, recordkeeping, and client reporting.
- Provide access to client account data (such as duplicate trade confirmations and account statements.
- Services intended to help us manage and further develop our business enterprise, which may include educational conferences; consulting on technology, compliance, legal, and business needs; publications and conferences on practice management and business succession, etc.

Charles Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Charles 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. Charles Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

The availability of these services from Charles Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Charles Schwab's services so long as our clients maintain assets in accounts at Charles Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Charles Schwab in trading commissions or assets in custody. This is a potential conflict of interest, however, but we believe our selection of Charles Schwab as custodian is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Charles Schwab's services and not Charles Schwab's services that benefit only us.

We periodically conduct an assessment of any service provider we recommend, including Charles Schwab, which may include a review of their range of services, reasonableness of fees, among other items, and in comparison to their industry peers.

Best Execution Obligation

We recognize our obligation in seeking "best execution" for our clients, however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, we will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. We periodically review policies regarding our recommending service providers to our clients in light of our duty to seek "best execution."

Directed Brokerage

We do not require or engage in directed brokerage involving our accounts. As our client, you may direct our firm (in writing) to use another particular broker-dealer to execute some or all transactions for your account. In these circumstances, you will be responsible for negotiating, in advance, the terms and/or arrangements for your account with your selected broker-dealer. We will not be obligated to seek better execution services or prices from these other broker-dealers, or be able to aggregate your transactions, should we choose to do so, for execution through other custodians with orders for other accounts managed by our firm. As a result, you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices, on transactions for your account than would otherwise be the case. Further, pursuant to our obligation of best execution, we may decline a request to direct brokerage if we believe any directed brokerage arrangement would result in additional operational difficulties or risk to our firm.

Trade Aggregation

Transactions for each of our clients will generally be effected independently unless we decide to purchase or sell the same securities for several clients at approximately the same time, often termed "aggregated" or "batched" orders. We do not receive any additional compensation or remuneration as a result of aggregated transactions.

We may, but are not obligated to, aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among our client accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed.

Should we aggregate orders, transactions will generally be averaged as to price and allocated among each client on a pro-rated basis on any given day and we will attempt to do so in accordance with applicable industry rules. Client accounts where trade aggregation is not allowed or infeasible may be assessed higher transaction costs than those that are batched.

We review both our trade aggregation procedures and allocation processes on a periodic basis to ensure they remain within stated policies and regulation. We will inform you, in advance, should our trade aggregation and allocation practices change at any point in the future.

Item 13 - Review of Accounts

Financial Planning and Investment Consultation Services

You may contact our firm for additional reviews when there are material changes that occur in your financial situation (i.e., loss of a job, early retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances). Periodic financial check-ups or reviews are also recommended if you are receiving our financial planning and investment consultation services, and we believe it is your responsibility to initiate these reviews. We recommend that they occur on an annual basis whenever practical.

Reviews will be conducted by your assigned financial planner and normally involve analysis and possible revision of your previous financial plan or investment allocation.

These reviews are generally under a new or amended agreement and will be assessed at our current hourly rate or fixed fee.

Investment Supervisory Services

Investment supervisory services accounts are periodically reviewed throughout the year by the assigned investment advisor representative, supervisory personnel (such as our designated principal), or a qualified independent entity engaged by our firm.

Additional reviews may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector.

Accounts may also be reviewed when being considered for an additional holding or an increase in a current position.

Account cash levels above or below that deemed appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

Reports and Frequency

If you have opened and maintained an investment account, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held.

We may provide portfolio "snapshot" reports if we are engaged to provide periodic asset allocation or investment advice, however, we will not provide ongoing performance reporting under our financial planning and investment consultation services engagements.

Investment supervisory services clients may be provided quarterly portfolio statement and position performance summary reports, and annual realized gains/loss reports for taxable accounts. Some of our clients may receive additional reports depending on their specific requirements.

Item 14 - Client Referrals and Other Compensation

Economic Benefit From External Sources and Potential Conflicts of Interest

We receive an economic benefit from Charles Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Charles Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12*). The availability to us of Charles Schwab's products and services is not based on our offering particular investment advice, such as buying particular securities for our clients.

Client Referrals

We do not engage in solicitation activities as defined by Rule 206(4)-3 of the Investment Advisors Act of 1940, or similar state statute.

Gray Financial Planning LLC is a member of the Garrett Planning Network (Garrett), an organization that assists financial planners in fee-only, financial planning practices. Garrett is not a registered financial industry participant, however, we do pay an annual membership fee for extensive services that include training, compliance and operational support to enhance our ability to provide quality service and advice to the investing public.

Investment advisor representatives of our firm may also hold individual membership or serve on boards or committees of professional industry associations (i.e., NAPFA, FPA, etc.). Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements.

A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for participant firms or individual financial planners within a selected state or region. These passive websites may provide means for interested persons to contact a firm or planner via electronic mail, telephone number, or other contact information, in order to interview the participating firm or planner. Members of the public may also choose to telephone association staff to inquire about a firm or individual planner within their area, and would receive the same or similar information. A portion of our membership fees may be used so that our name will be listed in some or all of these entities' websites (or other listings).

Prospective clients locating our firm or one of our associates via these methods are not actively marketed by the noted associations. Clients who find us in this way do not pay more for their services than clients referred to us in another fashion, such as by another client. We do not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

We may also participate in a program established by Garrett and The Motley Fool (www.fool.com) that identifies fee-only financial planners that members of The Motley Fool community may be interested in engaging. Although this program is informational only, our firm has chosen to opt-in to generate additional potential interest from the public. *Should* we pay a fee to The Motley Fool, it would be a flat monthly rate and assessed regardless of whether an interested person becomes a client. We do not believe this arrangement is a “solicitor” relationship but feel the relationship is important to be disclosed. Clients referred to our firm by The Motley Fool do not pay more for services than others who learn about us from other sources.

Item 15 - Custody

Your funds and securities will be maintained by an unaffiliated, qualified custodian that you select, such as a bank, broker-dealer, mutual fund company, or transfer agent, not with our firm or our associates.

For investment supervisory services accounts, under industry regulations we are deemed to have limited custody of your assets if, for example, you authorize us to instruct Charles Schwab to deduct our advisory fees directly from your account or if you grant us authority to move your money held there to another account at Charles Schwab. Please keep in mind that Charles Schwab maintains actual custody of your assets held at their firm.

You will receive account statements directly from Charles Schwab at least quarterly. They will be sent to the electronic mail (e-mail) or postal mailing address you provided to Charles Schwab. You should carefully review those statements promptly when you receive them.

In keeping with our policy of not having custody of our client funds or securities, we:

- Restrict our firm and associates from acting as trustee for or having full power of attorney over a client account;
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Are prohibited from having authority to withdraw securities or cash assets from a client account, other than for payment of our advisory fees or transaction settlement. These actions will be accomplished through a qualified custodian maintaining your assets (i.e., your financial institution or custodian), pursuant to a written agreement and following your approval;
- Will not allow client securities to be made or held in the firm’s name or in “bearer” form;
- Do not allow proceeds from the redemption of client securities to be directed to our firm or an associate;
- Require all wires from client custodial accounts to outside (i.e., non-client) accounts be accompanied by a client authorization;
- Will not collect fees of $500 or more for services to be performed six months or more in advance.

You will be provided with transaction confirmations and summary account statements provided directly to you by your selected service provider. Typically, these statements are provided on a monthly or quarterly basis, or as transactions occur. We will not create a statement for you nor be the sole recipient of your statements.

You may receive periodic reports or "snapshots" from our firm that may include investment performance information. You are urged to carefully review and compare your account statements that you have received directly from your service provider with any report you receive from our firm.

Item 16 - Investment Discretion

We do not allow discretionary authority to occur within a client account. Should we be asked by you to assist in any trade execution (including account rebalancing) on your behalf, we will only do so with your prior approval, termed in the securities industry as *non-discretionary authority*. Because of this pre-approval requirement, you must make yourself available and keep our firm apprised of your current contact information so that transaction instructions can be efficiently effected on your behalf.

By definition and absent your written instruction to the contrary, non-discretionary transactions do not involve a trade's execution price or time.

We will retain information about all client account directions, limitations and rescissions, which are reviewed and approved by a supervisory principal with our firm.

Item 17 - Voting Client Securities

Proxy Voting

Our firm does not vote proxies on your behalf nor offer advice on how to vote proxies. You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to your holdings.

Other Corporate Actions

We will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

Receipt of Materials

You may receive proxies or other solicitations directly from your selected custodian or transfer agent. We do not generally forward copies of any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Item 18 - Financial Information

With the exception of our having the ability to withdraw our advisory fees through a qualified, unaffiliated custodian per your written agreement, we will not have custody of your assets as described in Item 15. This includes our not collecting fees from you of $500 or more for services we will perform six months or more in advance.

The firm and its management do not have a financial condition likely to impair our ability to meet our commitment to our clients, nor has the firm and its management been the subject of a bankruptcy petition at any time during the past 10 years.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

Item 19 – Requirements for State-Registered Advisors

See ADV Part 2B on the following page.

ADV Part 2B – Brochure Supplement: Advisory Personnel (Principal Executive Officer)

This brochure provides information about Dan Gray that supplements the Gray Financial Planning LLC brochure. You should have received a copy of that brochure. Please contact Mr. Gray at (469) 422-6082 if you did not receive the Gray Financial Planning LLC brochure or if you have any questions about the contents of this supplement. Additional information about Dan Gray (CRD #5581783) is available on the SEC's website at www.adviserinfo.sec.gov.

Firm Information
Gray Financial Planning LLC
PO Box 3373
McKinney, Texas 75070
(469) 422-6082
www.grayfinancial.net

Managing Member/Designated Officer (Supervisor)/Investment Advisor Representative

Barron D. ("Dan") Gray II [Born 1962]

Educational Background and Business Experience

Educational Background
MBA in Telecommunications Management – University of Dallas; Irving, TX
BBA in Computer Systems Management – Dallas Baptist University; Dallas, TX
AAS in Electronic Technology – Southern Arkansas University; Camden AR
CERTIFIED FINANCIAL PLANNER™ (CFP®)[1] – Certified Financial Planner Board of Standards, Inc.
Texas Life and Health Insurance Producer License
NASAA Uniform Combined State Law Examination/Series 66
FINRA General Securities Representative Examination/Series 7 (Inactive)

Business Experience (Previous Five Years)
Gray Financial Planning LLC (2011-Present)
McKinney, TX
Chief Executive Officer & Financial Planner

Other Business Activities

Mr. Gray is the owner of four short-term vacation rental properties. This activity accounts for 20% of his time per month and he may receive net income from this enterprise.

He is a member/owner of "D&G Networking Enterprises, LLC," a Pottsboro, TX consulting business that provides services involving the maintenance and upgrade of network and telephone switch equipment. This activity accounts for 5% of his time per month and he may receive shareholder distributions.

Performance Based Fee Description

Mr. Gray is not compensated for advisory services involving performance-based fees. Our firm also prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

Material Relationships Maintained by the Firm or Management Persons

Neither Mr. Gray nor his firm has a material relationship involving an issuer of a security.

Disclosure of Material Facts Related to Arbitration or Disciplinary Actions

Mr. Gray ***does not*** have material disclosures related to:

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of $2,500, *involving* any of the following:

   (a) an investment or an *investment-related* business or activity;
   (b) fraud, false statement(s), or omissions;
   (c) theft, embezzlement, or other wrongful taking of property;
   (d) bribery, forgery, counterfeiting, or extortion; or
   (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

   (a) an investment or an *investment-related* business or activity;
   (b) fraud, false statement(s), or omissions;
   (c) theft, embezzlement, or other wrongful taking of property;
   (d) bribery, forgery, counterfeiting, or extortion; or
   (e) dishonest, unfair, or unethical practices.

Supervision

Mr. Gray serves in multiple capacities with the firm, such as its Managing Member, Chief Executive Officer, Designated Officer and Investment Advisor Representative. We recognize that not having all organizational duties segregated may create a conflict of interest, however, our firm employs policies and procedures to ensure what is believed to be appropriate recordkeeping and supervision. Certain functions may be outsourced to assist in these efforts when deemed necessary.

Questions relative to our firm, services or this ADV Part 2 may be made to the attention of Mr. Gray at (469) 422-6082.

Additional information about the firm, other advisory firms, or associated investment advisor representatives, including Mr. Gray, is available on the Internet at www.adviserinfo.sec.gov. A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for Gray Financial Planning LLC is 157583.

The business and disciplinary history of an investment advisory firm and its representatives may also be obtained by calling the Texas State Securities Board at (512) 305-8300.

[1]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.