

## Questions You Should Ask About Your Financial Planner & Financial Planning

Some background information about Plan Professionals, Incorporated (PPI) is provided below by answering frequently asked questions. This information is in lieu of form ADV Part II (pursuant to the "brochure rule" Advisors Act Rule 204-3) that is required by the U.S. Securities & Exchange Commission and the Kansas Securities Commissioner to be provided to all potential clients by investment advisors prior to any contractual agreement.

### 1. What is a Registered Investment Advisor?

An investment advisor is a fiduciary that has a duty of undivided loyalty to his investment advisory clients and must deal fairly and honestly with them. Any person or entity that holds itself out as a Financial Planner or Investment Advisor must be registered with the United States Securities and Exchange Commission (SEC), and/or the state Securities Commissioner. Simply, a Registered Investment Advisor represents the client. PPI is registered with the SEC and registered or notice filed with several states.

### 2. What is Plan Professionals, Inc. (PPI)?

PPI is a Financial Planning Advisory Firm registered with the U.S. Securities and Exchange Commission and the Kansas Securities Commissioner as a Registered Investment Advisor. Mark A. Schneider is registered with the Kansas Securities Commissioner as Registered Investment Advisor Agent for PPI.

### 3. What services does PPI provide?

- Sound financial planning advice regarding taxes, investments, retirement, pension, estate, insurance, business and general financial matters.
- Income tax return preparation, payroll and accounting write-up services and internal investment management services to manage mutual fund, variable annuity, and stock portfolios.
- PPI serves as Third Party Manager (TPM) for other RIA firm's clients. Occasionally PPI may recommend third party asset management. If specifically authorized by the client, PPI or occasionally third party managers, may have discretion as to what securities and the amount of securities that may be bought or sold, but only within your custodial

account. Most managed accounts are invested in mutual funds which may be through mutual fund families, brokerage accounts or variable annuity accounts. Managed accounts may also be invested in stocks, bonds and other exchange listed vehicles in brokerage accounts. Mark A. Schneider, President of PPI reviews each managed account at least quarterly. Managed accounts are reviewed daily when the managed investment and/or corresponding index trends (a proprietary tool discussed in #12 below) are within 5% of their respective price. At least annually Managed Account clients receive a current position report showing investments name, current market value, amount invested, date invested and performance at least from inception of the asset management agreement.

### 4. Who does PPI serve?

PPI serves individuals, businesses, estates, trusts and charitable organizations. PPI may also serve as a Third Party Manager (TPM) for other RIA firm's clients.

### 5. Who can benefit most from the services of PPI?

Anyone who has a financial, tax, investment concern, or who wishes to plan prudently for his or her financial future can benefit from PPI's services. Also, persons who desire a more sophisticated level of investment management and financial planning services may find PPI's programs appealing. Other RIA firms have also found value in PPI's TPM.

### 6. What is a Financial Planner?

A Financial Planner does an in depth review of your financial situation that incorporates your goals and objectives and focuses on income tax planning, asset management, estate planning, risk management, educational planning and retirement.

Your plan analyzes and recommends ways that you can achieve your financial goals.

### **7. How much does PPI charge for planning, tax, payroll and write-up services?**

PPI charges fees based on \$150 per hour for work done by a CFP and \$25 to \$50 for staff work. In most cases PPI will quote a flat fee based on an estimate of the number of hours required to complete the engagement. The fee is payable at the time the client receives an invoice.

### **8. How does PPI charge for investment management services?**

Fees are based on a percentage of assets under management. If assets are managed internally by PPI (which most are), the maximum annual management fees range from 1% to 2.5%, depending on the amount under management. The minimum account size is \$100,000. If the assets are managed by a third party investment management firm recommended by PPI, the maximum annual fees range from 1% to 2.5%, depending upon the amount under management. Of this amount, the third party investment manager pays PPI a negotiated fee of 0% to 100%. The minimum annual fee charged by third party investment management firms ranges from \$350 to \$2,500. Investment management fees and minimum account size are negotiable for both internally managed accounts and third party managed accounts.

### **9. How are PPI and PPL related?**

PPI has an arrangement with Plan Professionals, Ltd. (PPL), a member of FINRA as a limited broker/dealer, is engaged in the sale of mutual funds and variable annuities, whereby PPL, under the rules of the National Association of Securities Dealers (FINRA), has obligations to maintain records and perform other functions regarding certain aspects of the investment advisory activities in relation to certain advisory accounts for which investment advice is provided. In certain instances PPL may collect, as paying agent for PPI or from third party management firms, the investment advisory fee and PPL may retain a portion as a charge to the investment advisor (not the client) for functions PPL is required to carry out by FINRA. This portion of the fee does not increase the fee the client has agreed to pay pursuant to the client's advisory agreement. Mark A. Schneider owns 100% of both PPI and PPL.

### **10. If you use PPI to develop a Financial Plan are you required to purchase recommended products from PPI or Mark A. Schneider?**

No. Mark A. Schneider, CFP, EA, is president and 100% shareholder of PPI and is also president, principal, registered representative and 100% shareholder of Plan Professionals, Ltd. (PPL) and is a licensed insurance agent and broker for various insurance companies. PPL, a member of FINRA, is a diversified financial services company engaged in the sale of specialized investment products. If you purchase financial products from Mr. Schneider, he may receive the normal commission as disclosed in the contract between you and PPI. However, you are under no obligation to purchase any recommended product or to purchase any product from officers or PPL. Officers may buy or sell recommended investments for their own personal accounts. However officers are too small of advisors or investors to noticeably affect the market. The restrictions or internal procedures used for conflicts of interest are incorporated in Mr. Schneider's Certified Financial Planner certification which requires conduct mandated by The International Board of Standards and Practices for Certified Financial Planners, Inc. (IBCFP). Code of Ethics and Standards of Practice which state in Section II Objectivity, in part, "A Certified Financial Planner designee shall exercise reasonable and prudent professional judgment and shall otherwise act in the best interest of the client". Further Officers and all employees of PPI are required to continually adhere to the mission statement of PPI, "Always act in the best interest of the client." Full disclosure will be provided at the time of solicitation pursuant to Rule 206(4)-3 of The Investment Advisors Act of 1940.

### **11. What types of securities does PPI provide advice?**

PPI provides advice on equities (exchange-listed, over-the-counter and foreign issues), warrants, corporate, municipal debt (bonds), commercial paper, certificates of deposit, Investment Company (mutual funds, variable annuities and variable life), Unites States government (bonds), interests in partnerships (real estate, oil and gas, equipment leasing and cable vision), real estate investment trusts (REITS) and precious metals. No load vehicles are normally recommended, but if buying or selling securities is involved, PPI helps you find the most efficient low cost brokerage service.

### **12. What method of analysis, sources of information and strategies does PPI use to analyze investments?**

PPI uses technical analysis, charting, fundamental analysis and cyclical analysis. The sources of information used by PPI include financial newspapers and magazines, newsletters, research materials and recommendations prepared by others, corporate rating services, annual reports,

prospectuses, filings with the Securities and Exchange Commission and company press releases. Strategies implemented by PPI include both long term and short term perspectives as they relate to securities purchases and overall asset allocation. PPI utilizes different management styles depending upon client preference or PPI discretion. Generally during bull markets PPI utilizes their WealthCare strategy that allocates the portfolio over several asset categories according to client risk tolerance or a WealthCare Hedged strategy that also utilizes bear fund mutual funds. Both strategies may use traditional mutual funds, enhanced index and sector mutual funds, and/or stocks, bonds, and iShares.

**13. Does PPI guarantee investment performance?**

No.

**14. Will client information be kept confidential?**

Yes. It is the law as it relates to fiduciary relationships.

**15. Once a plan is completed, does our relationship end?**

Absolutely not. Financial Planning is a long-term ongoing process. We offer ongoing service, periodic review, and day-to-day consultation if necessary.

**16. Tell me more about PPI's Third Party Management (TPM) service?**

PPI is the Registered Investment Advisor (RIA) for other non-affiliated RIA firm's clients. The other RIA firm and their representatives act as Solicitors for PPI by referring their clients to PPI to manage their mutual fund and variable annuity accounts. The annual Investment Advisory Fees charged by PPI may range from 1% to 2.5%. The minimum account size is \$30,000. PPI generally pays the Solicitor 25% to 50% of the Investment Advisory Fee but may pay the Solicitor 0% or up to 100% of the Investment Advisory Fee. Minimum account size and client Investment Advisory fees paid to PPI and Solicitor fees paid by PPI are all negotiable.

**17. What other businesses are PPI and it's officers involved in?**

PPI is only involved in the business described above. The president of PPI, Mark A. Schneider is involved in other businesses described below but his primary business involvement and the vast majority of his time is devoted to the business of PPI. Since leaving the Army in 1970 Mr. Schneider has owned and/or managed numerous single - family and multi - family residential, commercial and vacation real estate properties. Since 1990 all such real estate has been and is owned and controlled by his wife Nicole J. Schneider (d/b/a NJS Investments and NJS Investments, Inc.), a real estate professional, who owns and manages among other properties the Columbian Building in Topeka, Kansas from which PPI leases office space. Mr. Schneider is the 100% owner and managing member of Columbian Financial Services, LLC (CFS) which in December 2006 purchased as an investment opportunity several franchise territories in the Topeka area from Liberty Tax Service (LTS), the third largest and fastest growing income tax preparation company in America that competes primarily with H & R Block and Jackson Hewitt, the number one and number two, respectively, tax preparation services in America. At that time CFS also purchased from Liberty Tax Service (LTS) the Area Developer franchise for the St. Louis, Missouri and St. Louis, Illinois areas. There is no conflict of interest between PPI and CFS d/b/a LTS in that the business plans and target clientele of the two business rarely overlap and neither business buys or sells the services from or to the other or to unrelated parties or to clients of the respective businesses. However it is not unusual for PPI to refer a very simple tax return only client to CFS d/b/a LTS as that is not the type of client PPI generally seeks and it is likely CFS d/b/a LTS would refer a very complicated tax return to PPI as that is not what CFS d/b/a LTS specializes in. In the event of a referral of a client from PPI to CFS d/b/a LTS or CFS d/b/a LTS to PPI the common ownership of the two companies is disclosed and the client is certainly not obligated to follow through with the referral. It is also not unusual for PPI employees to teach tax schools for CFS d/b/a LTS, help train CFS d/b/a LTS employees in the preparation of tax returns and/or provide leadership in specific CFS d/b/a LTS offices from time to time. These CFS d/b/a LTS functions are distinct and separate from PPI functions and have no impact upon the business of PPI except to the extent that the employees better learn tax concepts by teaching them and the leadership skills learned may one day help them be leaders at PPI.

**A MORE DETAILED SUMMARY OF FORM ADV PART II IS AVAILABLE UPON REQUEST**

Call 785.232.2378 or e-mail today to schedule your free, no obligation, and introductory consultation.  
Securities offered through Plan Professionals, Ltd. A registered broker/dealer. • Member FINRA