

**Item 1. Introduction**

Financial Plan, Inc. (“FP” “we” “us” and “Advisor”) is a Washington Corporation registered as an investment advisor under the laws of the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

**Item 2. Relationships and Services**

**What investment services and advice can you provide me?**

We offer investment advisory and portfolio management services to individuals. Our investment recommendations generally include mutual funds, individual bonds, exchange-listed equity securities, FDIC insured bank accounts, and in rare instances variable annuities. If clients hold other types of investments, we will advise them on those investments also.

Our advice and services are tailored to the unique objectives of each Client. We formulate an investment policy statement after discussing with each client their risk tolerance, time horizon, and projected future liquidity needs, current holdings, tax considerations, personal market views and other factors. The investment policy statement guides us in objectively formulating suitable investment and financial recommendations. We meet with clients as needed to review portfolio performance, discuss current issues, and reassess goals and investments plans. Clients may impose restrictions on investing in certain securities or types of securities. We do not have a stated minimum account size.

Our firm has discretionary authority over client funds. Discretionary authority means we have the authority to determine, without obtaining specific client consent, the securities bought or sold, and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the client on a case by case basis.

Our core business is the management of investment portfolios. We understand that in order to make wise investment decisions we must become aware of various related financial areas. We begin by interviewing the client regarding personal data, family relationships, cherished values, life goals, and risk tolerance. We develop a Current View, which consists of a balance sheet, statement of cash flows, and income tax statement. We then create Goal Projections which measure the feasibility of achieving goals and recommended modifications to the goals. With the knowledge of the client’s goals, risk tolerance, and time horizons we are equipped to then develop a Portfolio Design, which outlines the equity percentage, asset class allocation, and security selections that are optimal to achieve

the goals. Having established the portfolio, we set out to protect it by creating an Insurance Evaluation, examining each area of coverage including life, disability, medical, long term care, and property & casualty. The amount of coverage needed is discussed, and the cost effectiveness of existing coverage is reviewed. New coverage is suggested if appropriate, and unneeded coverage is eliminated. We refer to various insurance agencies for implementation of the insurance program; however, we do not accept any commissions. Finally, we discuss the planned Estate Transition, in which we review the title of assets, the beneficiary designations, wills, trusts, powers of attorney, and other documents designed to cause your estate to pass to your heirs according to your wishes and in a tax efficient manner. We refer to various estate planning attorneys for estate planning advice and implementation.

**Conversation Starter:** We encourage you to ask our financial professionals these key questions about our investment services and accounts:

- (i) *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- (ii) *How will you choose investments to recommend to me?*
- (iii) *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

**Item 3. Fees, Costs, Conflicts, and Standard of Conduct**

**What fees will I pay?**

Our fees are highly dependent on a variety of factors, including: the size of the portfolio, the specific work required by our agreement, the location of the client and whether travel is required, and the number of meetings the client requires, etc. Nonetheless, we do have a standard fee schedule. Fees are charged quarterly in advance based upon the market value of the account on the last day of the previous quarter.

**Quarterly Advisory Expense:**

Minimum expense: \$2,500, which includes management of the first \$1,000,000 in managed assets.

**Assets Under Advisement Expense**

\$1 million to \$2 million	0.20%
\$2 million to \$3 million	0.15%
\$3 million to \$4 million	0.10%
\$4 million to \$10 million	0.05%
Over \$10 million	0.025%

Due to the breadth and depth of our advisory services, we charge a minimum advisory fee of \$2,500 per quarter, which includes management of the first \$1 million of investable assets. For assets above \$1 million, our advisory fee is based on a

cumulative, tiered fee schedule that includes a gradually reduced annual fee as the amount of managed assets increases. Our advisory fee is assessed quarterly and is debited directly out of the client's account held at the qualified custodian.

We also offer investment consultation or financial planning services at an hourly rate or for a fixed fee. Hourly fees are charged at a rate of \$500 per hour for work performed by a Lead Advisor, \$250 per hour for work performed by an Associate Advisor, and \$150 per hour for work performed by an Operations Director. Hourly fees are negotiable.

If financial planning services are provided in conjunction with asset management services the client will be required to provide a deposit, which will be determined on a project-by-project basis depending on the scope of work performed. The portion of the deposit not used for financial planning services will be used towards asset management fees.

The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly regardless of whether we buy or sell securities within that quarter. FP's fees are exclusive of brokerage ticket charges, 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, 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 charge internal management fees, which are disclosed in a fund's prospectus.

***You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.***

***Conversation Starter:*** We encourage you to ask us any questions you may have regarding our fees or how cost from third parties such as custodians or mutual funds affect your account. For example, start a conversation by asking, *"Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?"*

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we*

*provide you. Here are some examples to help you understand what this means:*

Example 1: Your account value goes up, and while the management fee percentage may stay the same, the total compensation you pay us goes up proportionately. Example 2: Your account value goes down, but you still must pay a management fee proportional to your assets under management.

***Conversation Starter:*** If you have any questions regarding conflicts of interests, please feel free to ask us. You can begin a conversation by asking, *"How might your conflicts of interest affect me, and how will you address them?"*

**How do your financial professionals make money?**

Financial Plan, Inc. is a fee-only registered investment advisor, which means our only form of compensation is from investment management fees paid directly from our clients. We do not earn any commissions or any other payments from anyone else.

Depending on their role, our financial professionals are either compensated based upon the investment management and/or hourly financial planning fees that are collected, or a paid flat salary and discretionary bonuses.

For more detailed information, including fee schedules, conflicts of interest, and other disclosures are available in our ADV Part 2A Firm Brochure, which is available at: <https://adviserinfo.sec.gov/>.

**Item 4. Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history?**

No. We encourage you to visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research any of our financial professionals. ***Conversation Starter:*** In addition, feel free to ask: *"As a financial professional, do you have any disciplinary history? For what type of conduct?"*

**Item 5. Additional Information**

***You can find additional information regarding Financial Plan, Inc. and receive a copy of this relationship summary by visiting our website at [www.financialplaninc.com](http://www.financialplaninc.com) or by contacting (360) 383-5768.***

We are always available to answer any of your questions.

***Conversation Starter:*** If you do have any concerns, please let us know by asking the following questions: *"Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?"*

**Summary of Material Changes**

This Client Relationship Summary reflects the following material changes to the prior version dated August 9, 2022: Item 3 has been amended to disclose that we now charge a minimum advisory fee of \$2,500 per quarter covering the costs of our services related to the first \$1,000,000 of assets under advisement. Our previous brochure disclosed that we required a minimum advisory fee of \$1,500 per quarter covering the costs of our services related to the first \$500,000 of assets under advisement.