

# Focus Planning Group, LLC

Registered Investment Advisor

Focus Planning Group, LLC  
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Form ADV Part 2A  
Firm Brochure  
March 29, 2023

This brochure provides information about the qualifications and business practices of Focus Planning Group, LLC. Please contact Mr. Carbone at (631) 714-6044 (Ext 302) if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Focus Planning Group, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 281231.

While the advisory firm and anyone associated with it may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## **Item 2 – Material Changes**

Focus Planning Group, LLC amended its Form ADV Part 2 firm brochure from the previous version dated June 17<sup>th</sup>, 2022 due to updates to our reportable assets under management (see Item 4), financial planning and investment consultation fees (see item 5, part 2A),

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 at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or may contact our firm at (631) 714-6044 Ext 302 to request a copy at any time.

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.

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**Important Information**

Throughout this document Focus Planning Group, LLC shall also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*, and may refer to natural persons and legal entities. The term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

## **Item 4 - Advisory Business**

### **Description of the Firm**

Focus Planning Group, LLC is a New York domiciled limited liability company formed in 2012. We may operate under the trade name Focus Planning Group. The firm's main office is based in Bayport, New York. There are no subsidiaries nor is the firm controlled by another financial services industry entity. Registration in the State of New York occurred in 2015.

Mr. Joseph A. Carbone, Jr., CFP®, AAMS<sup>SM</sup> serves as the firm's Chief Compliance Officer (supervisor).<sup>1</sup> He is also the firm's Managing Member and he maintains controlling interest. Additional information about Mr. Carbone and his professional experience may be found toward the end of this brochure.

### **Description of Advisory Services Offered**

A complimentary initial interview is conducted with you to discuss your current situation, long-term goals, and the scope of services that may be provided. Prior to or during this first meeting you will be provided with the firm's Form ADV Part 2 brochure that includes a statement involving our privacy policy. The firm will disclose any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice; such as information found in Item 10 of this brochure.

If you wish to engage the firm for its services, you must first execute a client engagement agreement. Thereafter further discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide copies of the following documents early in the process:

- Wills, codicils and trusts
- Insurance policies
- Mortgage information
- Tax returns
- Student loans
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

It is important that we are provided 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, and an account holder or attorney-in-fact's authority to act on behalf of the account, among other information that may be necessary for our services. The information and/or financial statements provided to us need to be accurate. Our firm may, but is not obligated to, verify the information that you have provided to us which will then be used in the advisory process.

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<sup>1</sup> Please refer to the end of this brochure for further information about associated personnel professional designations.

It is essential that you inform our firm of significant issues that may call for an update to your plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and plans. Our firm needs to be aware of such events so that adjustments may be made as necessary.

### ***Financial Planning and Investment Consultation Services***

Financial planning and investment consultation services may be as broad-based or narrowly focused as you desire. The incorporation of most or all of the listed components allows not only a thorough analysis but also a refined focus of your plans so that the firm is able to assist you in reaching your goals and objectives.

### **Cash Flow Analysis and Debt Management**

A review of your income and expenses will be conducted to determine your current surplus or deficit. Based upon the results, we will provide advice on prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt's interest rate and any income tax ramifications. Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves and may include strategies to save desired reserve amounts.

### **Risk Management**

A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be 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 cost of not purchasing insurance ("self-insuring").

### **Employee Benefits**

A review is conducted and analysis is made as to whether you, as an employee, are taking maximum advantage of your employee benefits. We will also offer advice on your employer-sponsored retirement plan and/or stock options, along with other benefits that may be available to you.

### **Personal Retirement Planning**

Retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may 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 spending during your retirement years.

### **College Funding**

Advice involving college funding may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the "pros-and-cons" of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to family members, such as grandchildren, if appropriate.

### Tax Strategies

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

### Estate Planning

Our review typically includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We generally recommend that you consult with an attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval.

### Divorce Planning

Separation or divorce can have a major impact on your goals and plans. We will work with you to help you gain an understanding of your unique situation and provide you with a realistic financial picture so that you are in a better situation to communicate with legal counsel, a mediator or soon to be ex-spouse. We can assist in the completion of cash flow and net worth projections, budgetary analyses, as well as help you to understand what the consequences and/or benefits are involving a settlement.

### Business Consultation

We are available to assist small businesses in a variety of ways to include establishing a retirement plan, concepts to retain key personnel, general financial advice, debt management, as well as assisting you with matters involving coordination with your financial institution, attorney or accounting firm.

### Investment Consultation

Our investment consultation component often involves providing information on the types of investment vehicles available, employee retirement plans and/or stock options, investment analysis and strategies, asset selection and portfolio design, as well as assistance if your investment account is maintained at another broker/dealer or custodian. The strategies and types of investments that may be recommended are further discussed in Item 8 of this brochure.

### Broad-Based v. Modular Financial Planning

A broad-based plan is an endeavor that requires detail. Certain variables can affect the cost involved in the development of the plan, such as the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, and special needs of the client or their dependents, among others. While certain broad-based plans may require 10 or more hours to complete, complex plans may require more than 20 hours. At your request we may concentrate on reviewing only a specific area (modular planning), such as an employer retirement plan allocation, funding an education or estate planning issues, or evaluating the sufficiency of your current retirement plan. Note that when these services focus only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established.

Whether we have created a broad-based or modular plan, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them per your decision, as well as offer you periodic reviews thereafter. In all instances involving our financial planning and investment consultation engagements, our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

### ***Educational Workshops***

We provide periodic complimentary educational seminar sessions for those desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the sale of insurance or investment products.

### ***Portfolio Management Services***

You may engage our firm to implement investment strategies that we have recommended to you. Depending on your risk profile, goals and needs, among other considerations, your portfolio will involve the employment of one of our investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles which are further discussed in Item 8 of this brochure.

Where appropriate, we will prepare investment guidelines reflecting your objectives, time horizon, tolerance for risk, as well as any reasonable account constraints you may have for the portfolio. These guidelines will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since this effort is the product of information and data you have provided, you may be asked to review it and provide your final approval. We will then develop a customized portfolio for you based on your unique situation, investment goals and tolerance for risk. We serve as your portfolio manager on a discretionary or nondiscretionary basis (defined in Item 16), and the engagement typically includes:

- Determination of risk tolerance
- Investment strategy
- Investment guideline development
- Asset allocation
- Asset selection
- Regular monitoring
- Periodic rebalancing

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### Wrap Fee Programs

The firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

### Client Assets Under Management

As of December 31, 2022, Focus Planning Group had approximately \$17.4 million of reportable client assets under its management<sup>2</sup> through discretionary engagement agreements.

### General Information

Focus Planning Group, LLC does not provide legal or accounting services but with your consent we will work with other professionals, such as an estate planning attorney, to assist with the coordination and implementation of accepted strategies. You should be aware that these other advisors will charge you separately for their services and these fees will be in addition to our own advisory fees.

Our firm will use its best judgment and good faith effort in rendering its services. We cannot warrant or guarantee the achievement of a planning goal or 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. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or our client engagement agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

### **Item 5 - Fees and Compensation**

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our firm. Fees may be paid by check or draft from US-based financial institutions. With your written prior authorization, payment may also be made through a qualified, unaffiliated PCI-compliant<sup>3</sup> third-party processor or via your investment account held at your custodian of record. Payment requests for our advisory fees will be preceded by our invoice, and fees paid to our firm will

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<sup>2</sup> Term "assets under management" per the SEC's *General Instructions for Part 2 of Form ADV*.

<sup>3</sup> For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to [https://www.pcisecuritystandards.org/security\\_standards/index.php](https://www.pcisecuritystandards.org/security_standards/index.php)



be noted in your account statement you will receive from your custodian. Our firm does not accept cash, money orders or similar forms of payment for its engagements.

Method of Compensation and Fee Schedule

**Financial Planning and Investment Consultation Fees**

Multi-component engagements are assessed a fixed fee of \$3,750. A deposit of one-half of fee will be due upon execution of the engagement agreement and the remaining portion upon plan delivery.

Clients interested in a limited planning component engagement are assessed an hourly fee. Our rate is \$300 per hour; billed in 15-minute increments, and a partial increment (e.g., seven minutes) will be treated as a whole increment. Prior to entering into an agreement with our firm you will receive an estimate of the overall cost based on your requirements and the time involved. Payment is required at delivery of our invoice which coincides with the presentation of your plan.

**Educational Workshops Fees**

Workshops sessions are complimentary; no fee is assessed by our firm.

**Portfolio Management Services Fees**

Portfolio management accounts are assessed an annualized asset-based fee that will be determined by the reporting period ending value of your account (e.g., the last market day of the month). These fees will be billed monthly, in advance, per the following table.

<b>Assets Under Management</b>	<b>Annualized Asset-Based Fee</b>
\$0 - \$1,000,000	1.00% (100 basis points)
\$1,000,001 - \$2,000,000	0.85% (85 basis points)
\$2,000,001 – \$3,000,000	0.75% (75 basis points)
\$3,000,001 – \$4,000,000	0.65% (65 basis points)
\$4,000,001 – \$5,000,000	0.55% (55 basis points)
Over \$5,000,001	0.50% (50 basis points)

The asset-based fee is based on a blended tier; for example, a client’s portfolio with \$1,750,000 in assets would be assessed an annualized fee of 100 basis points for the first \$1,000,000, and 85 basis points on the remaining amount.

Aggregating Fees

For the benefit of discounting your asset-based fee, we will attempt to 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’s or incompetent person's account.

Account Valuations

Accounts will be assessed in accordance with asset values disclosed on the statement the client will receive from the custodian of record for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the client may choose to separately seek such an opinion at their own expense as to the valuation of “hard-to-price” securities if necessary.

### Billing Notices

Your first billing cycle will begin once your agreement is executed with our firm and assets have settled into your account held by the custodian of record. Advisory fees for partial months will be prorated based on the remaining days in the reporting period in which our firm services the account. Fee payments will generally be assessed within the first 10 days of each billing month.

We will concurrently send you and the custodian of record a written notice (“invoice”) each period that describes the advisory fees to be deducted from your account at our direction. This notice will be delivered prior to the deduction of fees. Your notice will include the total fee assessed, covered time period, calculation formula utilized, and reference to the assets under management in which the fee had been based. It is important that you verify the accuracy of fee calculations; the custodian may not verify the accuracy of advisory fee assessments for you.

### Fee Withdrawals

By signing our firm’s engagement agreement, as well as the selected custodian account opening documents, you will be authorizing the withdrawal of our advisory fees from your account. The withdrawal will be accomplished by the custodian of record at the request of our firm, and the custodian will remit our fee directly to our firm. All fees deducted will be clearly noted on account statements that you will receive directly from the custodian of record.

Alternatively, you may request to directly pay our advisory firm its portfolio management fee in lieu of having the advisory fee withdrawn from your investment account. Our valuation assessment will remain the same as described above, and the client’s direct payment must be received by our firm within 10 days of our invoice.

### **Discounting of Advisory Fees**

The services to be provided to you and their specific fees will be detailed in your engagement agreement. Our published fees may be discounted at the firm’s final determination. We strive to offer fees that are fair and reasonable in light of the experience of our firm and the services to be provided to you.

### Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian of record. We will ensure you receive a copy of our custodian’s fee schedule at the beginning of the engagement, and you will be notified of any future changes to these fees by the custodian of record and/or third party administrator for certain tax-qualified plans. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges. In addition, advisory fees paid to our firm for its services are separate from any transactional charges a client may pay, as well as those for mutual funds, ETFs, exchange-traded notes (ETNs), index mutual funds or other investments of this type.

Per annum interest at the current statutory rate based on the state in which the client resides may be assessed on fee balances due more than 30 days, and we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

Additional information about our fees in relationship to our brokerage and operational practices are noted in Items 12 and 14 of this document.

#### External Compensation for the Sale of Securities to Clients

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive “trailer” or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. You retain the option to purchase recommended or similar investments through your own selected service provider.

#### Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If 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. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary that we inform the custodian of record that the relationship between parties has been terminated.

If a client did not receive our Form ADV Part 2 firm brochure at least 48 hours prior to entering into the firm’s agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Should a client terminate a financial planning and investment consultation service after this five-day time period, the client may be assessed fees at the firm’s current hourly rate for any time incurred in the preparation of the client’s analysis or plan. When a portfolio management services client terminates their agreement after the five-day period, the client will be assessed fees on a prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm’s receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the firm’s physical or constructive receipt of written termination notice.

Our firm will return any prepaid, unearned fees within 30 days of the firm’s receipt of termination notice. Earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon receipt of our invoice. Our return of payment to a client for a financial planning service will be completed via check from our firm’s US-based financial institution. We only coordinate remuneration of prepaid asset-based fees to an investment account via the account custodian. Return of prepaid fees will never involve a personal check, cash or money order from our firm or from an associate of our firm.

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

Our firm’s advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

#### **Item 7 - Types of Clients**

Focus Planning Group provides advisory services to individuals and high net worth individuals, as well as small businesses, charitable organizations and foundations, and their retirement plans if their policies allows

us to do so. We do not require minimum income, minimum asset levels or other similar preconditions. We may waive or reduce firm advisory fees based on unique individual circumstances, special arrangements or preexisting relationships. The firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

### **Methods of Analysis and Investment Strategies**

We employ what we believe to be an appropriate blend of fundamental, charting, and technical analyses. We evaluate economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. We study the markets or economies as a whole in an effort to determine potential future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential. The resulting data may then be applied to various charts, which are then used to assist in the prediction of future price movements. Our research may be drawn from a range of sources that include:

- economists and other industry professionals
- financial periodicals and reference materials
- timing services
- company press releases
- annual reports, prospectuses and regulatory filings

Our investment strategy is primarily based on Modern Portfolio Theory; the belief that proper diversification and risk management will provide an investor client with a stable and consistent return over time. It has been statistically determined that, on a risk adjusted basis, individual asset classes will generally outperform most asset classes over time. We do not typically employ market timing techniques or specific stock selection methods, unless our clients request us to do so; instead we take a buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

We will mostly use passive, low cost ETFs. In markets where efficiency is not as apparent and passive strategies do not provide an adequate risk/return tradeoff, we may choose to employ actively managed or indexed mutual funds, individual equities and fixed income (stocks and bonds) to gain the return and diversification exposure desired. We may also utilize master limited partnerships (MLPs), listed real estate investment trusts (REITs) and certificates of deposit (CDs)<sup>4</sup> to aid in non-correlation.

### **Risk of Loss**

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that a planning goal or investment objective will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. We have offered examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each of them risk prior to investing.

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<sup>4</sup> Focus Planning Group may recommend but does not distribute certificates of deposits, money market accounts or similar savings vehicles for client accounts. Our firm is not a financial institution, is not a member of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association (NCUA), nor is required to be an FDIC or NCUA member. You may learn more about the FDIC or NCUA and how they serve financial institution depositors/members by going to their website at [www.fdic.gov](http://www.fdic.gov) or [www.ncua.gov](http://www.ncua.gov). Securities recommended through our advisory firm are not FDIC or NCUA/NCUSIF-insured.

### **Active Portfolio Management**

A portfolio that employs active management strategies may, at times, 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.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

### **Charting and Technical Analyses**

The risk of investing based on technical analyses and their supporting charts is that they may not consistently predict a future price movement; the current price of a security may reflect all known information. Further, a particular change in the market price of a security may follow a random pattern and may not be as predictable as desired. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

### **Company Risk**

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

### **Failure to Implement**

You are free to accept or reject any or all of the recommendations made to you. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their financial plan may face an increased risk that their stated goals and objectives will not be achieved.

### **Financial Risk**

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### **Fundamental Analysis**

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security’s value. If a security’s price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

### **Inflation Risk**

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

### **Market Risk**

When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called *systemic* or *systematic* risk.

### ***Passive Investing***

A portfolio that employs a passive, efficient markets approach (representative of Modern Portfolio Theory) has the potential risk at times to generate lower-than-expected returns for the broader allocation than might be the case for a more narrowly focused asset class, and the return on each type of asset may be 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 when a portfolio is made up of diverse, low or non-correlated assets.

### ***Political Risk***

The risk of financial or market loss because of political decisions or disruptions in a particular country or region, and may also be known as "geopolitical risk."

### ***Research Data***

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

### **Security-Specific Material Risks**

#### ***ETF and Mutual Fund Risks***

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, securities futures, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. We do not recommend leveraged or inverse ETFs due to their inherent heightened risk.

#### ***Fixed Income Risks***

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

#### **Credit Risk**

The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

#### **Duration Risk**

Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

### Interest Rate Risk

The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

### Liquidity Risk

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

### Reinvestment Risk

With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

### **Index Investing**

Certain ETFs and indexed funds have the potential to be affected by “active risk” (or “tracking error risk”), which might be defined as a deviation from a stated benchmark.

### **Master Limited Partnerships**

Investing in MLPs involve certain risks related to investing in their underlying assets, as well as the risks associated with pooled investment vehicles (certain pooled investments may be less regulated than others). In addition, MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with the specific industry or region. A potential benefit derived from a MLP is also dependent on the holding being treated as a partnership for federal income tax purposes; if part or all of the MLP is not, it may have potential adverse tax effects on a portfolio.

### **QDI Ratios**

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. A holding’s QDI will be considered when tax-efficiency is an important aspect of the client’s portfolio.

### **Real Estate Investment Trusts**

Risks involved in REIT investing may include (i) following the sale or distribution of assets an investor may receive less than their principal invested, (ii) a lack of a public market in certain issues, (iii) limited liquidity and transferability, (iv) fluctuations involving the value of the assets within the REIT, (v) a reliance on the investment manager to select and manage assets, (vi) changes in interest rates, laws, operating expenses, and insurance costs, (vii) tenant turnover, and (viii) the impact of current market conditions.

### **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in any material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

## **Item 10 - Other Financial Industry Activities and Affiliations**

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. Focus Planning Group will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accounting firm or accountant
- another investment advisor, including financial planning firms, municipal advisors or third-party investment managers
- bank, credit union or thrift institution, or their separately identifiable departments or divisions
- lawyer or law firm
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include 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 client request we provide referral to various professionals, such as an accountant or attorney. While these referrals are based on the best information made available, our firm does not guarantee the quality or adequacy of the work provided by these referred professionals. There is not an agreement with these entities nor are referral fees received from these professionals for such informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

Mr. Carbone is a licensed insurance agent and is appointed with various unaffiliated insurance carriers. Further information with regard to this other activity may be found in his accompanying Form ADV Part 2B brochure supplement. Whether he is serving a client in one or more capacities, he will disclose in advance how he is being compensated and if there is a conflict of interest involving any advice or service he may provide. At no time will there be *tying* between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

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

Focus Planning Group holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can possibly anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm,



its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### Code of Ethics Description

We have adopted a Code of Ethics that establishes policies for ethical conduct for 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. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Focus Planning Group periodically reviews and amends its Code of Ethics to ensure that it remains current, and requires firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

Mr. Carbone is a CERTIFIED FINANCIAL PLANNER™ and also adheres to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics & Professional Responsibility which you may find at [www.cfp.net](http://www.cfp.net).

#### Statement involving our Privacy Policy

We respect the privacy of all clients and prospective clients (collectively termed "customers"), both past and present. It is recognized that you have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information. The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers 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 the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes, for example, providing information about a spouse's IRA or to children about a parent's account.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

The firm will provide you with its privacy policy on periodic basis per regulatory guidelines and at any time, in advance, if firm privacy policies are expected to change.

#### Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a “related person” (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

As previously noted, advisory firm personnel may also serve as a licensed insurance agent; certain clients may have multiple business relationships with that associate. Each associate will describe how they are to be compensated for their role, the conflict of interest the role or service to be provided may involve (such as the prospect for dual compensation and whether there is an incentive on their part to do so), and if there may be alternative providers for this service/product. The firm remains focused on ensuring that its offerings are based upon the needs of its clients, not resultant fees or commissions received for such services. We want to note that you are under no obligation to act on a recommendation from our firm and, if you elect to do so, you are under no obligation to complete them through our firm or a service provider whom we may recommend.

#### Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

Focus Planning Group does not trade for its own account (e.g., proprietary trading). The firm’s related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendation, etc.), firm policy may require that we periodically restrict or prohibit related parties’ transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis. Please refer to Item 6 of the accompanying Form ADV Part 2B for further details.

### **Item 12 - Brokerage Practices**

#### Factors Used to Select Broker/Dealers for Client Transactions

Focus Planning Group does not maintain physical custody of your assets (see Item 15). Your account must be maintained by a qualified custodian, such as a broker/dealer, bank or trust company. Our firm is not a custodian nor is there an affiliate of the firm that is a custodian.

When we are engaged to provide an investment consultation via a financial planning service component, we may recommend you retain the service provider with whom your assets are currently maintained. Should you prefer a new service provider, a recommendation made by our firm would be based on your needs, in addition to overall costs and ease of use of that provider.

We generally recommend that our clients' portfolio management accounts be custodied at Charles Schwab & Co., Inc. ("Schwab"). Schwab is a FINRA and SIPC member,<sup>5</sup> and an SEC-registered broker/dealer. Our firm is independently owned and operated, and is not legally affiliated with Schwab. While we recommend that a client use Schwab as custodian, the client must decide whether to do so, and will open their account by entering into an agreement directly with Schwab. We do not technically open the account for any client, although we will assist them in doing so.

If you do not wish to place your assets with Schwab as the custodian of record, we may be able to serve as your investment advisor with another custodian of your choice if that other custodian's policies allow us to do so.

We seek to use a custodian who will hold account 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, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for an account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below.

For our clients' accounts maintained at Schwab, they generally do not charge separately for custody services but are compensated by charging the client a commissions or other fees on trades that it executes or that settle into the client's Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on our commitment to maintain a certain amount of client assets at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker/dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Schwab Advisor Services serves independent investment advisory firms similar to ours. They provide our firm with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab's retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our client accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis

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<sup>5</sup> Focus Planning Group is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. Clients may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

(we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our reportable assets in accounts at Schwab. If we have less than \$10 million in assets at Schwab, it may charge our firm a nominal quarterly service fee that will be paid through our own operating account.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in previous paragraphs generally benefit our clients. Schwab also makes available to our advisory firm other products and services that benefit us but may not directly benefit an account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise, such as:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

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

Certain products and services made available to our firm by a custodian may qualify as "brokerage or research services" (some jurisdictions define this as a form of "soft dollars") under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from a custodian may benefit our firm because we do not have to produce or purchase them as long as our clients maintain accounts at that custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our interest in receiving these benefits rather than our clients' interest in receiving favorable trade execution. As a fiduciary, Focus Planning Group endeavors at all times to put the interests of its clients first, and it is important to mention that the benefit received by the firm through its participation in a custodian's support program does not depend on the amount of brokerage transactions effected through that custodian. We believe our recommendation of a custodian is in the best interests of our clients since the selection is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian selected. We periodically conduct an assessment of any recommended service provider which generally involves a review of the range and quality of services, reasonableness of fees, among other items, and in comparison to industry peers.

### Best Execution

“Best execution” means the most favorable terms for a transaction based on all relevant factors, including those listed in the paragraph titled *Factors Used to Select Broker/Dealers for Client Transactions*. 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 custodian’s transactions represent the best “qualitative execution” while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having trades completed through Schwab is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

### Directed Brokerage

Our internal policy and operational relationship with our preferred custodian requires accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for our clients’ accounts; whether that is an affiliate of our preferred custodian or another executing broker of our custodian’s choice. As a result a client may experience greater spreads or less favorable net prices on transactions than might otherwise be the case.

Since we routinely recommend a custodian for our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation due to our advisory firm receiving various products, services or discounts described in this section from our custodian.

Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts’ cash balances.

Our portfolio management clients are unable to engage in directed brokerage via our custodian. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For those clients who maintain account assets at another custodian of record, you may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, you will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving your account with that broker, and whether the selected broker is affiliated with your custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we may be unable to aggregate your transactions for execution via our recommended custodian with other orders for accounts managed by our firm. As a result, you may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

### Aggregating Securities Transactions involving Client Accounts

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed “blocked” or “batched” orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm

may, but is not obligated, to aggregate orders, and our firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*, or similar guidance if the jurisdiction in which the client resides provides such direction.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. Our clients will be informed, in advance, should trading practices change at any point in the future.

#### Trade Errors

The firm corrects its trade errors through an account maintained by our custodian, and the firm may be responsible for trading error losses that occur within a client account. Should there be a gain following the correction of a trading error, the firm will typically credit the client's account.

#### Client Referrals from Custodians

We do not receive referrals from our custodian, nor are client referrals a factor in our selection of our custodian.

### **Item 13 - Review of Accounts**

#### Schedule for Periodic Review of Client Accounts

#### ***Financial Planning and Investment Consultation Services***

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning and investment consultation services. We believe they should occur on an annual basis whenever practical. Reviews will be conducted by Mr. Carbone and typically involve analysis and possible revision of your previous financial plan or investment allocation. A copy of revised plans or asset allocation reports will be provided to the client upon request. Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current fee rate.

#### ***Portfolio Management Services***

Portfolios are reviewed on a quarterly or more frequent basis by Mr. Carbone. Client-level reviews are also completed by Mr. Carbone, and we recommend that they occur on at least an annual basis. A copy of a revised investment guideline or asset allocation reports will be provided to the client upon request.

#### Review of Client Accounts on Non-Periodic Basis

#### ***Financial Planning and Investment Consultation Services***

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or should you

prefer to change requirements involving your investment account. Non-periodic reviews are conducted by Mr. Carbone, under a new or amended agreement, and fees may be assessed at our published rate. A copy of revised plans or asset allocation reports will be provided to the client upon request.

### ***Portfolio Management Services***

Additional reviews by Mr. Carbone 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. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

### **Content of Client Provided Reports and Frequency**

Whether you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm produces its own performance reports which are calculated using a time-weighted methodology that are reviewed for accuracy by Mr. Carbone prior to delivery. The reports are intended to inform clients about their investment performance over the current period, as well as over the longer term since the account's inception; both on an absolute basis and as compared to a known benchmark. These reports are periodically back-tested by Mr. Carbone. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our firm or any other source that contains account performance information.

### **Item 14 - Client Referrals and Other Compensation**

As disclosed in an earlier section, our firm may receive economic benefit from Schwab in the form of various products and services they make available to our firm and other independent investment advisors that may not be made available to a "retail investor." Please refer to Item 12 for details.

If a client is introduced to our firm by an unaffiliated solicitor, we may pay the solicitor a fee in accordance with the requirements set forth in securities statutes that will be determined by the state in which the client and solicitor reside. Any such referral fee shall be paid by the firm and shall not result in additional advisory fees assessed to the account holder. The solicitor will disclose the nature of their relationship with the firm to prospective client at the time of solicitation. The solicitor will provide the prospective client with our firm's Form ADV Part 2A brochure as well as a disclosure document that contains the terms and conditions of the solicitation arrangement, including compensation that may be received.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. 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 individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be

used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

The Advisor engages independent solicitors to provide client referrals. If a client is referred to us by a solicitor, this practice is disclosed to the client in writing by the solicitor and the Advisor pays the solicitor out of its own funds—specifically, the Advisor generally pays the solicitor a portion of the advisory fees earned for managing the capital of the client or investor that was referred. The use of solicitors is strictly regulated under applicable federal and state law. The Advisor's policy is to fully comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and similar state rules, as applicable.

The Advisor may receive client referrals from Zoe Financial, Inc through its participation in Zoe Advisor Network (ZAN). Zoe Financial, Inc is independent of and unaffiliated with the Advisor and there is no employee relationship between them. Zoe Financial established the Zoe Advisor Network as a means of referring individuals and other investors seeking fiduciary personal investment management services or financial planning services to independent investment advisors. Zoe Financial does not supervise the Advisor and has no responsibility for the Advisor's management of client portfolios or the Advisor's other advice or services. The Advisor pays Zoe Financial an on-going fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to the Advisor ("Solicitation Fee"). The Advisor will not charge clients referred through Zoe Advisor Network any fees or costs higher than its standard fee schedule offered to its clients. For information regarding additional or other fees paid directly or indirectly to Zoe Financial Inc, please refer to the Zoe Financial Disclosure and Acknowledgement Form.

### **Item 15 – Custody**

Our clients' assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, trust company, mutual fund companies or transfer agent. Assets are not held by our firm or any associate or our firm. In keeping with this policy involving our client funds or securities, our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibits any associate from having authority to directly withdraw securities or cash assets from a client account. Although we may be deemed to have "constructive custody" of your assets since we may request the withdrawal of advisory fees from an account, we will only do so through the engagement of a qualified custodian maintaining your account assets, via your prior written approval, and following our delivery of our written notice;
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future; and
- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

Your custodian of record will provide you with your investment account transaction confirmations and account statements, which will include all debits and credits as well as our firm's advisory fee for that period. Statements are provided on at least a quarterly basis or as transactions occur within the client's



account. Focus Planning Group will not create an account statement for a client or serve as the sole recipient of an account statement.

As a reminder, if you receive a report from any source that includes investment performance information, you are urged to carefully review and compare your account statements that you have received directly from your custodian of record.

### **Item 16 - Investment Discretion**

#### ***Portfolio Management Services***

We generally provide our portfolio management services on a *discretionary* basis. Similar to a limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated investment objectives. This authority will be granted through your execution of both our engagement agreement and the selected custodian's account opening documents. Note that your custodian will specifically limit our firm's authority within your account to the placement of trade orders and the request for the deduction of our advisory fees.

Our firm prefers to not manage client accounts on a *nondiscretionary* basis but we may accommodate such requests on a case-by-case basis. Such account authority requires your ongoing prior approval involving the investment and reinvestment of account assets, portfolio rebalancing, or for our firm to give instructions to the custodian maintaining your account (i.e., wire instructions, etc.). You will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. Please note that in light of the requirement for your pre-approval you must make yourself available and keep our firm updated on your contact information so that instructions can be efficiently effected on your behalf.

You may amend our account authority by providing our firm revised written instructions. As noted in Item 4, we will allow for reasonable restrictions involving the management of your account. It remains your responsibility to notify us if there is any change in your situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings.

#### ***Investment Consultation Services***

If you ask us to assist you in any trade execution (including account rebalancing) under an investment consultation component of our financial planning engagement, such as assisting you with your held-away assets, it will typically be accomplished on a *nondiscretionary* basis.

### **Item 17 - Voting Client Securities**

You may periodically receive proxies or other similar solicitations sent directly from your selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on your behalf, including accounts that we have discretionary authority. We do not offer guidance on how to vote proxies, nor will we offer guidance involving 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. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

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 legal matters or events pertaining to your holdings.

You should consider contacting the issuer or your legal counsel involving specific questions you may have with respect to a particular proxy solicitation or corporate action.

### **Item 18 - Financial Information**

Our advisory firm will not take physical custody of your assets, nor do we have the type of account authority to have such control. Fee withdrawals must be done through a qualified intermediary (e.g., your custodian of record), per your prior written agreement, and following your receipt of our firm's written notice (termed "constructive custody").

Engagements with our firm do not require that we collect advance fees from a client of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

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

### **Item 19 - Requirements for State-Registered Advisers**

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page. Per Item 10 of this brochure, neither the firm nor a member of its management has a material relationship with the issuer of a security.

# Focus Planning Group, LLC

Registered Investment Advisor

Focus Planning Group, LLC  
14 Hollins Lane  
Bayport, NY 11705

(631) 714-6044 Ext 302  
[www.focusplanninggroup.net](http://www.focusplanninggroup.net)

## Joseph A. Carbone, Jr., CFP<sup>®</sup>, AAMS<sup>®</sup>

Financial Planner  
Chief Compliance Officer  
Investment Advisor Representative  
Managing Member

Form ADV Part 2B  
Brochure Supplement  
March 29, 2023

**This brochure provides information about Joseph A. Carbone, Jr. that supplements the Focus Planning Group, LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Mr. Carbone at (631) 714-6044 Ext 302 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Joseph A. Carbone, Jr. is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

### **Principal Executive Officers and Management Persons**

#### ***Financial Planner/Chief Compliance Officer/Investment Advisor Representative/Managing Member***

**Joseph Anthony Carbone, Jr.**

Year of Birth: 1977 / CRD Number: 3026229

#### **Educational Background**

Bachelors of Business Administration (Finance), Dowling College; Oakdale, NY  
CERTIFIED FINANCIAL PLANNER™ Professional, Certified Financial Planner Board of Standards, Inc.<sup>1</sup>  
ACCREDITED ASSET MANAGEMENT SPECIALIST<sup>SM</sup> (AAMS®), College for Financial Planning<sup>2</sup>  
Uniform Investment Adviser State Law Examination/NASAA Series 65<sup>3</sup>  
Life Insurance Agent Examination/New York Department of Financial Services<sup>3</sup>

#### **Business Experience**

Focus Planning Group, LLC (12/2012-Present)

Bayport, NY

Managing Member (12/2012-Present)

Wealth Advisor/Chief Compliance Officer/Investment Advisor Representative (09/2015-Present)

Cambridge Investment Research, Inc./Cambridge Investment Research Advisors, Inc. (01/2013-08/2015)

Fairfield, IA (Bayport, NY office)

Registered Representative/Investment Advisor Representative/Agent

Park Avenue Securities (07/2012-12/2012)

Guardian Life Insurance Company (06/2000-12/2012)

New York, NY (Westbury, NY office)

Investment Advisor Representative/Registered Representative/Agent

Montage Securities (11/2011-07/2012)

Mariner Wealth Advisors, LLC (01/2011-06/2012)

Leawood, KS (Westbury, NY office)

Wealth Advisor/Registered Representative

CBIZ Financial Solutions, Inc. (02/2006-12/2010)

Cumberland, OH

Wealth Management Associate

Chase Investments/JP Morgan Chase (01/2005-02/2006)

New York, NY (Lake Ronkoma office)

Financial Advisor

### **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Mr. Carbone has not been the subject of any such event.

### **Item 4 – Other Business Activities**

Neither Mr. Carbone nor our advisory firm has a material relationship with the issuer of a security. He is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service (“trail”) fees from the sale of mutual funds.

Mr. Carbone is a licensed insurance agent and is able to sell annuities, life, health, and long term care coverage to interested parties through various unaffiliated insurance companies where he may receive a commission from the issuer on a client’s purchase of the insurance contract. This activity involves approximately 5% of his time during traditional business hours each month. He may therefore perform in the role as insurance agent or investment advisor representative, and will disclose in advance of a transaction or advisory agreement the capacity in which he is serving a client, to include the conflict of interest the role or service to be provided may incur. He may receive commissions, overrides or other compensation from the sale of an insurance contract through various unaffiliated carriers. Mr. Carbone and Focus Planning Group take their responsibilities seriously and intend to only make recommendations believed appropriate for the client.

### **Item 5 – Additional Compensation**

Neither our advisory firm nor Mr. Carbone is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

### **Item 6 – Supervision**

Mr. Carbone serves as the firm’s Chief Compliance Officer. Because supervising one’s self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict, and may use the services of unaffiliated professionals to ensure the firm’s oversight obligations are met. Questions relative to the firm, its services or this brochure may be made to the attention of Mr. Carbone at (631) 714-6044 Ext 302.

Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for Focus Planning Group, LLC is 281231. The business and disciplinary history, if any, of an investment advisory firm and its representatives may be obtained by calling the New York Department of Law Investment Protection Bureau at (212) 416-8285.

## **Item 7 - Requirements for State-Registered Advisers**

There have been neither awards nor sanctions or other matter where Mr. Carbone or Focus Planning Group has been found liable in a self-regulatory or administrative proceeding. Neither Mr. Carbone nor our advisory firm has been the subject of a bankruptcy petition.

### **Business Continuity Plan**

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

### **Information about Professional Designations and Education**

<sup>1</sup>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 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.

<sup>2</sup>The College for Financial Planning® awards the **ACCREDITED ASSET MANAGEMENT SPECIALIST<sup>SM</sup>** and **AAMS®** designation to students who successfully complete the program, pass the final examination, and comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Successful students receive a certificate and are granted the right to use the designation on correspondence and business cards for a two-year period. Continued use of the AAMS® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AAMS® designation by completing 16 hours of continuing education; reaffirming to abide by the Standards of Professional Conduct,

Terms and Conditions, and self-disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and paying a biennial renewal fee.

<sup>3</sup> NASAA and state insurance examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of a securities or insurance industry examination does not constitute or imply a person is "approved" or "endorsed" by a state securities administrator or insurance commissioner.