

**Item 1 – Cover Page**



REGISTERED INVESTMENT ADVISOR

**Solari Financial Planning, LLC**

PO Box 416

Goffstown NH, 03045

(603) 471-3088

[www.solarifinancial.com](http://www.solarifinancial.com)

**Form ADV Part 2A**

**Firm Brochure**

May 14, 2014

This brochure provides information about the qualifications and business practices of Solari Financial Planning, LLC. If you have any questions about the content of this advisory brochure, please contact our Principal, Mr. Michael Solari, CFP®, at (603) 471-3088 or [michael@solarifinancial.com](mailto:michael@solarifinancial.com).<sup>1</sup>

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 Solari Financial Planning, 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 number, which is 167118.

While the firm and its associates 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.

---

<sup>1</sup> Please refer to end of this brochure for an explanation of professional designation prerequisites and their ongoing continuing education requirements.

## **Item 2 – Material Changes**

### ***Annual Update***

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the firm brochure.

### ***Material Changes since the Last Annual Update***

Solari Financial Planning, LLC has amended its Form ADV Part 2A firm brochure from the previous version dated January 1, 2014 to disclose the addition of fixed fees for ongoing financial planning and investment consultation services; Item 5 – Fees and Compensation for more details.

In January of 2014 the firm updated this brochure due to format changes and refinement of required disclosure information throughout the document, in addition to specific data involving the firm's fees (Item 5), investment risks (see Item 8), incorporation of our privacy policy statement into the brochure (Item 11), the firm's business relationship with its custodians of record (Items 12 and 14), and continuing education requirements for professional designations (last page).

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.

### ***Full Brochure Available***

The complete brochure is available upon request by contacting us by telephone at (603) 471-3088 or at michael@solarifinancial.com. Clients are also able to download this brochure from the SEC's Website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

### **Item 3 – Table of Contents**

Item 1 – Cover Page .....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business .....	5
Description of the Firm.....	5
Description of Advisory Services Offered .....	5
Client-Tailored Services and Client-Imposed Restrictions.....	8
Wrap Fee Programs .....	8
Regulatory Assets Under Management.....	8
Item 5 – Fees and Compensation .....	9
Method of Compensation and Fee Schedule .....	9
Client Payment of Fees .....	10
Additional Client Fees .....	11
External Compensation for the Sale of Securities to Clients .....	11
Charged Prepayment of Client Fees .....	12
Item 6 – Performance-Based Fees and Side-By-Side Management .....	12
Item 7 – Types of Clients .....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	13
Methods of Analysis and Investment Strategies .....	13
Investment Strategy and Method of Analysis Material Risks.....	13
Security-Specific Material Risks .....	15
Item 9 – Disciplinary Information .....	16
Item 10 – Other Financial Industry Activities and Affiliations .....	16
Material Relationships Maintained by this Advisory Business and Conflicts of Interest .....	16
Recommendation or Selection of Other Investment Advisers and Conflicts of Interest .....	17
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	17
Code of Ethics Description.....	17
Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest .....	19
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest .....	19
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest .....	20
Item 12 – Brokerage Practices .....	20
Factors Used to Select Broker/Dealers for Client Transactions .....	20
Best Execution .....	21
Directed Brokerage.....	21
Aggregating Securities Transactions.....	22
Trade Errors .....	22
Item 13 – Review of Accounts .....	22
Schedule for Periodic Review and Advisory Persons Involved .....	22
Review of Client Accounts on Non-Periodic Basis .....	22
Content of Client Provided Reports and Frequency.....	23
Item 14 – Client Referrals and Other Compensation.....	23
Economic Benefit from External Sources and Potential Conflicts of Interest .....	23

Advisory Firm Payments for Client Referrals.....	23
Item 15 – Custody.....	24
Item 16 – Investment Discretion .....	25
Item 17 – Voting Client Securities.....	25
Item 18 – Financial Information .....	25
Balance Sheet .....	25
Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients .....	26
Bankruptcy Petitions during the Past 10 Years .....	26
Item 19 – Requirements for State-Registered Advisers .....	26
Principal Executive Officers and Management Persons .....	26
Material Matters Involving Issuers of Securities .....	26
Performance-Based Fee Description .....	26
Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons.....	26
Form ADV Part 2B – Brochure Supplement.....	27
Item 1 – Firm Information .....	27
Item 2 – Educational Background and Business Experience .....	27
Item 3 – Disciplinary Information .....	28
Item 4 – Other Business Activities .....	28
Item 5 – Additional Compensation .....	28
Item 6 – Supervision .....	28
Item 7 – Requirements for State-Registered Advisers .....	29
Professional Designations.....	29

**Important Information**

Throughout this document Solari Financial Planning, LLC shall also be referred to by its marketing name: “Solari Financial Planning,” as well 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*. 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**

Solari Financial Planning, LLC is a New Hampshire domiciled limited liability company formed in 2013. We are not a subsidiary of nor do we control another financial services industry entity. In addition to our 2013 registration as an investment advisor in the State of New Hampshire, our firm and its associates may register or meet certain exemptions to registration and/or licensing in other jurisdictions in which we conduct investment advisory business.

Mr. Michael A. Solari, CFP® is the firm's Principal, Managing Member, as well as the majority unitholder (shareholder). Additional information about Mr. Solari may be found in Item 19 of this document as well as the accompanying brochure supplement.

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

The firm provides fee-only financial planning, portfolio design and investment advisory services to individuals and families regardless of their financial situation. These services may be general in nature or focused on a particular area of interest or need, depending on the client's unique circumstances.

During or prior to your first meeting with our firm you will be provided with a current Form ADV Part 2A firm brochure that includes a statement with regard to our privacy policy, as well as a brochure supplement from an advisory associate assisting you. We will also ensure that we disclose any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice.

Discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. It is important that the information and/or financial statements you provide are accurate. Our firm may, but is not obligated to, verify the information you have provided, which will then be used in the investment advisory process. Should you wish to engage Solari Financial Planning for its advisory services, we must first enter into a written agreement (our client services agreement).

Depending on the scope of our engagement with you, we may ask that you provide current copies of the following documents early in the process:

- Wills, codicils and trusts
- Divorce decree
- Insurance policies
- Mortgage information
- Financial data that may include tax returns, W-2s or 1099s and/or paystubs
- Information on 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
- Credit card balances and interest rates
- Student loan documents
- Auto, home loans, HELOCs, and other liabilities
- Completed risk profile questionnaires or other forms provided by our firm

## ***Financial Planning Services***

Our financial planning services engagements may be as broad-based or narrowly focused as you desire. The incorporation of most or all of the listed modular components allows not only a more thorough analysis but also an in depth view of your plans 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 along with advice on prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. Recommendations may also be made with respect to appropriate cash reserves for emergencies and other financial goals, and a review of accounts (such as money market funds) for such reserves, plus strategies to save desired 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**

We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible in your employee benefit programs. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

### **Retirement Planning**

Retirement planning services typically include projections depicting the 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.

### **Tax Planning Strategies**

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on 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.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

### Education Planning

College funding advice 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.

### Estate Planning

Review and advice usually involve an analysis of your exposure to estate taxes and your current estate plan; determining whether you have a will, financial and health care powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We recommend that you consult with a qualified 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 someone for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

### Investment Consultation

Our investment consultations may involve providing information on the types of investment vehicles available, employee retirement plans and/or stock options, or limited asset allocation services. The investment strategy and types of holdings we may recommend for your portfolio is discussed further in Item 8 of this brochure.

### Business Planning

We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.

### Financial Planning Process

Clients that seek only specific advice will meet one or two times face to face or via web services. If a client wishes to engage us for broad-based planning, we will meet three to four times face to face or via web services. All clients receive a presentation of the analysis and a written summary of the significant observations, assumptions and recommendations over each area that our firm had been engaged to provide advice.

Clients may re-engage Solari Financial Planning as needed. Periodic financial check-ups are recommended, and it is the client's responsibility to initiate the review if the client had only engaged our firm for its financial planning services.

### **Investment Management Services**

You may also engage our firm to implement investment strategies that we have recommended to you. In order for you to engage our investment management services, you must have agreed to have a completed initial broad-based financial plan and subsequent annual checkups.

We typically prepare an investment policy statement (IPS) or similar document reflecting your investment objectives, time horizon, tolerance for risk, as well as any account constraints you may have for the

portfolio. Your IPS will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since the IPS to a large extent will be a product of information and data you have provided, you will be responsible for reviewing and providing final approval of the document/plan.

Our investment management service is provided on a non-discretionary basis (see Item 16) where we tailor your portfolio to your overall financial plan. Note that we do not provide ongoing and continuous supervision of your account; rather, portfolio changes or account reallocation is done on a scheduled or as-needed basis.

Our investment management services are customized to fit each client's unique needs. Your investment management services will be based on the scope and complexity of your financial plan; a plan that is highly complex and wide-ranging may call for more frequent account reviews and rebalancing as compared to a simpler, more narrowly focused plan. We will work with you to determine the type of planning and management that best fit your objectives.

*During the initial meeting the client should inform our firm with any planned future liquidity needs or upcoming expenses to reduce trading costs which might affect the performance of the client's portfolio.*

#### Client-Tailored Services and Client-Imposed Restrictions

##### ***Broad-Based v. Modular Financial Planning***

A broad-based plan is an endeavor that requires detail, therefore, certain variables can affect the cost involved in the development of the plan: 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.

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. In all instances involving our financial planning and investment consultation services, our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

##### ***Investment Account Restrictions***

As stated in your IPS or similar document, we will account for any reasonable restrictions you may require for the management of your investment account(s). We want to note that it will remain your responsibility to promptly notify us if there is any change in your financial situation and/or investment objectives for the purpose of our reviewing, evaluating or revising previous account restrictions or firm investment recommendations.

#### Wrap Fee Programs

We do not sponsor or serve as a portfolio manager in an investment program involving wrapped fees.

#### Regulatory Assets Under Management

We do not provide continuous and regular investment supervisory services and therefore do not have reportable client assets under our management<sup>2</sup> as of the date of this brochure's publication.

---

<sup>2</sup> The term "assets under management" and rounding to the nearest \$100,000 are as defined by the SEC's 2010 *General Instructions for Part 2 of Form ADV*.



## **General Information**

Solari Financial Planning does not provide legal or accounting services. With your consent, we may work with other professional advisors, such as an accountant or attorney to assist with 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. Solari Financial Planning 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 shall constitute a waiver of any rights that a client may have under federal and state securities laws.

## **Item 5 – Fees and Compensation**

### **Method of Compensation and Fee Schedule**

#### ***Financial Planning Services***

We believe it is important that our clients start with a foundation, so we recommend engagements begin with the development of a financial plan. We recognize that no two clients are alike, so we offer both broad-based and limited-scope (modular) planning on an hourly or fixed fee basis.

#### **Hourly Fees**

Our hourly rate ranges from \$150 to \$300 per hour depending upon the scope and complexity of the engagement. Hourly fees are billed in six minute increments and a partial increment (e.g., three minutes) will be treated as a whole increment. Paraplanner or administrative services utilized by our advisory firm in support of your engagement are assessed at a rate not to exceed \$120 per hour.

Prior to entering into an agreement with the firm you will receive an estimate of the overall cost based on your requirements and the time involved.

#### **Fixed Fees**

Solari Financial Planning offers ongoing financial planning and investment consultation services on a fixed fee basis. We offer two types of fixed-fee engagements. The first involves an annual fixed fee which typically ranges from \$1,200 to \$3,600 per year. Payment is to be made in equal monthly installments, and they are due at the end of each month. To initiate the engagement, we require the first installment fee to be paid in advance as a deposit. The deposit is due upon execution of your agreement with our firm, and we will prorate the initial period based on the number of calendar days remaining in the first month.

The second option for a fixed-fee engagement involves an initial deposit, followed by a set number of months at a fixed fee commensurate with a higher amount of time involved in the initial stage of the engagement. Following those months, the client will pay a lower set amount each month for continuing consultations, rebalancing, etc., as needed. These fees will be quoted on a case-by-case basis and will vary with the scope and complexity of the client's needs and the estimated time involved initially and on an ongoing basis.

### ***Investment Management Services***

Solari Financial Planning believes an investment advisory firm should not benefit more if the value of a client's account increases, nor do we believe the level of advisory service dramatically changes if the assets under a firm's management reach a certain level. We also believe an adherent conflict of interest may arise when assets are charged as a percentage of assets under management since this may create an incentive for an advisor to give advice that may be more beneficial to them than their clients.

Another concern we have with the asset-based fee model is that the relationship between the advisor and client tends to focus strictly on investment management since that is how the advisor is primarily being compensated. Our firm believes all aspects of the financial planning process, including those services previously listed, are crucial to review at least annually so that clients are focused on being able to attain their long term goals.

In light of these issues, we will assess a fixed fee that is based upon the estimated hours involved in managing the portfolio as well as its complexity. Typical fixed fees range from \$3,000 to \$5,000 per year, but may be as much as \$25,000 for especially complex cases. If additional time is needed, then an amended client service agreement will be required and agreed upon before additional work will be performed.

### ***Negotiable Fees***

The services to be provided to you and their specific fees will be detailed in your engagement agreement with our firm. Our fees may be negotiable as determined by a principal of our firm. We strive to offer fees that we believe are fair and reasonable in light of the experience of the firm and the services to be rendered to our clients.

If a financial planning client engages the firm for investment management services, we may credit a portion of the total planning fee paid by the client against the investment management fee. This credit will not exceed half the financial planning fee paid or \$2,000, whichever is less. The total credit will be spread over the first two billing cycles of the investment management engagement.

### **Client Payment of Fees**

#### ***Financial Planning Services – Hourly and Fixed Fees***

Fees are due as stated in your engagement agreement with our firm; typically upon delivery of our invoice (generally upon delivery of your plan). Fees may be paid by check or teller's draft from US-based financial institutions, as well as automated payment through a qualified, unaffiliated third-party processor with your prior approval. We do not accept cash or similar forms of payment for our engagements.

#### ***Investment Management Services – Fixed Fees***

Our investment management services fee will be billed in advance every three months; these periods may or may not coincide with a calendar quarter. You may also choose to include having your broad-based

planning fee deducted in this manner if we are engaged for both of these services. Fee payments will generally be assessed within the first 10 days of each calendar quarter.

Your first billing cycle will begin once your agreement is executed with our firm, and fees for partial quarters will be prorated based on the remaining days in the reporting period in which our firm has been engaged to assist you with your account.

Our firm will concurrently send you and the custodian of record a written notice (“invoice”) each billing period that describes the advisory fees to be deducted from your account. The notice will include the total fee assessed, covered time period, any calculation formula utilized, and reference to the assets under our management in which the fee had been based. All fees deducted will be clearly noted on account statements that you will receive directly from the custodian of record on a quarterly or more frequent basis.

By signing our firm’s engagement agreement, as well as the selected custodian account opening documents, you will be authorizing the withdrawal of both advisory and transactional fees (see following section) from your account. The withdrawal of these fees from your account will be accomplished by the selected custodian, not by our firm, and the custodian will remit our fees directly to our firm. Please note that you share in the responsibility to verify the accuracy of fee calculations; the custodian may not verify the accuracy for you.

We reserve the right to suspend any and all advisory services once an account is deemed past due.

#### 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 your 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.

Additional information about our fees in relationship to our operational practices may be found in Items 12 and 14 of this document.

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

We do not charge or receive a commission or mark-up on your securities transactions, nor will the firm or an associate be paid a commission on your purchase of securities that we recommend to you.

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

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

## Charged Prepayment of Client Fees

### ***Advance Payment for Certain Services***

As stated in your agreement with our firm, we may require an initial deposit of \$500 or one-half the quoted fee (whichever is more) for hourly financial planning services engagements. Fixed fee engagements may require prepayment of the first month's installment, which may be prorated from the day the agreement is executed through the end of that month.

Fees will not be collected for services to be performed more than six months in advance and in excess of \$500.

### ***Termination of Services***

Either party may terminate the agreement at any time, which will typically be 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 future allocations, investment advice or transactional services upon receipt of a termination notice. Upon termination, it will also be necessary that we inform the custodian of record that the relationship between the firm and the client has been terminated.

If our ADV Part 2A firm brochure was not delivered to you at least 48 hours prior to entering into the investment advisory contract with our firm, then you have the right to terminate the engagement without penalty within five (5) business days after entering into the agreement. Should you terminate a financial planning engagement with us after this initial period, you may be assessed an hourly fee that will be based upon the time that may have been incurred by our firm in the preparation of your analysis or plan. For investment management services engagements, should you terminate the agreement after the five-day period, you 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.

Solari Financial Planning will return any prepaid but unearned advisory fees within 30 days of our receipt of a termination notice. Return of payment for our fees are provided only via check from our US-based financial institution; no credits or "transaction reversals" will be issued.

### **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. We believe such compensation creates an incentive for a firm to recommend an investment that may carry a higher degree of risk to a client. We do not use a performance-based fee structure because of the conflict of interest this type of fee structure poses.

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; this type of arrangement, and the conflict of interest it may pose, does not conform to our firm's practices.

## **Item 7 – Types of Clients**

Solari Financial Planning provides its services primarily to individual investors, pensions and profit sharing plans, trusts, estates, charitable organizations, and businesses of various scale. We do not require minimums as to income, assets, net worth, or length of engagement, revenues generated or other conditions for engaging our services. However, there are a minimum number of hours for ongoing investment management services as listed in Item 4.

The firm reserves the right to waive or reduce certain of its fees based on unique individual circumstances, special arrangements, pre existing relationships or as otherwise may be determined - by a firm principal. The firm also 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**

#### ***Method of Analysis***

If Solari Financial Planning is engaged to provide investment advice, the client's current financial situation, needs, goals, objectives and tolerance for risk are first evaluated. Asset allocation and investment policy decisions are then made in an attempt to help the client achieve their overall financial objectives while minimizing risk exposure.

Our research is drawn from sources that include publicly available reports, analysis, research materials, computerized asset allocation models, and various subscription services. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases and various subscription services.

#### ***Investment Strategies***

We believe asset allocation is a key component of investment portfolio design, and that the appropriate allocation of assets across diverse investment categories (stock vs. bond, foreign vs. domestic, large cap vs. small cap, high quality vs. high yield, etc.) is the primary determinant of portfolio returns and critical in the long-term success of one's financial objectives, and that a diversified portfolio allocation across different asset classes can produce the highest possible return for a given level of risk. Our firm will rebalance a portfolio in an attempt to maintain optimal allocation while minimizing tax exposures and trading costs.

#### ***Investment Vehicles Generally Recommended***

We typically recommend portfolios that contain investment vehicles considered diversified, tax-efficient and low-cost whenever practical. Index mutual funds and exchange traded funds (ETFs) are researched and selected for each asset class in the portfolio allocation. Existing positions within a client account will also be evaluated and may be recommended to remain when deemed appropriate. Portfolios may also include a broader range of mutual funds and individual securities. Individual securities may include common or preferred stocks, bond debentures, U.S. Government issues, notes, commercial paper, etc. This is not an all-inclusive list.

### **Investment Strategy and Method of Analysis Material Risks**

We believe our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk. However, we cannot guarantee that an investment objective or

planning goal will be achieved. As an investor you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or your entire principal.

Examples of risk include:

### ***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 minimized through appropriate diversification.

### ***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.

### ***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.

### ***Management Risk***

An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

### ***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 “index investing”) 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.

### ***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. Therefore, 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

### **Equity Investing Risks**

Please refer to earlier references to *company*, *financial* and *market* risks.

### **ETF and Mutual Fund Risk**

ETFs and mutual funds reflect the risk of their underlying securities, and they may carry additional expenses based on their share of operating expenses and certain brokerage fees which may result in the potential duplication of certain fees.

### **Fixed Income Risks**

Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and perhaps certificates of deposit 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 typically 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 is termed interest rate risk.

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 is a form of liquidity risk. 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**

Strategies index investing also have the potential to be affected by “active risk” (or “tracking error risk”), which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark (e.g., known indices), the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that may not as closely align the stated benchmark. You will need to keep in mind that investment vehicles such as ETFs and indexed funds have the potential to be affected by “tracking error risk.”

### **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. We consider a holding’s QDI when tax-efficiency is an important aspect of the client’s portfolio.

### **Item 9 – Disciplinary Information**

Neither the firm nor its management has been involved in a 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 to the public or the firm’s 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. Solari Financial Planning 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.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Neither our firm, management, nor an associate is registered or has an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm. In addition, neither our firm nor its management is or has a material relationship with any of the following types of entities:

- municipal securities dealer or government securities dealer and/or broker
- banking or thrift institution
- lawyer or law firm
- accountant or accounting firm
- insurance company or agency
- real estate broker or dealer
- pension consultant
- sponsor or syndicator of limited partnerships
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

Upon your request, you may be provided a referral to various professionals, such as an accountant or an attorney. While these referrals are based on the best information made available, the 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.



## Recommendation or Selection of Other Investment Advisers and Conflicts of Interest

While it is not a traditional practice of our firm, should we ever provide you with a recommendation to an unaffiliated registered investment advisor (per your request), we will first ensure we have conducted what we believe is an appropriate level of due diligence on the recommended advisor including ensuring their firm is appropriately registered or notice-filed within your state of residence. Please note that we are not paid for this referral nor do we share in any fees these firms may receive in managing your account.

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

Solari Financial Planning believes that its business methodologies, ethics rules and adopted policies are appropriate to eliminate or at least minimize potential material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain. Clients should be aware that no set of rules can possibly anticipate or relieve all potential 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

The firm holds itself to a *fiduciary standard*, which means we will act in the utmost good faith, performing in a manner believed to be in the best interest of our clients. 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.

Solari Financial Planning periodically reviews and amends its Code of Ethics to ensure that it remains current, and requires firm personnel to annual 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.

CERTIFIED FINANCIAL PLANNER™ Practitioners that are associated with our firm also adhere to the Certified Financial Planner Board of Standards, Inc. principles, which state:

### ***Principle 1 – Integrity***

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisors are placed by clients in positions of trust, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

### ***Principle 2 – Objectivity***

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

### ***Principle 3 – Competence***

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

### ***Principle 4 – Fairness***

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

### ***Principle 5 – Confidentiality***

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

### ***Principle 6 – Professionalism***

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

### ***Principle 7 – Diligence***

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

### ***Statement involving our Privacy Policy***

We respect the privacy of all clients and prospective clients (termed "customers" under law), 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 clients provide to complete their financial plan or investment recommendation;
- Information clients 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 client 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 clients 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 to not 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 account or to adult children about parents' accounts, etc.

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 an annual basis per federal law 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.

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

Solari Financial Planning 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. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client; clients often have different objectives and risk tolerances. At no time, however, will the firm or a related person 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 by the firm, and we will maintain personal securities transaction records as required.

## Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

See responses in the previous section titled *Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest*.

### **Item 12 – Brokerage Practices**

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

Solari Financial Planning 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 that is a custodian.

When we are engaged to provide investment consultation through our financial planning engagements, we may recommend the service provider with whom your assets are currently maintained. Should you prefer a new service provider, a recommendation may be made to you by our firm that is based on your needs, overall cost, and ease of use.

When engaged to provide investment management services, the firm will typically recommend clients use the institutional services division of Shareholders Services Group, Inc. (SSG), who ultimately conducts transactions and asset custody through Pershing, LLC – a BNY Mellon Company (“Pershing”). Both SSG and Pershing are FINRA and SIPC members,<sup>3</sup> and independent SEC-registered broker/dealers. As stated earlier, our firm is independently owned and operated and is not legally affiliated with SSG or Pershing, or any other provider we may recommend.

While we recommend that you use SSG for your account, you will decide whether to do so and will open your account with them by entering into an account agreement directly with them. We do not technically open the account for you, although we assist you in doing so. If you do not wish to place your assets with SSG, we may be unable to assist you with your account under our investment management services engagement and another service may become necessary (e.g., investment consultation).

SSG/Pershing offers independent investment advisors various services which include custody of client assets, trade execution, clearance and settlement, etc. Our firm may also receive certain benefits from SSG and Pershing through participation in their independent advisor support program that is not made available to a “retail investor.” These benefits may include the following products and services that are provided to our firm either without cost or at a discount:

- receipt of duplicate client statements and confirmations
- research related products and tools
- access to trading desks serving our client accounts
- access to block trading services
- ability to have advisory fees deducted from a client’s accounts (per written agreement)
- resource information related to capital markets and various investments
- access to an electronic communications networks for client order entry and account information

---

<sup>3</sup> Solari Financial Planning, LLC is not, nor required to be, a FINRA or Securities Investor Protection Corporation (SIPC) member. You 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>.

- discounts on marketing, research, technology, and practice management products or services provided to our firm by third-party providers

Some of the noted products and services made available by SSG/Pershing may benefit our firm but may not directly benefit all clients' accounts, and certain research and other previously referenced services may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services benefits our firm because we do not have to produce or purchase them as long as our clients maintain assets in accounts at SSG/Pershing.

There is a potential conflict of interest you need to be aware of since we may have an incentive to select or recommend SSG/Pershing based on our interests in receiving research or other products or services made available to us, rather than our clients' interest in receiving the most favorable trade execution. We believe that our selection of the SSG/Pershing is in the best interests of our clients, and our selection is primarily supported by the scope, quality, and price of their services to all involved; not just those services that would only benefit our firm.

We periodically conduct an assessment of any service provider we recommend which generally involves a review of their range and quality of services, reasonableness of fees, among other items, and in comparison to their industry peers.

#### Best Execution

The term "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*. The firm receives a benefit because it does not have to produce or pay for certain types of research, products or services, and the firm may have an incentive to select or recommend a broker/dealer based on its own interests in receiving the research or other products or services, rather than its clients' interest in receiving most favorable execution.

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

Our firm has determined having investment supervisory services account trades completed through SSG/Pershing is consistent with our duty to seek best execution. We also periodically review our internal policies regarding our recommending SSG/Pershing to our clients in light of our duty to seek best execution.

#### Directed Brokerage

We do not require or engage in directed brokerage involving our client's accounts, and we may decline a request to direct brokerage if it is believed the directed brokerage arrangement would result in additional operational difficulties or risk to our firm.

You may request that your custodian of record use another broker/dealer to execute some or all transactions for your account. In these circumstances, you will be responsible for negotiating, in advance, the terms and/or arrangements for your account with your selected broker/dealer. We will not be obligated to seek better execution services or prices from these other broker/dealers, or able to aggregate your transactions (should we choose to do so) for execution through other broker/dealers with orders for other

accounts managed by our firm. As a result, you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices, on transactions for your account than would otherwise be the case.

### Aggregating Securities Transactions

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time, and may also be termed “blocked, “bunched” or “batched” orders. Aggregated orders are typically completed by an advisory firm 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.

Due to the fact that we serve client accounts under a non-discretionary engagement, trades are completed on an independent basis; subsequently an account may potentially be assessed higher costs or less favorable prices than those an account that is aggregated.

Our firm reviews its trading processes on a periodic basis to ensure it remains within stated policies and regulation. We will inform you, 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 SSG as custodian of record, 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 credit the client’s account when appropriate to do so.

## **Item 13 – Review of Accounts**

### Schedule for Periodic Review and Advisory Persons Involved

#### ***Financial Planning Services***

It will be your responsibility to initiate a periodic review and we may also send you a reminder of the same if you prefer. Periodic reviews will be conducted by your assigned investment advisor representative, and normally involve analysis and possible revision of your previous financial plan or investment allocation.

Unless provided for in your engagement agreement, financial planning reviews are conducted under a new or amended agreement and will be assessed at our current rate.

#### ***Investment Management Services***

Investment management services account reviews will occur at least once a year. We may also review an investment account in between annual reviews if the firm considers it advisable to do so. The work is overseen by Mr. Solari, Principal of Solari Financial Planning, LLC.

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

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or an inheritance).

## Content of Client Provided Reports and Frequency

### ***Financial Planning Services***

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for an additional fee.

### ***Investment Management Services***

Clients will receive monthly and/or quarterly statements from their custodian of record that holds their funds and securities. They will also be able to access these reports electronically. Additionally, clients may be provided portfolio performance reports generated by the firm's portfolio management system, or by the firm at the annual or bi-annual meeting, or as requested. These reports show such information as the allocation, holdings, past performance, standard deviation and other data about the portfolio.

Clients will also go through a financial plan review each year, and reports will include income and expense planning, tax planning, insurance planning, estate planning, retirement planning, investment advice, and education planning.

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.

You are also urged to carefully review and compare their account statements that you have received directly from their custodian of record with any performance report you may receive from our firm.

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

### **Economic Benefit from External Sources and Potential Conflicts of Interest**

As disclosed in Item 12, Solari Financial Planning may receive economic benefit from a preferred custodian in the form of various products and services they make available to our firm that may not be made available to a retail investor. As part of our fiduciary duty Solari Financial Planning endeavors at all times to put the interests of its clients first. We also believe it is important to mention that the benefit received by our firm through participation in a particular custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and we believe our selection of our preferred custodian is in the best interests of our clients since the selection is primarily supported by the scope, quality, and cost of their services -- not just those services that benefit only our firm.

### **Advisory Firm Payments for Client Referrals**

Our firm does not engage in solicitation activities as defined by statute.

Mr. Solari is a member of the Garrett Planning Network, Inc., an organization that assists financial planners in fee-only, financial planning practices. The Garrett Planning Network is not, nor believed required to be, a registered financial industry participant. The firm pays an annual membership fee to the Garrett Planning Network for extensive services that include their hosting training, compliance and operational training or support to enhance the firm's ability to provide quality service and advice to the investing public.

Investment advisor representatives of the firm may also hold individual membership or serve on boards or committees of professional industry associations or organizations, such as the National Association of

Personal Financial Advisors (NAPFA), Certified Financial Planner Board of Standards, Inc. or the Financial Planning Association (FPA). 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 and other industry associations 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 firm or an associate via these methods are not actively marketed by the noted associations. Clients who find us in this way do not pay more for their services than clients referred to us in another fashion, such as by another client. We do not pay these entities for prospective client referrals, nor is there a compensation arrangement reflective of a solicitor engagement.

### **Item 15 – Custody**

Your assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies or transfer agent. Your assets are not held by our firm or any associate or our firm.

In keeping with this policy involving our client funds or securities, Solari Financial Planning:

- 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 fee notice to you;
- 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 advisory 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.

Clients will be provided with transaction confirmations and quarterly account statements sent directly to them by their custodian of record. Typically statements are provided on at least a quarterly basis or as transactions occur within their account. Solari Financial Planning will not create an account statement for a client nor serve as the sole recipient of a client account statement.

Should you receive periodic reports from our advisory firm 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 with any performance report from our firm.



## **Item 16 – Investment Discretion**

### ***Financial Planning Services***

If you ask us to assist you in any trade execution (including account rebalancing), it will only be done with your selected service provider and on a *non-discretionary basis* (defined below).

### ***Investment Management Services***

Solari Financial Planning provides its investment management services on a *non-discretionary* basis; your prior approval must be made for each transaction with regard to the investment and reinvestment of account assets, or for the firm to give instructions to the custodian maintaining your account. Note that you have an unrestricted right to decline to implement any advice provided by the firm on a non-discretionary basis. In light of the requirement for your pre-approval for a non-discretionary account, you must make yourself available and keep our firm updated on your contact information so that instructions can be efficiently effected on your behalf.

Account authority will be granted by you through your execution of both our engagement agreement and the selected custodian's account opening documents. Note that your custodian of record 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.

Solari Financial Planning retains information about all client account directions, limitations and rescissions that are reviewed and approved by a supervisory principal with our firm.

## **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 nor do we offer specific guidance on how you may your proxies. In addition, we will not 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. However, 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**

### **Balance Sheet**

We will not take physical custody of your assets. Advisory fee withdrawals must be done through a qualified intermediary (e.g., custodian of record), per your prior written agreement, and following your receipt of our written notice -- termed "constructive custody."

Our engagements do not require that we collect advance fees from you of \$500 or more for our advisory services that we will perform six months or more into the future.

Neither Solari Financial Planning nor a member of 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.

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

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The firm and its management do not have a financial condition likely to impair our ability to meet commitments to our clients.

Bankruptcy Petitions during the Past 10 Years

The firm and its management have not been the subject of a bankruptcy petition in the past 10 years.

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

Principal Executive Officers and Management Persons

Michael Solari is the firm's Managing Member, sole shareholder and designated principal (supervisor). Please refer to the ADV Part 2B for background information about each management personnel and those giving advice on behalf of our firm.

Material Matters Involving Issuers of Securities

Neither the firm nor any of its associated persons have a material relationship or arrangement with an issuer of securities.

Performance-Based Fee Description

Neither the firm nor any of its associated persons are compensated for advisory services with performance-based fees. Please refer to Item 6: "Performance-Based Fees and Side-By-Side Management" for additional information on this topic.

Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons

Neither the firm nor any of its associated persons have any reportable arbitration claims, civil, self regulatory organization proceeding or administrative proceeding.

## **Form ADV Part 2B – Brochure Supplement**

This brochure provides information about Michael A. Solari which supplements the Solari Financial Planning, LLC firm brochure referenced in the preceding pages. If you have any questions about the contents of this supplement, please contact Mr. Solari by telephone at (603) 471-3088. Additional information about Michael Solari and Solari Financial Planning, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 1 – Firm Information**

Solari Financial Planning, LLC  
PO Box 416  
Goffstown NH, 03045

(603) 471-3088  
[www.solarifinancial.com](http://www.solarifinancial.com)

### **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.

#### **Managing Member/Principal (Supervisor)/Financial Planner/Investment Advisor Representative**

##### **Michael Anthony Solari, CFP®**

Year of Birth: 1983

CRD Number: 5702111

#### ***Educational Background and Business Experience***

##### **Educational Background**

Bachelor of Science in Finance, Bryant University; Smithfield, RI (2006)  
Masters of Science in Finance, Suffolk University; Boston, MA (2008)  
Certificate in Financial Planning, College for Financial Planning® (2012)  
CERTIFIED FINANCIAL PLANNER™ Practitioner (2012)<sup>1</sup>

##### **Business Experience**

Solari Financial Planning, LLC (2013-Present)  
Goffstown, NH  
Managing Member/Principal (Supervisor)/Financial Planner/Investment Advisor Representative

Granite Financial Partners, LLC (2009-2013)  
Milford, NH  
Case Design Analyst

NFP Securities, Inc. (2009-2013)  
Milford, NH  
Investment Advisor Representative/Registered Representative

Hilco Appraisal Services, LLC (2008-2009)  
Dedham, MA  
Financial Analyst

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

Registered investment advisors are required to disclose certain material facts regarding any criminal, civil, legal or industry/professional association disciplinary event that would be material to your evaluation of each officer or a supervised person providing investment advice. No reportable information is applicable to this section for Mr. Solari or our advisory firm.

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

Mr. Solari is not actively engaged in any other business or occupation (investment-related or otherwise) beyond his role with Solari Financial Planning, LLC. 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. Therefore, 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.

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

Mr. Solari is not 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**

It is recognized that Mr. Solari serves in multiple capacities within our advisory, and not having all organizational duties segregated may potentially create a conflict of interest. Firm policies and procedures have been designed to ensure appropriate recordkeeping and supervision, and all associates are required to adhere to our firm’s Code of Ethics and procedural guidelines.

Mr. Solari, as Principal, will monitor firm activities and the advice provided by performing the following ongoing reviews:

- Account opening documentation when the relationship is established
- Daily review of account transactions
- Annual assessment of your financial situation, objectives, and investment needs
- A review of client correspondence on an as needed basis
- Periodic firm review

Questions relative to the firm, its services or this Form ADV Part 2B may be made to the attention of Mr. Solari at (603) 471-3088. 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 number. The IARD number for Solari Financial Planning, LLC is 167118.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the New Hampshire Bureau of Securities Regulation at (800) 994-4200.

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

There have been neither awards nor sanctions or other matters where Mr. Solari or our advisory firm has been found liable in a self-regulatory or administrative proceeding. In addition, neither Mr. Solari nor our firm has been the subject of a bankruptcy petition.

### **Professional Designations**

<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 69,000 individuals have obtained CFP® certification in the United States.

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

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

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

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

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