

# **MCGOVERN FINANCIAL ADVISORS, LLC**

425 Washington Street  
Westfield, NJ 07090-3203

A New Jersey Registered Advisory Firm<sup>1</sup>

## **FIRM BROCHURE, MARCH 2020**

This brochure provides information about the qualifications and business practices of McGovern Financial Advisors, LLC (“McGovern Financial”). If you have any questions about the content of this brochure, please contact us at (908) 789-9462. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about McGovern Financial is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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<sup>1</sup> SEC or state registration does not and should not imply any certain level of skill or training.

## **MATERIAL CHANGES**

McGovern Financial has updated the fees it charges for advisory services. Please refer to Fees and Compensation section for more detailed information. McGovern Financial has not had any other material change to its advisory business or personnel since the filing of its ADV Amendment Brochure in 2019.

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## **ADVISORY BUSINESS**

McGovern Financial is owned and managed by its principal, Gene McGovern.

### **Financial Planning:**

McGovern Financial provides fee-only, advice-only financial planning and investment advisory services to individuals and families from all walks of life. These services may be general in nature or focused on particular areas of interest or need, depending upon each client's unique circumstances.

The primary function of McGovern Financial is providing financial planning and investment advisory services to individuals, with an emphasis on retirement income and investment planning. Advice is rendered in the areas of cash flow and debt management, tax planning, insurance and risk management, education funding, student loan management, retirement planning, Social Security optimization, estate planning, asset allocation, and investment selection. We employ fundamental, long-term financial planning and investment strategies.

McGovern Financial first conducts an initial interview and gathers data to assist the client in determining specific needs, goals, objectives and tolerance for risk. We then prepare analyses of the current financial situation and possible future scenarios, when appropriate. Next, McGovern Financial presents the analysis and a written summary of the significant observations, assumptions, and recommendations over each area for which we were engaged to provide advice. McGovern Financial may assist clients with implementation and/or monitoring of its recommendations if such services are included within the scope of the engagement. Clients may re-engage McGovern Financial as needed. Periodic financial check-ups are recommended, and it is the client's responsibility to initiate this review.

Advisors employed by McGovern Financial may also conduct group educational workshops on financial planning topics such as "Maximizing Your Employee Benefits," "Retirement Savings Strategies," "Understanding Cash Flow," "Asset Allocation and Portfolio Risk," "Dissecting Mutual Funds Using Morningstar," and "Couples and Money." McGovern Financial may impose a fee for educational workshops. Generally, the employer, civic organization, or non-profit group sponsoring the workshop pays any fees charged by McGovern Financial. In the event there is a charge to workshop attendees, the fee will be published on the workshop announcement or invitation.

McGovern Financial does not maintain any wrap programs and does not have any assets under management.

## **FEES AND COMPENSATION**

### **Financial Planning Engagements:**

The initial consultation with McGovern Financial is provided free of charge and without obligation to the client. Following the initial consultation, McGovern Financial charges clients on (1) a flat-fee project basis, (2) an annual retainer basis, or (3) an hourly basis, all of which are fee-only. No performance-related or asset management fees are charged.

Examples of flat-fee project basis fees are:

- Preparation of a comprehensive financial plan: generally, \$3,500 to \$4,500. Highly complex plans may involve a higher fee, ranging up to \$6,000. Payable upon presentation and delivery of the financial plan. An initial deposit of one-half of the project fee is due upon signing of the agreement. See below.
- Detailed financial planning consultation for a specific area (e.g., cash flow planning and budgeting, student loan repayment options, Social Security optimization): \$500 – \$2,000, payable upon delivery of the analysis and recommendations. An initial deposit may be required if the project scope exceeds \$500. See below.

### **Annual Retainer Agreement**

McGovern Financial's fee for clients under an annual retainer agreement that includes a comprehensive financial plan is the cost of the plan itself plus a retainer fee of \$1,000 to \$2,000 and is negotiable. McGovern Financial's fee for clients under an annual retainer agreement following the completion of a financial plan is \$1,000 to \$2,000 per year and is negotiable. Clients under either type of annual retainer receive an annual or semiannual review and unlimited access to our financial planning, tax planning, and investment advisory services throughout the term of the agreement.

### **Hourly Fees**

Hourly fees for financial planning and investment advisory services are \$250 per hour.

Projects spanning more than three months will be billed quarterly. Fees are not collected for services to be provided more than 6 months in advance. McGovern Financial does not and will not have custody of client funds or securities. McGovern Financial requires a deposit for hourly or project engagements anticipated to exceed \$500 and for all engagements involving delivery of a comprehensive financial plan and/or an annual retainer. The required deposit is one-half of the project or retainer fee.

For project or hourly engagements, the balance of fees due is payable immediately upon presentation of the plan or advice to the client. For annual retainer clients, fees are billed quarterly in arrears. Services to be provided and the anticipated fee range are detailed in the written Service Agreement.

Either party may terminate an engagement upon written notice within 5 days of signing the Service Agreement, at which time no fees would be due. Should the client terminate the engagement after this date, the client is responsible and will be invoiced for any time charges incurred by McGovern Financial in the preparation of their project or plan. Upon termination, McGovern Financial shall *refund* the pro-rated portion of the advanced deposit that was not utilized in connection with the preparation of a financial project or plan.

Fees paid to McGovern Financial for financial planning and advisory services are completely separate from the fees and expenses charged by mutual fund companies and their portfolio managers. A complete explanation of those fees and expenses is provided in each mutual fund prospectus. Clients are encouraged to read the prospectus before investing. Clients of McGovern Financial may also incur transaction costs or administration fees from broker/dealers, trust companies, or other service providers. Clients are encouraged to obtain a complete schedule of these fees from the service provider before entering into any engagement with such providers. McGovern Financial does not receive any portion of these other fees. The only compensation received by McGovern Financial is the fees paid directly by the client.

### **PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT**

McGovern Financial does not charge performance-based fees.

### **TYPES OF CLIENTS**

McGovern Financial provides financial planning and investment advisory services to the following clients:

- Individuals and High Net Worth Individuals

For our financial planning and consulting engagements, McGovern Financial does not require minimums as to income, assets, net worth, length of engagement, revenues generated, or other conditions for engaging our services.

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

If McGovern Financial is engaged to provide investment advice, the client's current financial situation, needs, goals, objectives, time horizon, and tolerance and capacity for risk are first evaluated. Asset allocation and investment policy decisions are then made to, in our best judgment, help the client achieve their overall financial objectives while minimizing risk exposure. Asset allocation is a key component of investment portfolio design. McGovern Financial believes 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.

McGovern Financial employs fundamental, long-term, buy-and-hold philosophies and approaches in its investment selection and implementation strategies. Recommendations provided are based on publicly available reports, analysis, research materials, computerized asset allocation models, and various subscription services.

McGovern Financial does not guarantee the future performance of any account or any specific level of performance, the success of any investment decision or strategy that McGovern Financial may use, or the success of McGovern Financial's recommendations. All investment decisions are subject to various risks, including market risk, interest rate risk, inflation risk, currency risk, and economic, political, and business risks, and those investment decisions will not always be profitable. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from McGovern Financial. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify McGovern Financial if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising McGovern Financial's previous recommendations and/or services.

### **DISCIPLINARY INFORMATION**

McGovern Financial and its employees have not been involved in any legal or disciplinary events related to past or present activities. In addition, McGovern Financial and its personnel are not the subject of any pending matters in connection with any legal or disciplinary events.

### **OTHER FINANCIAL INDUSTRY AFFILIATIONS**

McGovern Financial is not affiliated with any other financial institution.

### **CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

McGovern Financial has implemented an investment policy relative to personal securities transactions. This investment policy is part of McGovern Financial's overall Code of Ethics, which serves to establish a standard of business conduct for all of McGovern Financial's Associated Persons that is based upon fundamental principles of openness, integrity, honesty, and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, McGovern Financial also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by McGovern Financial or any person associated with McGovern Financial.

McGovern Financial has adopted procedures to implement the firm's policy on personal securities transactions and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly, and amended or updated, as appropriate.

## **BROKERAGE PRACTICES**

### **1. Research and Other Soft Dollar Benefits:**

McGovern Financial does not maintain any brokerage relationships and consequently does not receive any research or other soft dollar benefits.

### **2. Brokerage for Client Referrals:**

McGovern Financial does not receive client referrals from any broker-dealer custodian.

### **3. Directed Brokerage:**

McGovern Financial does not maintain any brokerage relationships.

## **REVIEW OF ACCOUNTS**

McGovern Financial does not provide investment management services. Consequently, McGovern Financial does not maintain any client accounts subject to review.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

McGovern Financial does not have any contractual engagement with any solicitors or pay any compensation for the receipt of client referrals.

## **CUSTODY**

McGovern Financial does not maintain custody of client assets.

## **INVESTMENT DISCRETION**

McGovern Financial provides financial planning and consulting services only. McGovern Financial does not request or receive client authorization to act with discretion.

## **VOTING CLIENT SECURITIES**

McGovern Financial does not vote client proxies. McGovern Financial's clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other types of events pertaining to the client's investment assets.

With respect to shareholder class action litigation and similar matters, McGovern Financial generally will not make any filings in connection with any shareholder class action lawsuits involving securities currently or previously held in clients' accounts. McGovern Financial recommends that its clients promptly review these materials, as they identify important deadlines and may require action on the client's part. McGovern Financial will not notify third-party custodians or clients who utilize third-party custodians of shareholder class action lawsuits and similar matters.



## **FINANCIAL INFORMATION**

Based upon McGovern Financial's business practices and advisory fee procedures, the SEC does not require the disclosure of financial information. Please be advised that there are no known financial conditions that would impair McGovern Financial's ability to meet contractual commitments to clients.

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A New Jersey Registered Advisory Firm<sup>2</sup>

### **Supervised Persons**

Gene McGovern, Principal

### **BROCHURE SUPPLEMENT, MARCH 2020**

This brochure supplement provides information about the investment advisory representative(s) that supplements McGovern Financial's Brochure. You should have received a copy of that brochure. Please contact McGovern Financial at (908) 789-9462 if you did not receive McGovern Financial's brochure or if you have any questions about the content of this supplement.

Additional information about the above-referenced Supervised Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## GENE MCGOVERN

### 1) **Educational and Business Background:**

- Born: 1952
- Education:
  - BA (*cum laude*) Yale University, 1974. Honors in English Literature
  - MBA (with distinction), Taxation, New York University (now Leonard M. Stern) School of Business, 1989. Winner, NYU Tax Society Prize
  - Financial Planning Certificate Program, Fairleigh Dickinson University, 2015
  - In July 2015 he passed the CFP® Certification Examination, and is a CFP® professional
- Business Background:

Before founding McGovern Financial Advisors, LLC, in 2014, Gene McGovern enjoyed a career in professional law, tax, and accounting publishing. His positions included senior vice president of operations and editorial at LexisNexis, a unit of global publisher Reed Elsevier, where he oversaw a staff of more than 1,000 employees across six U.S. locations, and vice president of tax and accounting publishing at CCH, a unit of global publisher Wolters Kluwer. He also served as CEO of Marquis Who's Who LLC, the nation's preeminent biographical directory business and the publisher of *Who's Who in America*.

In his capacity as a publisher, Gene successfully managed operating budgets of more than \$100 million annually, and delivered annual subscription revenues from accountants, attorneys, and other financial professionals exceeding \$250 million.

In 2011, Gene left professional publishing to embark on a related career in consulting and financial planning, where he leverages his business and financial skills in helping individual clients. He passed the Series 65 Uniform Investment Adviser Law Examination in September 2014 and completed an 18-month program of study in the Financial Planning Certificate Program at Fairleigh Dickinson University in March 2015. Having passed the rigorous CFP® Certification Examination and fulfilled the 6,000 hours of required experience, Gene is now a CFP® professional.

### 2) **Disciplinary Information:**

Mr. McGovern has not been involved in any arbitration hearing or found liable in any civil, self-regulatory or administrative proceeding.

### 3) **Other Business Activities:**

Since September 2015, Mr. McGovern has been an adjunct faculty member in the Financial Planning Certificate Program at Fairleigh Dickinson University, where he teaches classes on retirement planning, estate planning, investment planning, income tax planning, insurance, and financial plan development to professionals pursuing CFP® Certification.

### 4) **Additional Compensation:**

Mr. McGovern does not receive additional compensation from non-clients for providing advisory services.

**5) Supervision:**

Gene McGovern, as the owner of McGovern Financial Advisors, LLC, is generally responsible for his own supervision. Mr. McGovern monitors his advice in an effort to ensure that his financial plans are suitable for his individual clients and consistent with their individual needs, goals, objectives and risk tolerance.

**Requirements for State Registered Advisers:**

Mr. McGovern has not been involved in any arbitration hearing or found liable in any civil, self-regulatory or administrative proceeding.

Mr. McGovern *has not been* the subject of a bankruptcy petition.