

## Item 1. Cover Page

Investment Adviser Brochure  
Form ADV Part 2  
Disclosure Statement



# Livelihood

## Livelihood LLC

**A State of Pennsylvania Registered Investment Adviser**

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Philadelphia, PA 19147  
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May 2, 2019

This brochure provides information about the qualifications and business practices of Livelihood LLC. If you have any questions about the contents of this brochure, please contact us at (267) 362-9326. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. While the firm and its personnel are registered with the State of Pennsylvania, it does not imply a certain level of skill or training on the part of the firm or its personnel.

Additional information about Livelihood 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 CRD number, which is 301645.

**Item 2. Material Changes**

We discuss in this item only material changes since the last update of our brochure.

This page has been intentionally left blank due to the fact that this is the initial filing of our brochure.

**We encourage any client or prospective client to review this document in its entirety.**

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Important Information: Throughout this brochure, Livelihood LLC shall be referred to by the following terms: “Livelihood”, the “firm”, “we”, “us”, or “our.” The client(s) or prospective client(s) shall be referred to as: “you”, “your”, etc.

## **Item 4 – Advisory Business**

### **Information about Our Firm**

This disclosure brochure provides information regarding the qualifications, business practices, and the advisory services offered by the Pennsylvania registered investment advisor, Livelihood LLC. Carey Morgan and Megan Kiesel founded and are partners in the firm. The firm may also register or meet certain exemptions to registration in states other than Pennsylvania in which we conduct business. Our firm is not a subsidiary of, nor do we control, another entity. Ms. Morgan and Ms. Kiesel both serve as the firm's supervisory principals and additional information about their backgrounds can be found in Item 19 of this brochure.

As a registered investment adviser, we hold ourselves to a *fiduciary standard*, which means our firm and its associates will act in the utmost good faith and perform in a manner believed to be in the best interest of our clients. As fiduciaries, we are obligated to put *you – our client – first*.

We provide Fee-Only, hourly, as-needed financial planning and investment advice services to individuals and families. We also provide consulting services to philanthropic institutions. These services may be general in nature or focused on a particular area of interest or need, depending on the individual's unique circumstances.

An estimated 45% of Livelihood LLC's advisory business focuses on general financial planning services, which may include advice on cash flow and budgeting, education funding, retirement planning, risk management, and estate planning. Another 25% of the firm's advisory business centers on providing investment advice, which may include advice on asset allocation and strategies. An additional 20% of the firm's business focuses on philanthropic consulting for endowments and foundations, and 10% is focused on workshops/seminars.

### **Getting the Process Started**

To begin, a complimentary interview is conducted to determine the scope of services to be provided. During or prior to this meeting, we will provide our current Form ADV Part 2 brochure that incorporates our Privacy Policy. The firm will also ensure any material conflicts of interest are disclosed regarding our firm and its associates that could be reasonably expected to impair the rendering of unbiased and objective advice.

Should you wish to engage our firm, we must first enter into a written agreement; thereafter, discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, we may require current copies of necessary personal and financial documents early in the process. It is important that the information and financial statements you provide is current and accurate. We may, but are not obligated to, verify the information you have provided, which will then be used in the financial planning or investment advisory process.

### **Financial Planning Services**

During the Financial Planning process, we provide advice to you on such subjects as cash flow analysis, education funding, risk management, estate planning, or other specific needs as you may request. The following are general examples, and may change based on your current situation and needs.

Cash Flow Analysis – A review of your income and expenses to determine the 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 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. Advice is also provided on the appropriate cash reserve that should be considered for emergencies and other financial goals, a review of accounts (such as money market funds) for such reserves, plus strategies to save the desired amounts.

Education Funding – Our education funding review includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Advice might also include the “pros-and-cons” of various college savings vehicles, such as Section 529 college savings plans and any advantages to you (i.e., reduction of income taxes) of using a particular state’s Section 529 plan or prepaid savings plan or another plan, such as a Coverdell Education Savings Account.

Risk Management Analysis – Our services include an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability or the need for long-term care. Advice is provided on ways to minimize such risks and about weighing the costs and benefits and, likewise, the potential costs of not purchasing insurance (self-insuring). We may consult with your insurance agent, other insurance agents or brokers and/or other insurance experts to assist you in making prudent risk management decisions and to help you select any appropriate insurance policies if needed.

Estate Planning – This includes an analysis of your exposure to estate taxes or a review of your current estate plan, including wills, powers of attorney, trusts and other related documents. Our advice typically includes ways for your financial assets and personal items to transfer smoothly and as you desire, as well as methods to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We will assist in providing you with contact information for attorneys who specialize in estate planning if you wish to hire an attorney for such purposes. From time to time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

### **Real-Time Planning Sessions**

Our real-time planning sessions are limited-scope engagements designed to assist you in determining how best to invest your time with a financial planning professional. These sessions are typically 90 to 120 minutes in length and generally focus on more pressing issues you may have. Therefore, all issues, urgent or not, may not be addressed in this brief time frame. All work may either be performed in your presence or, possibly, approximately 30 minutes may be assigned for follow up.

A summary report is provided at the conclusion of the meeting or shortly following the session to address key points that had been discussed during the planning session. You may also choose to re-engage your financial planner for additional real-time planning sessions at a later date.

### **Philanthropic and Charitable Advising**

In appropriate situations, Livelihood will service endowment and foundation clients by guiding them through a process to apply their values to their investments, drafting investment policy statements, analyzing their current portfolios and identifying investments that align to their missions, connecting them to impact investing opportunities, monitoring the social and financial performance of their investments, and designing grantmaking strategies.

### **On-Site Employee Benefits Workshops and Planning**

Livelihood will work with employers to ensure employees are maximizing use of benefit packages and improving financial stability.

### **Investment Consultation**

Our investment consultation engagements involve providing information on the types of investment vehicles available, employee stock options, investment analysis, asset selection, or assisting you in establishing your own investment account at the broker/dealer or custodian of your choosing.

We will offer projections of the likelihood of achieving your financial goals. For situations in which projections show less than the desired results, we make recommendations that 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 to potentially get a better return). If you are near retirement or already retired, advice will be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to significantly reduce spending during your retirement years.

### **Portfolio Monitoring Services**

Depending on your risk profile, needs, among other considerations, your portfolio may involve the employment of one or more investment strategies, and as well as either a broad range or more narrowly focused choice of investment vehicles, each of which is described in further detail in Item 8 of this brochure.

Our *Portfolio Monitoring Services* allow you to engage us to provide periodic review of your assets held at your selected broker/dealer or custodian. This engagement does not involve our providing daily account supervision or account trading; however, we generally provide quarterly account monitoring and offer recommendations as necessary to meet your investment objectives. You will then need to execute the necessary transactions to meet the suggested allocation.

Following our review of your situation, and if appropriate for your preferences and investment strategy, we may recommend an institutional-level third-party investment manager (also a registered investment advisor) to implement their strategy for some of or your entire portfolio. You will contract directly with the third-party investment manager, Livelihood LLC will not be under contract with any third-party manager we may recommend for client use. Livelihood LLC

and its representatives do not receive referral or commission fees from any third-party advisory we may recommend for client use.

Prior to recommending a third-party investment manager, our firm will conduct what we believe to be an appropriate level of due diligence to include ensuring the firm is appropriately registered or notice-filed within your jurisdiction, if required. At least annually thereafter, a due diligence review will be performed from both a compliance and performance perspective to determine that the selected third-party manager remains an appropriate fit. Our firm's investment committee will review each third-party investment manager's performance over an extended period of time and on a continuing basis, as well as at least quarterly to discuss any potential concerns or recommended changes of program third-party managers.

Under this type of engagement, we will gather information from you about your financial situation, investment objectives, reasonable restrictions you may want to impose on the management of the account, and we will then provide this data to the third-party investment manager to develop the portfolio. Third-party managers will invest on behalf of a client account in accordance with the strategies set forth in their own requisite documents which will be provided to you by our firm prior to your portfolio employing their strategies. Please keep in mind that third-party investment managers typically assume discretionary authority over an account (see Item 16), and some of these programs may not be available for those clients who prefer an account to be managed under a non-discretionary engagement. Also note that our firm will not manage or obtain discretionary authority over those accounts participating in a third-party manager program.

### **Wrap Fee Programs**

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

### **Assets Under Management**

Livelihood LLC is a newly-formed adviser. Due to the nature of our advisory business, we do not have client assets under management to report.

## **Item 5 – Fees and Compensation**

Before any services are provided, we will discuss with you the scope of work to be done so our firm can give you an estimate of the hours you can expect the desired services to complete (and any additional fees associated with third-party services providers) and you can decide whether or not to proceed.

### **Hourly**

Fees for financial planning and investment advice services are \$110 per hour. Fees for philanthropic consulting are \$150 per hour, billed in fifteen minute increments. We also charge fixed fees that are based on our hourly rate multiplied by the approximate number of hours that are anticipated to provide the requested service.

**Fixed Fee (Project/Event)**

We also offer our financial planning and investment consultation, on a fixed-fee basis, typically ranging from \$500 to \$3,000 annually. Project fees take into consideration factors such as the estimated amount of time dedicated to the engagement as well as the complexity of your project and your financial profile. Note that not all billable hours are specifically tracked for fixed fee engagements.

**Fixed Fee (Retainer)**

Clients who prefer an extended commitment for their financial planning and investment consultation services may prefer to engage the firm on a retainer fee basis. This fee may be paid in monthly or quarterly installments, in advance, and the rate takes into consideration factors such as the complexity and amount of time dedicated to the engagement, and your financial profile. The fee typically ranges from \$450 to \$5,000 per year.

For all noted forms of advisory engagements with our firm, the services to be provided to you and their specific fees will be detailed in your client services agreement. Our published fees are negotiable, however, any fee outside of the stated range is subject to approval by our Chief Compliance Officer or an executive of the firm. We strive to offer fees that are fair and reasonable..

**Payment of Fees**

*Hourly and Fixed Fees*

Fees may be paid by check, bank draft, or single transaction debit card or credit card authorization through an unaffiliated third-party service. We do not accept cash, money orders, or similar forms of payment for our engagements.

Fees are generally due upon your receipt of our invoice. Non-continuous service engagements that are greater than three months in duration may be billed monthly or quarterly, in arrears.

**Additional Client Fees**

Any transactional or custodial fees assessed by your selected service providers, individual retirement account fees or qualified retirement plan account termination fees will be borne by you and are as provided in the current, separate fee schedule of the selected service provider. This includes third-party investment managers.

Fees paid to our firm by our clients for our advisory services are separate from any transactional charges you may pay to third-party services providers such as brokers, as well as those for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type.

Further information about our fees in relationship to our business practices are noted in Item 12 of this brochure.

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

Our firm and its associates are engaged for fee-only services, and we attempt to recommend “no load” investments whenever appropriate. We do not charge or receive a commission or mark-up

on your securities transactions, nor will the firm and our associates be paid a commission on your purchase of an insurance contract or securities investment that we recommend.

We do not receive “trailer” or SEC Rule 12b-1 fees from an investment company offering that we recommend. 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 investments through your own selected service provider. Certain institutional third-party investment managers and sub-advisors we may have engagements with, however, may not be available to self-directed investors.

### **Prepayment of Fees**

We may require an initial deposit for hourly and fixed fee project engagements in the amount of \$500 or one-half of the estimated fee, whichever is less, and this deposit will be defined in your engagement agreement.

Real-time planning session fees are typically due when our service is provided or completed, usually at the end of the real-time planning session.

Retainer fee engagements are paid in monthly or quarterly installments, in advance, as determined by your agreement.

### **Termination of Services**

Either you or we are permitted to terminate the agreement at any time, in writing. Should 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.

If our disclosure brochure was not delivered to you at least 48 hours prior to entering into the agreement with our firm, then you may terminate the engagement without penalty within five business days after entering into the agreement. Upon termination, you will be assessed fees on a prorated basis for services we have provided and/or work performed until the date of termination. In the case of most of our prepaid fees, we will promptly return the unearned amount upon receipt of written termination notice. Should an educational workshop attendee cancel within 48 hours of the first session, fees will not be refunded.

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

Our fees will *not* be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as “performance-based fees.” Performance-based compensation creates an incentive for a firm or their representatives to recommend an investment that may carry a higher degree of risk to a client and Livelihood LLC avoids such potential conflicts of interest.

Our fees will 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, is also contrary to our firm's practices.

### **Item 7 – Types of Clients**

We provide our services to individuals and their families from all walks of life, trusts and estates, pension and profit sharing plans, businesses of various scale, as well as foundations and charitable organizations to assist them in their meeting financial objectives in what we believe to be a cost-effective way.

We do not require minimums as to income, assets, net worth, length of engagement, revenues generated or other conditions for engaging our services. We will inform you in advance of any account minimums or other restrictions of any third-party investment manager you may wish to engage.

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

#### **Method of Analysis**

If our firm is engaged to provide investment advice, we will first gather and consider information regarding several factors, including your:

- current financial situation,
- current and long-term needs,
- investment goals and objectives,
- level of investment knowledge,
- tolerance and appetite for risk,
- social concerns involving your investments, and
- restrictions, if any, on the management of your portfolio.

We will employ what we believe to be an appropriate blend of fundamental, technical, and cyclical analyses. For example, fundamental analysis involves evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical and cyclical analysis involves studying the historical patterns and trends of securities, markets, or economies as a whole in an effort to determine potential future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

In addition to our own research, the firm's recommendations may also be drawn from research sources that include financial publications, investment analysis and reporting software, materials from outside sources, annual reports, prospectuses and other regulatory filings, and company press releases.

We make asset allocation and investment policy recommendations based on these and other factors. We will discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure.

## **Investment Strategies**

Generally, our investment advice is based on a globally diversified strategy involving a long-term, disciplined approach that manages risk through appropriate asset allocation. We recognize that each client's needs and goals are different; subsequently portfolio strategies and underlying investment vehicles may vary. The following are common strategies that may be employed by Livelihood.

*Active Asset Management* – A portfolio manager engaging in an active asset management strategy believes it is possible to create a profit from identifying or leveraging mispriced securities, or producing similar returns with less risk, or producing returns greater than a stated benchmark, such as a well-known index. For example, a “large cap stock” fund manager might attempt to outperform the Standard & Poor's 500 Index by purchasing underpriced stocks or derivative instruments representing these positions.

*Core + Satellite* – This strategy blends passive (or index) and active investing, where passive investments are used as the basis or “core” of a portfolio and actively-managed investments are added as “satellite” positions. With this strategy, the portfolio core holdings are indexed to potentially more efficient asset classes, while outlying selections are generally limited to active managers that are attempting to outperform a particular category, or a selection of particular positions to increase core diversification, or to improve portfolio performance.

For example, the core of a portfolio may be built with low-cost index funds or ETFs/ETNs; satellite holdings would include active investment managers with unique strategies that are believed capable of adding value beyond a stated benchmark over a full market cycle. The core may represent the majority of the total portfolio, using primarily index funds or index-based ETFs/ETNs. The remainder of the portfolio may then employ mutual funds or ETFs/ETNs that take a shorter duration to assist in the over-or-under allocation to specific sectors, regions, assets classes, etc.

*Modern Portfolio Theory* – This award-winning theory is based on the belief that proper diversification and risk management will provide an investor client with a more stable and consistent return over time. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

We will strive to create portfolios that are diversified, tax-efficient, and utilize low-cost investments whenever practical. Although it is common to find a broad range of index mutual funds, ETFs and ETNs within a portfolio, certain accounts may necessitate holding actively-managed mutual funds, individual equity and fixed income holdings, certain listed real estate investment trusts (REITs), managed futures, among others, to create as broad a diversification as necessary to meet demands of the portfolio.

## **Potential Risks Involving Our Strategy and Method of Analysis**

### *Investment Strategy 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 all of your principal.

In general, risks regarding markets include interest rates, company and management risk, among others. Examples include:

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

*Company Risk* – When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. 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.

*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.

*Firm Research* – When the firm’s research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, the 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. The firm makes every effort to determine the accuracy of the information received but it cannot predict the outcome of events or actions taken or not taken, or the validity of all information it has researched or provided, which may or may not affect the advice on or investment management of an account.

*Active Management Strategies* – A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This can result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active management.

*Core + Satellite Strategies* – Strategies involving Core + Satellite investing has the potential to be affected by “active risk” or “tracking error risk,” which might be defined as a deviation from the stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, 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/ETN that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

*Passive Markets Theory* – A portfolio that employs a passive, efficient markets approach (representative of Modern Portfolio Theory) has the potential risk that at times the broader allocation may generate lower-than-expected returns than those from a specific, more narrowly focused asset, and that the return on each type of asset is 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.

*Socially Conscious Investing* – If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs/ETNs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

*Security-Specific Risks:*

*Equity (Stock) Market Risk* – Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of the company who issued the stock. If an investor held common stock, or common stock equivalents, of any given company, they would generally be exposed to greater risk than if they held preferred stock and/or debt obligations of the company.

*ETF and Mutual Fund Risk* – ETFs/ETNs or mutual funds 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. The risk of owning an ETF/ETN or mutual fund also generally reflects the risks of their underlying securities.

*ETF Risk:* Like traditional mutual funds, ETFs charge asset-based fees, but they generally do not charge initial sales charges or redemption fees and investors typically pay only customary brokerage fees to buy and sell ETF shares. The fees and costs charged by ETFs held in client accounts will not be deducted from the compensation the client pays the firm. ETF prices can fluctuate, and a client account could lose money investing in an ETF if the prices of the securities owned by the ETF go down. ETF are subject to these additional risks:

- ETF shares may trade above or below their net asset value;
- The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track;
- The cost of owning shares of the ETF may exceed those a client would incur by directly investing in the underlying securities; and
- Trading of an ETF's shares may be halted if the listing exchange's officials deem it appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which can be tied to large decreases in stock prices) halts stock trading generally.

*Fixed Income Risks* – Various forms of fixed income instruments, such as bonds, money market funds, and certificates of deposit, may be affected by various forms of risk, including:

- *Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- *Liquidity Risk* - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types

of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading on 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.

- *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/ETN share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- *Reinvestment Risk* – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.
- *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.

*Index Investing* – ETFs/ETNs and indexed funds have the potential to be affected by “tracking error risk,” as earlier described in the passage involving Core + Satellite strategies. In these instances, we may choose to reduce the weighting of a holding or use a “replicate index” position as part of the core holding to minimize the effects of the tracking error in relation to the overall portfolio.

*QDI Ratios* – While many ETFs/ETNs 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/ETN 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 Livelihood LLC nor any of its personnel have been involved or are involved in any legal or disciplinary events.

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

Neither Livelihood LLC nor any of its personnel are affiliated with or maintain a material relationship with another financial industry entity. The firm does not receive, directly or indirectly, compensation from investment recommendations or selections made for its clients. Our policies require that we conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, personnel and the client, or that may otherwise be contrary to law. We will provide disclosure to the client, prior to and throughout the term of an engagement, of any conflicts of interest which will or may reasonably compromise our impartiality or independence.

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

Livelihood LLC has adopted a code of ethics that sets forth the basic policies of ethical conduct for all personnel of the firm. We accept the obligation not only to comply with the mandates and requirements of all applicable laws and regulation, but also to take responsibility to act in an ethical and professionally responsible manner in all services and activities.

Neither Livelihood LLC nor any of its personnel are authorized to recommend or execute a transaction for a client involving any security in which the firm or a related party has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc. Additionally, we are prohibited from borrowing from or lending to a client.

At times personnel and related parties hold positions in mutual funds that are also recommended to the client. We make recommendations or take actions with respect to investments that differ in the nature or timing from recommendations made to, or actions taken for, other clients or personnel. However, at no time will the personnel or any related party receive preferential treatment over the client.

Due to our firm's ability to offer two or more of these services and possibly receive a fee for each engagement, a potential conflict of interest may exist. Therefore, we note that you are under no obligation to act on our recommendations and, if you elect to do so, you are under no obligation to complete all of them through our firm or our recommended service providers.

Associates of our firm agree to adhere to the CFP® Board of Standards, Inc.'s Code of Ethics. These principles include:

### *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 by clients, 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 is 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.

Livelihood LLC adheres to the NAPFA *Fiduciary Oath* that states:

*“The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client.*

*The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor.*

*The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product.*

*The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.*

*Following the NAPFA Fiduciary Oath means I shall:*

- \* Always act in good faith and with candor.*
- \* Be proactive in disclosing any conflicts of interest that may impact a client.*
- \* Not accept any referral fees or compensation contingent upon the purchase or sale of a financial product.”*

### **Privacy Policy**

We respect the privacy of all our clients and prospective clients, both past and present. We recognize that you have entrusted us with non-public personal information and it is important to us that all employees and clients of our firm know our policy concerning what we do with that information.

We collect personal information about our clients from the following sources:

- Information our clients provide to us to complete their financial plan or investment recommendation;
- Information our clients provide to us in agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts;
- Information our clients provide to us verbally; and
- Information we receive from service providers, such as custodians, about client transactions.

We do not disclose non-public personal information about our clients to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our clients 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 our firm, we restrict access to client information to staff that need to know that information. All personnel and our service providers understand that everything handled in our offices are confidential and they are instructed to not discuss client information with someone else that may request information about an account unless they are specifically authorized in writing by the client 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, we maintain physical, electronic, and procedural safeguards to protect the privacy of client information.

We will provide you with our privacy policy on an annual basis per federal law and at any time, in advance, if our policy is expected to change.

### **Item 12 – Brokerage Practices**

Livelihood LLC is not affiliated with any bank, custodian or brokerage firm. Our firm does not maintain custody of any of your assets (see Item 15). Your assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank (termed "service providers") that is frequently assessed for its capabilities to serve as custodian. Clients are permitted to hold accounts at the custodian of the client's choice. Should you prefer, we can recommend a service provider based on your needs, overall cost, and ease of use.

Our firm is independently owned and operated; we are not legally affiliated with any custodian. Upon establishing an account with a custodian, you will enter into an account agreement directly

with that firm and the custodian will hold your assets in an account in your name(s).. We do not technically open the account for you, although we will assist you in doing so.

### **Best Execution**

Due to the nature of our firm's advisory business, "best execution" review obligations regarding client transactions do not apply under current regulations.

### **Directed Brokerage**

Livelihood LLC does not require or engage in directed brokerage involving our client's accounts. Our firm will not be obligated to conduct due diligence of the client's selected service provider (or "custodian"), seek better execution prices from any provider, or aggregate client transactions for trade execution.

### **Aggregating Securities Transactions**

Our firm does not take discretionary authority over accounts and, therefore, aggregating trades on behalf of client accounts will not be conducted.

## **Item 13 – Review of Accounts**

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

You should contact our firm for additional reviews when making decisions about changes in your financial situation (i.e., the loss of a job, retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances).

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning and investment consultation services, and we recommend that they occur at least on an annual basis whenever practical.

If your engagement agreement calls for ongoing financial planning and investment consultation services, we encourage you to schedule these meetings in advance or you will be contacted per your plan schedule for continued review.

Reviews will be conducted by your selected financial planner and normally involve analysis and possible revision of your previous financial plan or investment allocation.

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

### **Portfolio Monitoring Services**

Periodic reviews will be conducted as scheduled during the span of your engagement agreement. These reviews will be performed by your selected investment advisor representative.

### **Reports and Frequency**

If 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 statements for accuracy and clarity, and to ask questions when something is not clear.

We provide portfolio reports if we are engaged to provide periodic asset allocation or investment advice; however, we do not provide ongoing performance reporting under our financial planning, investment consultation or portfolio monitoring services engagements.

You may also receive quarterly portfolio or performance reports directly from your selected third-party investment manager.

All firm performance reports will be prepared in accordance with appropriate jurisdictional guidance. Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from our firm.

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

Livelihood LLC does not receive, nor does it pay, any fees for client referrals. We do not receive any direct or indirect compensation or referral fees from third-party investment managers we may recommend for client use.

Our Firm may receive economic benefit from the noted custodians in the form of various products and services they make available to the firm and other independent investment advisors that typically are not be made available to a “retail investor.”

These benefits include the following products and services (provided 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 clients
- access to block trading services
- the ability to have advisory fees deducted directly 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
- access to mutual funds with no transaction fees and/or select investment managers
- 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 a custodian benefit our advisory firm but do not directly benefit a client account, and certain research and other previously referenced services qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from a custodian benefits our firm because it does not have to produce or purchase them as long as firm clients maintain assets in accounts at the custodian. Therefore, there is an appearance of a conflict of interest since our firm may have an incentive to select or recommend a custodian based on our firm’s interest in receiving these benefits rather than your interest in receiving favorable trade execution.

As a fiduciary, our firm endeavors at all times to put the interests of its clients first. It is important to mention that the benefit received by our firm through participation in a custodian's independent advisor program does not depend on the amount of brokerage transactions directed to a custodian, and the selection of a custodian is in the best interests of our clients since the selection is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit only our advisory firm.

### **Item 15 – Custody**

Your funds and securities 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 of our associates. In keeping with our policy of not having custody of our client funds or securities, we:

- Restrict our firm and associates from acting as trustee of a non-family member account or having full power of attorney over a client account.
- Are prohibited from having authority to withdraw securities or cash assets from a client account.
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm.
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future.
- Will not authorize any associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts), even for the convenience or accommodation of the client or their legal agent.

You will be provided with transaction confirmations and summary account statements provided directly to you by your selected service provider. Typically, these statements are provided on a monthly or quarterly basis, or as transactions occur. We will not create a statement for you nor be the sole recipient of account statements.

You may receive periodic reports from our firm that include investment performance information. You are urged to carefully review and compare your account statements that you have received directly from your service provider with any report you receive from our firm.

### **Item 16 – Investment Discretion**

We provide our various forms of investment advisory services (as described in Item 4) under *non-discretionary* account authority.

In a *non-discretionary* engagement, 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 service provider maintaining your account. The service provider will specifically limit the firm's authority in the account to the placement of trade orders. In light of the requirement for your pre-approval, you must make yourself available and keep us updated on your contact information so that instructions can be efficiently executed on your behalf.

We will retain 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**

### **Proxy Voting**

Our firm does not vote proxies on your behalf nor do we offer guidance on how to vote proxies. 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 events pertaining to your holdings.

### **Other Corporate Actions**

We will have no power, authority, responsibility, or obligation to take any action with regard to 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.

### **Receipt of Materials**

You will 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 generally forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

## **Item 18 – Financial Information**

### **Balance Sheet**

We will not have custody of your assets. This includes our policy of not collecting fees from you of \$500 or more for services we will perform six months or more in advance.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required 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 our commitment to our clients.

### **Bankruptcy Petitions during the Past 10 Years**

The firm and its management have not been the subject of a bankruptcy petition at any time during the past 10 years.

## Item 19 – Requirements for State-Registered Advisers

Carey Morgan founded the firm in 2016 and is currently 51% owner; Megan Kiesel, CFP® joined in 2018 and has 49% ownership.

Carey Morgan earned a Bachelor Degree in History from Georgetown University in 1995. She also earned a Masters in Sustainable Development from SIT Graduate Institute in Brattleboro, VT in 2008. Ms. Morgan spent five years in the retirement division of INVESCO before turning her attention to the nonprofit sector. She has been the Executive Director of several nonprofits, including the Coalition Against Hunger and New Century Trust, a private foundation. Ms. Morgan also served as the Director of Financial Empowerment for the City of Philadelphia from 2013-2016.

Megan Kiesel, CFP® earned a Bachelor Degree in Public Relations from York College of Pennsylvania in 2001 as well as a Masters in Social Work from the School of Social Administration at Temple University in Philadelphia, PA in 2007. Ms Kiesel completed her CERTIFIED FINANCIAL PLANNER™ coursework at Boston University and earned the CFP® designation in 2019. She has spent 10 years working in consumer finance as a project manager and division director, developing and delivering programs to help families better manage their money, pay off debt, build assets, and plan for college costs and student loans.

Neither Ms. Morgan, Ms. Kiesel, nor the firm have a relationship with the issuer of a security. Neither partner is registered, nor does she have an application 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. Neither partner receives 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.

Livelihood LLC does not charge performance-based fees. Performance-based compensation creates an incentive for a firm or their representatives to recommend an investment that may carry a higher degree of risk to a client and our firm avoids such potential conflicts of interest.

Neither Livelihood LLC nor any of its personnel have ever been accused or found liable in any arbitration claim alleging damages in excess of \$2,500 or in any civil, self-regulatory organization, or administrative proceeding.

Neither Livelihood LLC nor any of its personnel are affiliated with or maintain a material relationship with another financial industry entity, including any issuer of securities. The firm does not receive, directly or indirectly, compensation from investment recommendations or selections made for its clients. Our policies require that we conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, personnel and the client, or that may otherwise be contrary to law. We will provide disclosure to the client, prior to and throughout the term of an engagement, of any conflicts of interest which will or may reasonably compromise our impartiality or independence.

## Form ADV Part 2B (Brochure Supplement – Carey Morgan)

May 2, 2019

### ITEM 1. COVER PAGE

Carey Morgan  
*Partner / Advisor*

Philadelphia, PA  
[www.mylivelihood.org](http://www.mylivelihood.org)

This brochure supplement provides information about Carey Morgan that supplements the Livelihood LLC brochure. You should have received a copy of that brochure. Please contact Megan Kiesel at (267) 362-9326 if you did not receive Livelihood LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Carey Morgan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### ITEM 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Year of Birth: 1973

Educational Background:

Master of Arts in Sustainable Development, SIT Graduate Institute, 2008 – Brattleboro, VT  
Bachelor of Arts in History, Georgetown University, 1995 – Washington, DC

Business Background:

Livelihood LLC.; Philadelphia, PA (Apr 2016 - present)  
*Partner / Advisor*

New Century Trust; Philadelphia, PA (Oct 2016 – Apr 2019)  
*Executive Director*

City of Philadelphia; Philadelphia, PA (Feb 2013 – Sep 2016)  
*Program Manager / Director of Financial Empowerment*

Coalition Against Hunger; Philadelphia, PA (Sep 2007 – Feb 2013)  
*Executive Director*

American Red Cross; Philadelphia, PA (Jun 2004-Aug 2006)  
*Special Assistant to the Chief Program Officer*

INVESCO, Atlanta, GA (1999-2004)  
*Product Services Consultant for Strategic Partnerships; Team Leader of Sales Associates*

### ITEM 3. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose certain material facts regarding any legal or disciplinary events that could be material to your evaluation of each officer or a supervised

person providing investment advice. No reportable information is applicable to this section for Ms. Morgan.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Ms. Morgan does not participate in any outside business activities.

Neither Ms. Morgan nor her firm has a material relationship with the issuer of a security. She is not registered, nor does she have an application to register, as a representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. She 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 service ("trail") fees from the sale of mutual funds

#### **ITEM 5. ADDITIONAL COMPENSATION**

Neither Ms. Morgan nor her advisory firm are compensated for advisory services involving performance-based fees. Firm policy does not allow associated persons to accept additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### **ITEM 6. SUPERVISION**

Ms. Morgan's advisory services are supervised by the firm's Chief Compliance Officer, Megan Kiesel. The firm has adopted policies and procedures to mitigate any conflicts and may use the services of unaffiliated professionals to ensure the firm's oversight obligations are met and that the firm's policies and procedures are adhered to. Questions relative to the firm, its services, or this Form ADV Part 2 brochure and its supplement may be made to the attention of Ms. Morgan at (267) 428-1557.

Additional information about the firm, other advisory firms, and associated investment advisor representatives 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 identifier, known as a CRD number. The CRD number for Carey Morgan is 4039413; the IARD number for Livelihood LLC is 299641.

#### **ITEM 7. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

There have been neither awards nor sanctions or other matters where Ms. Morgan or her firm has been found liable in a self-regulatory or administrative proceeding. Neither Ms. Morgan nor her firm has been the subject of a bankruptcy petition.

## Form ADV Part 2B (Brochure Supplement – Megan Kiesel, CFP®)

May 2, 2019

### ITEM 1. COVER PAGE

Megan Kiesel, CFP®

*Partner / Advisor / Chief Compliance Officer*

Philadelphia, PA

[www.mylivelihood.org](http://www.mylivelihood.org)

This brochure supplement provides information about Megan Kiesel that supplements the Livelihood LLC brochure. You should have received a copy of that brochure. Please contact Megan Kiesel at (267) 362-9326 if you did not receive Livelihood LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Megan Kiesel is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### ITEM 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Year of Birth: 1979

#### Educational Background:

Ms. Kiesel completed her CERTIFIED FINANCIAL PLANNER™ coursework at Boston University and obtained the CFP® designation in 2019 (described in further detail below).

Master's Degree in Social Work, School of Social Administration, Temple University, 2007 – Philadelphia, PA

Bachelor's Degree in Public Relations, York College of PA, 2001 – York, PA

#### Business Background:

Livelihood LLC.; Philadelphia, PA (Jan 2018 - present)

*Partner / Advisor / Chief Compliance Officer*

Consumer Credit Counseling Service of the Delaware Valley d/b/a Clarifi; Philadelphia, PA (Oct 2012 – Dec 2017)

*Consultant / Senior Program Development Manager / Director of Client Engagement*

Campaign for Working Families (an affiliate of the Urban Affairs Coalition); Philadelphia, PA (Sep 2007 – June 2012)

*Director of Impact and Outreach*

### ITEM 3. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose certain material facts regarding any legal or disciplinary events that could be material to your evaluation of each officer or a supervised

person providing investment advice. No reportable information is applicable to this section for Ms. Kiesel.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Ms. Kiesel does not participate in any outside business activities.

Neither Ms. Kiesel nor her firm has a material relationship with the issuer of a security. She is not registered, nor does she have an application to register, as a representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. She 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 service (“trail”) fees from the sale of mutual funds

#### **ITEM 5. ADDITIONAL COMPENSATION**

Neither Ms. Kiesel nor her advisory firm are compensated for advisory services involving performance-based fees. Firm policy does not allow associated persons to accept additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### **ITEM 6. SUPERVISION**

Ms. Kiesel serves as the firm’s Chief Compliance Officer. Because supervising one’s self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict and may use the services of unaffiliated professionals to ensure the firm’s oversight obligations are met and that the firm’s policies and procedures are adhered to. Questions relative to the firm, its services, or this Form ADV Part 2 brochure and its supplement may be made to the attention of Ms. Kiesel at (267) 362-9326.

Additional information about the firm, other advisory firms, and associated investment advisor representatives 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 identifier, known as a CRD number. The CRD number for Megan Kiesel is 7094539; the IARD number for Livelihood LLC is 299641.

#### **ITEM 7. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

There have been neither awards nor sanctions or other matters where Ms. Kiesel or her firm has been found liable in a self-regulatory or administrative proceeding. Neither Ms. Kiesel nor her firm has been the subject of a bankruptcy petition.

#### **Professional Designation Description:**

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 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.