

Thalheimer Financial Planning, LLC

ADV Part 2A, Firm Brochure Dated March 1, 2021

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This brochure provides information about the qualifications and business practices of Thalheimer Financial Planning, LLC. If you have any questions about the contents of this brochure, please contact us at (301) 787-0528 or steve@thalheimerfinancialplanning.com. 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 Thalheimer Financial Planning, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Thalheimer Financial Planning, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the firm’s most recent annual amendment filing on February 11, 2020, this disclosure brochure has been revised as follows:

- At Item 4 to revise disclosure regarding use of certain mutual funds
- At Item 5 to revise the fixed fee for Financial Physical/Check-Up services
- At Item 10 to incorporate disclosure regarding closed-end mutual funds

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Item 4 **Advisory Business**

- A. Thalheimer Financial Planning, LLC (the “Registrant”) is a limited liability company formed under the laws of Maryland and wholly owned and operated by Steven Thalheimer. The Registrant became registered as an Investment Adviser Firm in its capacity as a sole proprietorship in July 2000, with Thalheimer Financial Planning, LLC succeeding this registration in May 2018.
- B. As discussed below, the Registrant offers to its clients (individuals, high net worth individuals, trusts, estates, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management and/or the value assets for which Registrant provides non-discretionary advisement. Prior to engaging the Registrant to provide investment advisory services, clients are required to enter into an Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

The Registrant provides investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client’s investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The Registrant primarily allocates client investment assets among various mutual funds on a discretionary basis. Once allocated, the Registrant provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional(s), and not Registrant, shall be responsible for the quality and competency of the services provided. **Please Also Note:** It remains the client’s responsibility to promptly notify the Registrant if there is

ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Financial Physical/Check-Up (Stand-alone financial planning services). Registrant may also determine to provide a Financial Physical/Check-Up. Under this **limited** service, the Registrant shall meet with the client for a maximum of 2 hours and address those financial planning and consulting issues specifically designated by the client (no written analysis or follow-up will be provided).

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by a client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. The Registrant does not serve as a law firm, accounting firm, or insurance agency, and no portion of Registrant's services should be construed as legal, accounting, or insurance implementation services. Accordingly, Registrant **does not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Registrant or its representatives. **Please Note:** If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional(s), and not Registrant, shall be responsible for the quality and competency of the services provided.

NAPFA. Registrant has paid The National Association of Personal Financial Advisors (NAPFA) a fee to have Registrant's web site linked to and listed on NAPFA's web site. This fee is a one-time fee and is not dependent upon the number of referrals received as a result of the listing. The only restriction regarding ongoing listing is continued membership in NAPFA.

Asset Allocation. If Registrant 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 the Registrant's best judgment, to help the client achieve their overall financial objectives while minimizing risk exposure. Asset allocation is a key component of investment portfolio design. Registrant believes that the appropriate allocation of assets across diverse investment categories (stock vs. bond, foreign vs. domestic, large cap. vs. small cap., growth vs. value, etc.) is the primary determinant of portfolio returns and critical in the long-term success of one's financial objectives. Registrant primarily 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. Registrant generally recommends using no-load, low-cost, tax-efficient mutual funds (including index funds) wherever possible.

Shareholders Service Group. As discussed below at Item 12, Registrant recommends that Shareholders Service Group, Inc. ("SSG"), serve as the broker-dealer/custodian for

client investment management assets. Broker-dealers such as SSG charge brokerage commissions and/or transaction fees for effecting securities transactions. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The fees charged by SSG, as well as the charges imposed at the mutual fund and exchange traded fund level, are in addition to Registrant's advisory fee referenced in Item 5 below.

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s).

Variable Annuity Advisory. As part of its Investment Advisory services, the client can engage Registrant to provide discretionary or non-discretionary investment management as to variable annuity subaccounts. In such engagements, Registrant allocates client investment assets on a discretionary or non-discretionary basis among the investment subaccounts of variable annuity products previously purchased by the client. Registrant generally proposes allocations to individual equity and fixed income investments, exchange traded funds, and mutual funds, consistent with the client's designated objectives. Once allocated, Registrant provides ongoing monitoring and review of sub account performance, asset allocation, and client investment objectives

Use of Mutual Funds: While the Registrant may recommend allocating investment assets to mutual funds that are not available directly to the public, the Registrant may also recommend that clients allocate investment assets to publicly-available mutual funds that the client could obtain without engaging Registrant as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds and/or clients may transfer existing positions in DFA funds to Registrant's management. Therefore, upon the termination of Registrant's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply. In the interests of full disclosure, clients are hereby advised that certain DFA mutual funds are expected to be transitioned to exchange-traded funds. This transition is not expected to have a material impact on Registrant's investment advisory services, and the restrictions described in this paragraph will still apply to any DFA mutual funds which are transitioned to exchange-traded funds. **Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client or prospective client may have regarding the above.**

Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. **The Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

Cash Positions. Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant may maintain cash and cash equivalent positions (such as money market funds, etc.) for defensive and liquidity purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating the Registrant's advisory fee. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2020, the Registrant had \$35,497,296 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a non-negotiable *fee-only* basis.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. The Registrant's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's advisement (between 0.25% and 1.00 %) as follows:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
First \$500,000	1.00%
Above \$500,000 to \$1,000,000	0.75%
Above \$1,000,000 to \$2,000,000	0.50%
Above \$2,000,000	0.25%

*There is a minimum annual fee of \$5,000 for investment advisory services (not to exceed 3% of assets under management).

*The fees charged may be higher or lower than the cost of similar services offered through other registered investment advisors. Clients may be able to obtain similar services for a lesser fee from other investment advisors.

Please Note: If a client maintains less than \$500,000 in assets under Registrant's management, and is subject to Registrant's \$5,000 annual minimum fee, that client will pay a higher percentage Annual Fee than the 1.00% referenced above (not to exceed 3% of assets under management).

Registrant, in its sole discretion, may charge a lesser investment advisory fee and/or charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, account platform limitations, dollar amount of assets to be managed, related accounts, account composition, prior fee schedules, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client or prospective client may have regarding advisory fees.

Registrant's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone

separate fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$5,000.00 to \$7,000.00 on a fixed fee basis, and \$300.00 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Financial Physical/Check-Up (Stand-alone financial planning services). Registrant may also determine to provide a Financial Physical/Check-Up on a \$750 fixed fee basis. Under this **limited** service, the Registrant shall meet with the client for a maximum of 2 hours and address those financial planning and consulting issues specifically designated by the client (no written analysis or follow-up will be provided).

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account quarterly. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous year. For clients starting mid-year, fees are based upon the market value of the assets on the last business day of the previous quarter.

Stand-alone financial planning clients pay the lesser of one-half of the estimate financial planning fee or a \$500 deposit at the beginning of the engagement, with the remaining balance due at the last meeting after receiving their final recommendations. In the event that Investment advisory clients are charged for financial planning, their fees are deducted quarterly, in advance, in the same manner as their advisory fees.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that *SSG*, serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers, such as *SSG* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment advisory fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous year. For clients starting mid-year, fees are based upon the market value of the assets on the last business day of the previous quarter. The Registrant does not generally require an annual minimum asset level for investment advisory services. The Registrant generally requires an annual minimum fee of \$5,000.00 (not to exceed 3% of assets under management). The Registrant, in its sole discretion, may charge a lesser investment advisory fee and/or waive or modify its annual minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, high net worth individuals, trusts, estates and charitable organizations. The Registrant does not generally require an annual minimum asset level for investment advisory services. The Registrant generally requires an annual minimum fee of \$5,000.00 (not to exceed 3% of assets under management). The Registrant, in its sole discretion, may charge a lesser investment advisory fee and/or waive or modify its annual minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). **Please Note:** Similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client may have regarding its advisory fee schedule.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. The Registrant may utilize the following methods of security analysis:
- **Fundamental** - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- **Long Term Purchases** (securities held at least a year)
- **Short Term Purchases** (securities sold within a year)

Please Note: Investment Risk. Investing in securities involves the risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various mutual funds on a discretionary basis in accordance with the client's designated investment objective(s).

Risks associated with these asset types include:

1. **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.
2. **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.
3. **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
4. **Market Risk (Systematic Risk):** Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of your portfolio will fluctuate, there is a risk that you will lose money.
5. **Unsystematic Risk:** Unsystematic risk is the company-specific or industry-specific risk in a portfolio. The combination of systematic (market risk) and unsystematic risk is defined as the portfolio risk that the investor bears. While the investor can do little to reduce systematic risk, he or she can affect unsystematic risk. Unsystematic risk may be significantly reduced through diversification. However, even a portfolio of well-diversified assets cannot escape all risk.

6. **Purchasing Power Risk:** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply. Rising inflation means that if you have \$1,000 and inflation rises 5 percent in a year, your \$1,000 has lost 5 percent of its value, as it cannot buy what it could buy a year previous.
7. **Political Risks:** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
8. **Regulatory Risk:** Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
9. **Risks Related to Investment Term:** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not what we believe it is truly worth. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value.

An investment in a mutual fund involves risk, including the loss of principal. Mutual fund shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a mutual fund client or investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes in the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Mutual funds are funds that are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. The mutual funds charge a separate management fee for their services. The returns on mutual funds can be reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders.

Closed-end Funds. Registrant generally does not recommend or use closed-end funds in the management of client accounts. However, certain clients may transfer existing positions in closed-end funds to Registrant's management, and this disclosure is provided

for the benefit of such clients. Closed-end funds generally do not continually offer their shares for sale. Rather, they sell a fixed number of shares at one time, after which the shares typically trade on a secondary market, such as the New York Stock Exchange or the NASDAQ Stock Market. The specific risk factors related to closed-end funds vary depending upon the structure of each fund. Shares of closed-end funds frequently trade at a premium or discount relative to their net asset value (“NAV”). If Registrant purchases shares of a closed-end fund at a discount to its NAV, there can be no assurance that the discount will decrease, and it is possible that the discount may increase and affect whether the client will realize a gain or loss on the investment. Many closed-end funds invest using borrowed money to seek higher returns. This triggers greater risk and could cause the share price to fluctuate accordingly, especially because the closed-end fund will also have to pay interest or dividends on its leverage, effectively reducing the return value. Many closed-end funds also choose to distribute a fixed percentage of net assets regardless of the fund’s actual interest income and capital gains. Consequently, distributions by a closed-end fund may include a return of capital, which would reduce the fund's net asset value and its earnings capacity. Closed-end funds may invest in a greater amount of illiquid securities than open-end mutual funds. Investments in illiquid securities pose risks related to uncertainty in valuations, volatile market prices, and limitations on resale that may have an adverse effect on the ability of the fund to dispose of the securities promptly or at reasonable prices. Finally, closed-end funds carry liquidity risks, which exists when particular investments are difficult to purchase and sell, possibly preventing Registrant from selling out of such illiquid securities at an advantageous price.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant’s overall Code of Ethics, which serves to

establish a standard of business conduct for all of Registrant's Representatives 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, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment advisory accounts be maintained at SSG. Prior to engaging Registrant to provide investment advisory services, the client will be required to enter

into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *SSG* or any broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment advisory fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Please Note: Registrant is not affiliated with *SSG*. *SSG* does not supervise Registrant, its agents, or activities.

1. **Non-Soft Dollar Research and Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant can receive from *SSG* (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *SSG* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *SSG* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflicts of interest such arrangement creates.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

The Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that the Registrant provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principal. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent

applicable), investment objectives and account performance with the Registrant on an annual basis.

- B. The Registrant *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant may receive an indirect economic benefit from SSG. The Registrant, without cost (and/or at a discount), may receive support services and/or products from a broker-dealer/custodian.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at SSG as a result of this arrangement. There is no corresponding commitment made by the Registrant to the broker-dealer/custodian recommended by Registrant or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflicts of interest any such arrangement creates.

- B. Neither the Registrant nor any supervised person of the Registrant compensates any non-supervised person for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation. **Please Further Note:** Registrant is not affiliated with SSG. SSG does not supervise Registrant, its agents, or activities.

The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding custody-related issues.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$500, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

Item 19 Requirements for State-Registered Advisors

- A. Steven Thalheimer, is the Registrant's Owner and President. For more information about the above individual, please see the Part 2B of Registrant's Brochure.

- B. Neither the Registrant nor its representatives are actively engaged in any other business.
- C. Neither the Registrant nor its representatives accept performance-based fees.
- D. Neither the Registrant nor its representatives have any reportable disciplinary information.
- E. Neither the Registrant nor its representatives have any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Steven Thalheimer, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

FORM ADV PART 2B BROCHURE SUPPLEMENT

A.

Steven Thalheimer

Thalheimer Financial Planning, LLC

Brochure Supplement
Dated March 1, 2021

Contact: Steven Thalheimer, Chief Compliance Officer
8403 Colesville Road, Suite 1100
Silver Spring, MD 20910
www.thalheimerfinancialplanning.com

B.

This brochure supplement provides information about Steven Thalheimer that supplements the Thalheimer Financial Planning, LLC brochure; you should have received a copy of that brochure. Please contact Steven Thalheimer, Chief Compliance Officer if you did *not* receive Thalheimer Financial Planning, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Steven Thalheimer is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Steven Thalheimer was born in 1959. Mr. Thalheimer graduated from The University of Connecticut in 1981, with a Bachelors degree in Anthropology. Mr. Thalheimer graduated from American University in 1983, with a Masters degree in International Development. Mr. Thalheimer has served as owner and President of Thalheimer Financial Planning, LLC since July of 2000.

Mr. Thalheimer has been a CERTIFIED FINANCIAL PLANNER™ since 1999. Certified Financial Planner Board of Standards, Inc. (“CFP Board”) owns the CFP® certification mark, the CERTIFIED FINANCIAL PLANNER™ certification mark, and the CFP® certification mark (with flame design) logo in the United States (these marks are collectively referred to as the “CFP® marks”). The CFP Board authorizes use of the CFP® marks by individuals who successfully complete the CFP Board’s initial and ongoing certification requirements.

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 88,000 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 a 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 or an accepted equivalent, including [completion of a financial plan development capstone course](#), and attain a Bachelor’s Degree from an accredited college or university. CFP Board’s financial planning subject areas include professional conduct and regulation, general principles of financial planning, education planning, risk management and insurance planning, investment planning, income tax planning, retirement savings and income planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, 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 – CFP Board requires 6,000 hours of experience through the Standard Pathway, or 4,000 hours of experience through the Apprenticeship Pathway that meets additional requirements ; and
- Ethics – Agree to be bound by CFP Board’s *Code of Ethics and Standards of Conduct*, which put clients’ interest first; acknowledge CFP Board’s right to enforce them through its *Disciplinary Rules and Procedures*; comply with the *Financial Planning Practice Standards* which determine what clients should reasonably expect from the financial planning engagement and complete a CFP® Certification Application which requires disclosure of an individual’s background, including involvement in any criminal, civil, governmental, or self-regulatory agency proceeding or inquiry, bankruptcy, customer

complaint, filing, termination/internal reviews conducted by the individual's employer or firm.

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 accepted by the CFP Board 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 – CFP® professionals agree to adhere to the high standards of ethics and practice outlined in CFP Board's Code of Ethics and Standards of Conduct and to acknowledge CFP Board's right to enforce them through its Disciplinary Rules and Procedures. The Code of Ethics and Standards of Conduct require that CFP Professionals provide financial planning services in the best interests of their clients.
- Certification Application – Properly complete a Certification Application to (i) acknowledge voluntary adherence to the [terms and conditions of certification with CFP Board](#) and (ii) disclose any involvement in criminal and civil proceedings, inquiries or investigations, bankruptcy filings, internal reviews and customer complaints.

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.

You may [verify an individual's CFP® certification and background](#) through the CFP Board. The verification function will allow you to verify an individual's certification status, CFP Board's disciplinary history and any bankruptcy disclosures in the past ten years. Additional regulatory information may also be found through [FINRA'S BrokerCheck](#) and the [SEC's Investment Adviser Public Disclosure databases](#), which are free tools that may be used to conduct research on the background and experience of CFP® professionals and those who held CFP® certification at one time, including with respect to employment history, regulatory actions, and investment-related licensing information, arbitrations, and complaints.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 Additional Compensation

None.

Item 6 Supervision

The Registrant provides investment advisory and supervisory services in accordance with current state regulatory requirements. The Registrant's Chief Compliance Officer, Steven Thalheimer, is primarily responsible for overseeing the activities of the Registrant's supervised persons. Mr. Thalheimer also monitors accounts and conducts account reviews on a quarterly basis. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Thalheimer at (301) 787-0528.

Item 7 State-Registered Investment Advisors

- A. Mr. Thalheimer has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Thalheimer has never been the subject of a bankruptcy petition.