

**Firm Brochure**  
(Part 2A of Form ADV)

**SOUND FINANCIAL PLANNING, INC.**

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This brochure provides information about the qualifications and business practices of SOUND FINANCIAL PLANNING, INC. If you have any questions about the contents of this brochure, please contact us at: (360) 336-6527 or by email at [wtmorrissey@soundfinancialplanning.net](mailto:wtmorrissey@soundfinancialplanning.net)

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 SOUND FINANCIAL PLANNING, INC. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our IARD # is 114244.

March 20, 2018

## Item 2 - Material Changes

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### **Annual Update**

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

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### **Material Changes since the Last Annual Update dated April 5, 2017**

None

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (360) 336-6527 or by email at: TAMMY@SOUNDFINANCIALPLANNING.NET.

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## Item 4 - Advisory Business

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### A) Firm Description

SOUND FINANCIAL PLANNING, INC. was founded in June 1982 and Washington Registration was effective 1-10-85.

SOUND FINANCIAL PLANNING, INC. provides personalized confidential financial planning and asset management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice for clients regarding pensions includes review of existing pension plan options to determine which option is most appropriate. We will also review with our business owner clients whether a defined benefit pension plan is appropriate.

Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

SOUND FINANCIAL PLANNING, INC. is strictly a fee-only financial planning and asset management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. Investment advice is provided, with the client making the final decision on investment selection. SOUND FINANCIAL PLANNING, INC. does not act as a custodian of client assets. The client always maintains asset control. SOUND FINANCIAL PLANNING, INC. places trades for clients under a limited power of attorney.

Financial Planning Services include the initial writing and formulation of a personal financial plan and the ongoing tracking of your progress in achieving the personal financial goals targeted in the plan. Services may be comprehensive or limited, as agreed. Usually, financial plans and investment allocations are updated annually or as needed.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client.

The initial meeting, which may be made by telephone at (360) 336-6527, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment advice may be beneficial to the client.

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**Principal Owners**

William Morrissey is a 87% stockholder

Tammera Prouty is a 13% stockholder

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**B) Types of Advisory Services****1. FINANCIAL PLANNING ADVISORY SERVICES**

- Discover and help to prioritize Client's short and long-term goals.
- Gather and organize Client's data and documents.
- Analyze Client's financial condition, challenges and opportunities as they relate to the goals of the Client.
- Develop an investment strategy that attempts to balance Client's goals and tolerance for volatility.
- Help Client with the financial implications of life transitions that Client is and expects to be experiencing.
- Provide written recommendations and alternatives to help Client achieve stated goals.
- Help to implement financial decisions.
- Provide ongoing financial advice and counsel.
- Meet periodically with Client to review goals and progress

The initial planning process consists of a series of meetings in our office at times mutually agreed. You will receive written recommendations and supporting written work as necessary to understand and implement the recommendations we make and you agree to take. Our advice will encompass cash management, tax planning, needs analysis for insurance, education and retirement, business, and estate planning. The most pressing needs will be discussed first.

Ongoing financial planning includes monitoring and revisions, consultations and meetings as needed by the Client, and usually a written annual update of the financial plan. Since financial goals, resources, tax laws, cash flow, etc. change, it is necessary to make planning a continuing process, so modification can be implemented as warranted. This continuing process also allows us the ability to monitor the progress of our actions. We feel this service is essential to any successful financial planning. We only offer Financial Planning Advisory Services in conjunction with discretionary Asset Management Services.

## 2. DISCRETIONARY ASSET MANAGEMENT SERVICES

- Develop a written Investment Policy Statement.
- Investment selection and execution of trades.
- Quarterly performance statements in PDF format (performance report results are obtained from Orion Advisor Services LLC)
- Re-balancing the portfolio normally annually or when appropriate.
- Re-allocating the portfolio and/or changing assets or investments due to changes in the economy, of Client's objectives, or performance of the mutual fund manager selected.

Investments that are primarily used are no load mutual funds. The investment mix is created using an Asset Allocation Analysis which is a tool we use to determine the right mix of investment for your personal situation based on your financial objectives, time horizons, and risk tolerance. Asset Allocation is based on the concept of Modern Portfolio Theory, which states that through diversification you may be able to minimize the effects of investment risks and that gains in one investment class, may help offset losses in another.

### INVESTMENT IMPLEMENTATION

Client gives Investment Advisor Representative the discretion to buy and sell securities to carry out the investment strategy agreed to by Client in the Investment Policy Statement. Typically, discretion is only used on an occasional basis except to pay fees that are deducted from client accounts and for client withdrawals. Investment Advisor Representative will not have custody of these accounts. Investment Advisor Representative does not vote proxies on behalf of Client.

## 3. MISCELLANEOUS ADVICE

Miscellaneous advice that is given that is outside of the scope of the Financial Planning and Asset Management Services previously described.

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### **C) Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.



- Limited financial planning, including:
  - Retirement Planning
  - Net Worth Analysis
- Establish Asset Allocation and Investment Management Plan
- Help establish relationships with other professionals to oversee the following:
  - Estate Planning
  - Insurance
  - Taxes

*Ongoing Financial Planning and Investment Management Services*

- One Meeting Per Year to review goals, investments, retirement, and net worth
- Ongoing Discretionary Investment Management and Rebalancing
- Online Quarterly Performance Statements
- Electronic weekly communications

*Comprehensive Planning Model*                      \$5,000 a year

*Initial Services offered/Reviewed Each Year*

- Comprehensive financial planning, including:
  - Net Worth Analysis
  - Cash Flow and Saving Planning
  - Income Tax Planning
  - Retirement Planning
  - College Planning
  - Insurance Planning
  - Estate Planning
  - Charitable and Family Planning Issues
  - Social Security and Medicare Planning
- Establish Customized Asset Allocation and Investment Management Plan
- Customized Review and Investment Plan for Retirement Plan Assets

*Ongoing Financial Planning and Investment Management Services*

- Two Client Meetings Per Year
  - Meeting 1: Review Comprehensive Financial Planning
  - Meeting 2: Review Investment Portfolio and Asset Allocation
- Online Quarterly Performance Statements
- Electronic weekly communications

*Complex Planning Model*                              \$8,000 a year

*Initial Services offered/Reviewed Each Year*

- Comprehensive financial planning, including:

- Net Worth Analysis
- Cash Flow and Saving Planning
- Income Tax Planning
- Retirement Planning
- College Planning
- Insurance Planning
- Estate Planning
- Charitable and Family Planning Issues
- Social Security and Medicare Planning
- Business Planning and Succession Planning
- Real Estate Investment & Feasibility Analysis
- Executive Compensation Planning
- Establish Customized Asset Allocation and Investment Management Plan
- Customized Review and Investment Plan for Retirement Plan Assets

*Ongoing Financial Planning and Investment Management Services*

- Two Client Meetings Per Year
  - Meeting 1: Review Comprehensive Financial Planning
  - Meeting 2: Review Investment Portfolio and Asset Allocation
- Technology Assistance in Cash Flow Tracking (i.e. Mint.com, QuickBooks, Quicken, etc.)
- Online Quarterly Performance Statements
- Electronic weekly communications

*This fee will be adjusted annually based on the most recent annual Seattle-Tacoma consumer price index adjustment. Prior to implementing a fee increase, the client will receive a contract amendment to accept the increased fee.*

*In addition, these fees may be subject to renegotiation annually based on changing client circumstances.*

*These fees may be higher than normally charged in the industry and similar services may be offered by another adviser at a lower fee.*

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**B) DISCRETIONARY ASSET MANAGEMENT SERVICES**

Quarterly prepaid fees in advance on a declining scale:

.65% per year of portfolio assets for the first \$3 million

.30% per year of portfolio assets in excess of \$3 million

Our minimum annual fee is \$3,000. Please see disclosure under Item 7 Account Minimums

The first quarter's fee is due upon signature of the CLIENT AGREEMENT and is prorated and is paid thereafter on a calendar quarter basis in advance. The fee may be deducted from the client's investment account or paid by check depending on the client's preference. *Each time a fee is deducted from a client's account, an invoice is sent concurrently that itemizes the fee. For clients that are directly billed, an invoice containing the fee(s), the formula used to calculate the fee(s), and the time period covered by the fee(s) will be provided.*

The fee that Sound Financial Planning, Inc. charges is in addition to the management fee that the advisor of a Mutual Fund receives for managing the Fund's portfolio.

*These fees may be higher than normally charged in the industry and similar services may be offered by another adviser at a lower fee.*

*Clients have the option to purchase recommended investment products through other brokers or agents that are not affiliated with us.*

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## **C) Miscellaneous Advice Services**

### Flat Fee

Services will be provided for a set fee, consisting of a deposit of ½ of estimated fee with the balance due upon completion.

### Hourly Fee

\$350 an hour and the fee is due upon completion of the engagement.

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## **D) Investment Fees**

Assets are invested primarily in no-load (no commission) mutual funds through a third party service provider, TD Ameritrade Institutional. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. See F. below.

Investments may also include: equities (stocks), ETFs, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through SOUND FINANCIAL PLANNING, INC.

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## **E) Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. TD Ameritrade Institutional charges a discounted transaction fee of \$9.99-\$20 for SOUND FINANCIAL PLANNING, INC. clients for the purchase of some mutual funds. Some mutual funds have no

transaction fee. Stocks and bonds may be purchased or sold through TD Ameritrade Institutional who charges a fee. SOUND FINANCIAL PLANNING, INC. does not receive any compensation, in any form, from fund companies.

The fee assessed by TD Ameritrade Institutional to transfer out an account is \$100. Other fees may apply per the TD Ameritrade Institutional Fee Schedule.

SOUND FINANCIAL PLANNING, INC., in its sole discretion, may waive its minimum fee and/or charge a lesser or higher asset management fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). In this case, a new Client Agreement or Amendment to the Client Agreement must be executed by the client and advisor.

SOUND FINANCIAL PLANNING, INC. uses an independent performance reporting vendor (Orion Advisor Services LLC) that assesses a small administrative fee that will be debited to client's custodial account for Investment Performance Reports and Cost Basis. This fee is \$16.25 quarterly per account. Performance report results are obtained from Orion Advisor Services LLC. The performance reported is net of fees.

For clients who have an account outside of our relationship such as a retirement plan through an employer, SOUND FINANCIAL PLANNING, INC. uses a third party vendor called ByAll Accounts to capture investment data and track performance. This fee is \$16.25 quarterly per account and will be debited from the client's custodial account. SOUND FINANCIAL PLANNING, INC. pays part of this fee in addition to the client's portion. This fee is in addition to the \$16.25 fee in the previous paragraph for Orion Advisor Services LLC.

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## F) Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to SOUND FINANCIAL PLANNING, INC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

## Item 6 - Performance-Based Fees

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### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

SOUND FINANCIAL PLANNING, INC. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based

compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Item 7 - Types of Clients

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### **Description**

SOUND FINANCIAL PLANNING, INC. generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

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### **Account Minimums**

The minimum annual fee for Discretionary Asset Management Services is \$3000.

SOUND FINANCIAL PLANNING, INC. has the sole discretion to waive entirely under certain circumstances the account minimum fee for both Financial Planning and Discretionary Asset Management Services as well as Stand Alone Discretionary Asset Management Services.

*Although the firm does not generally require a minimum account size, due to the minimum annual fee imposed, clients with accounts below \$462,000 will pay a higher percentage rate and fee for their Discretionary Asset Management Services than is disclosed in the fee schedule . We will not accept client accounts where we determine the asset based fee would be unreasonable.*

### **Differing Fee Schedules**

Certain existing clients have engaged Sound Financial Planning Inc. under previously applicable fee schedules and/or minimum account or fee requirements which are no longer applicable / available to new clients. As a result, our firm's fee schedules will differ among clients.

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

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### **A) Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. Economic factors such as the supply of money, interest rates, commodity prices, and the political environment are analyzed to

help predict the future economic environment, which in turn, guides the applicant's asset allocation decision and the selection of investments suitable for particular investment portfolios.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that SOUND FINANCIAL PLANNING, INC. may use include Morningstar, Advisor Intelligence, information from Risk-Controlled Investing, the World Wide Web, and Index Investor.

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### **Investment Strategies**

The primary investment strategy used to implement any investment advice given to clients is an Asset Allocation Analysis tool that may assist you in determining if you have the right mix of investments for your personal situation.

Development of a personalized Asset Allocation Analysis is designed to assist you in positioning your assets based on your financial objectives, time horizons and risk tolerance, tax consequences, and other constraints. Investments are globally diversified to control the risk associated with traditional markets.

SOUND FINANCIAL PLANNING, INC. attempts to balance the total portfolio to reduce risk and maximize return. No load mutual funds and money market funds are primarily used.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies used by mutual fund managers may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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### **B) Risk of Loss**

***INVESTING IN SECURITIES INVOLVES RISK OF LOSS OF PRINCIPAL THAT CLIENTS SHOULD BE PREPARED TO BEAR.***

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **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 is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **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.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **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.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9 - Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in material legal or disciplinary events related to past or present investment clients.

## Item 10 - Other Financial Industry Activities and Affiliations

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### Financial Industry Activities

SOUND FINANCIAL PLANNING, INC. is not involved in any other financial industry activities nor has affiliations with any other business.

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

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### Code of Ethics

The Adviser has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Adviser and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include: general ethical principles, receipt and giving of gifts, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Adviser will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Participation or Interest in Client Transactions

SOUND FINANCIAL PLANNING, INC. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the SOUND FINANCIAL PLANNING, INC. *Compliance Manual*.

### Personal Trading

The Chief Compliance Officer of SOUND FINANCIAL PLANNING, INC. is William T. Morrissey. He reviews all employee trades each quarter. His trades are reviewed by Tammera Prouty. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## Item 12 - Brokerage Practices

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### A) Selecting Brokerage Firms

SOUND FINANCIAL PLANNING, INC. considers various factors in selecting a broker, including: financial condition, acceptable record keeping, ability to obtain best price, knowledge of market, securities and industries, commission structure, and reputation and integrity.

SOUND FINANCIAL PLANNING, INC. does not have any affiliation with product sales firms.

SOUND FINANCIAL PLANNING, INC. uses TD Ameritrade Institutional to service our client's investment accounts. TD Ameritrade Institutional provides institutional custodial services exclusively for independent registered investment advisors. William T. Morrissey has chosen TD Ameritrade Institutional for its full range of brokerage services, a comprehensive scope of investment choices, and innovative technology platform.

SOUND FINANCIAL PLANNING, INC. *DOES NOT* receive fees or commissions from any of these arrangements.

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### Best Execution

SOUND FINANCIAL PLANNING, INC. reviews the execution of trades at the custodian annually. The review is documented in the SOUND FINANCIAL PLANNING, INC. *Compliance Manual*. Trading fees charged by TD Ameritrade Institutional have been negotiated at a discount of \$20 for our clients and \$9.99 for Dimensional Fund Advisor funds. SOUND FINANCIAL PLANNING, INC. does not receive any portion of the trading fees.

Not all advisors require their clients to direct brokerage to one custodian. It is possible that you might be able to find more favorable execution of transactions at a lower cost elsewhere.

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### Soft Dollars

Custodians may provide research information in expectation of future business. Custodians may provide discounted software or discounted subscriptions with the expectation of future business. SOUND FINANCIAL PLANNING, INC. does not accept commissions in any form, or 12(b)-1 fees, making soft dollar issues substantially moot.

SOUND FINANCIAL PLANNING, INC. receives a discounted price for its Morningstar research service as a result of its relationship with TD Ameritrade Institutional. Sound Financial Planning, Inc.'s costs for Orion, its web based performance reporting service, are subsidized by TD Ameritrade Institutional as well.

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### Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## Item 13 - Review of Accounts

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### A) Periodic Reviews

Account reviews are usually performed annually for asset management accounts or more frequently due to changes in the market, economy, portfolio performance, or client's goals and objectives. Account information and performance information is available to client's at any time with internet access.

Financial Plan reviews are usually done annually unless significant changes warrant an updated plan review.

Reviews are performed by advisors William Morrissey, Lead Advisor and/or Tammera Prouty, Associate Financial Advisor.

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### B) Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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### C) Regular Reports

Clients receive monthly investment statements from TD Ameritrade Institutional.

Performance statements are available quarterly online. Clients may also run performance returns at any time and for any time period.

**Basic Planning Model** clients receive an annual retirement projection and Net worth Analysis.

**Comprehensive Planning Model** clients receive the following reports: Net worth Analysis, Cash Flow and Saving Planning, Income Tax Planning, Retirement Planning Projections, College Planning Projections, Insurance Planning Projections, and Estate Planning Projections.

**Complex Planning Model** clients receive all of the reports included in the Comprehensive Planning Model in addition to any reports or analysis for Business Planning, Succession Planning, Real Estate Feasibility Analysis, and Executive Compensation analysis.

## Item 14 - Client Referrals and Other Compensation

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### Incoming Referrals

SOUND FINANCIAL PLANNING, INC. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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**Referrals Out**

SOUND FINANCIAL PLANNING, INC. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Item 15 - Custody

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**Account Statements**

All assets are held at a qualified custodian, which means the custodian provides account statements directly to clients at their address of record monthly unless there is no activity in the account besides reinvested dividends.

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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodian to the performance report statements provided by SOUND FINANCIAL PLANNING, INC.

Performance report results are obtained from Orion Advisor Services LLC.

## Item 16 - Investment Discretion

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**Discretionary Authority for Trading**

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

**INVESTMENT IMPLEMENTATION**

Client gives Investment Advisor Representative the discretion to buy and sell securities to carry out the investment strategy agreed to by Client in the Investment Policy Statement. Typically, discretion is only used on an occasional basis except to pay fees that are deducted from client accounts and for client withdrawals. Investment Advisor Representative will not have custody of these accounts. Investment Advisor Representative does not vote proxies on behalf of Client.

SOUND FINANCIAL PLANNING, INC. accepts discretionary authority to manage securities accounts on behalf of clients. SOUND FINANCIAL PLANNING, INC. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. SOUND FINANCIAL PLANNING, INC. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

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**Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

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**Item 17 - Voting Client Securities**

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**Proxy Votes**

SOUND FINANCIAL PLANNING, INC. does not vote proxies on client securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, SOUND FINANCIAL PLANNING, INC. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

A copy of SOUND FINANCIAL PLANNING, INC.'s proxy voting policy is available upon request.

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**Item 18 - Financial Information**

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**Financial Condition**

SOUND FINANCIAL PLANNING, INC. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because SOUND FINANCIAL PLANNING, INC. does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$500 per client and six months or more in advance.

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

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**A) Business Continuity Plan**

SOUND FINANCIAL PLANNING, INC. has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, earthquakes, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

SOUND FINANCIAL PLANNING, INC. will be supported by Associate Financial Advisor and Partner, Tammera Prouty, in the event of William Morrissey's serious disability or death.

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## **B) Information Security Program**

SOUND FINANCIAL PLANNING, INC. maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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## **C) Privacy Notice**

SOUND FINANCIAL PLANNING, INC. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone at (360) 336-6527, mail, fax, [tammy@soundfinancialplanning.net](mailto:tammy@soundfinancialplanning.net), or in person. With your permission, we share information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be

maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

**Brochure Supplement**  
(Part 2B of Form ADV)

**WILLIAM T. MORRISSEY**

**SOUND FINANCIAL PLANNING, INC.**

**Mount Vernon Office**

**1111 Cleveland Ave, Suite 101**

**Mount Vernon, WA 98273**

**(360) 336-6527**

**Friday Harbor Office**

**650 Mullis Street, Suite 101**

**Friday Harbor, WA 98250**

**(360) 378-3022**

**WWW.SOUNDFINANCIALPLANNING.NET**

**WTMORRISSEY@SOUNDFINANCIALPLANNING.NET**

This brochure supplement provides information about WILLIAM T. MORRISSEY that supplements the SOUND FINANCIAL PLANNING, INC. brochure which is the first part of this document. If you have any questions about the contents of this brochure supplement, please contact us at: (360) 336-6527 or by email at [wtmorrisey@soundfinancialplanning.net](mailto:wtmorrisey@soundfinancialplanning.net)

Additional information about WILLIAM T. MORRISSEY is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**March 29, 2017**

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## **Education and Business Standards**

SOUND FINANCIAL PLANNING, INC. requires that investment advisor representatives in its employment have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, and/or CPA. Additionally, investment advisor representatives must have work experience that demonstrates their aptitude for financial planning and asset management.

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## **Professional Certifications**

Employees have earned certifications and credentials that are required to be explained in further detail.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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

**Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

**Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

**Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

**Ethics** – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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

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**WILLIAM T. MORRISSEY, CFP®**

## Educational Background:

- Date of birth: 1950
- College for Financial Planning 1984, Certified Financial Planner Educational Program
- College For Financial Planning 1990, Investment Strategies and Portfolio Management

## Business Experience:

- President of Sound Financial Planning, Inc. June 1982-Present
- Prior to opening Sound Financial Planning in 1982, Mr. Morrissey was in the real estate business for nine years in the Seattle area. He was involved in residential and commercial brokerage, owned and managed a substantial real estate investment portfolio, and was president of two real estate development companies. He also owned and operated a major resort in the San Juan Islands.

## Other Business Activities:

- Past President and current board member of the United Way of San Juan County
- Current member and past President of Friday Harbor Kiwanis

Additional Compensation: None

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Bill is in the Mount Vernon office Monday's and Tuesday's and he is in the Friday Harbor office Wednesday's and Thursday's.

**Brochure Supplement**  
(Part 2B of Form ADV)

**TAMMERA L. PROUTY**

**SOUND FINANCIAL PLANNING, INC.**

**Mount Vernon Office**

**1111 Cleveland Ave, Suite 101**

**Mount Vernon, WA 98273**

**(360) 336-6527**

**Friday Harbor Office**

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**WTMORRISSEY@SOUNDFINANCIALPLANNING.NET**

This brochure supplement provides information about TAMMERA L. PROUTY that supplements the SOUND FINANCIAL PLANNING, INC. brochure which is the first part of this document. If you have any questions about the contents of this brochure supplement, please contact us at: (360) 336-6527 or by email at [wtmorrisey@soundfinancialplanning.net](mailto:wtmorrisey@soundfinancialplanning.net)

Additional information about TAMMERA L. PROUTY is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**March 20, 2018**

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**TAMMERA L. PROUTY, CFP®**

## Educational Background:

- Date of birth: 1972
- College For Financial Planning 2005, Certified Financial Planner Educational Program
- Central Washington University 1997, Bachelor of Science in Business Administration with a specialization in Finance

## Business Experience:

- Sound Financial Planning Inc. June 2000- Present
- Polygon Financial Partners, Accountant 1997-2000
- Key Bank, Teller 1993-1997

## Other Business Activities:

Junior Achievement Volunteer at Mount Vernon High School  
Northwest Washington Estate Planning Council, President

Additional Compensation: None

## Supervision:

Tammera is supervised by William Morrissey, President. He reviews Tammera's work through frequent office interactions as well as remote interactions. He also reviews her activities through our client relationship management system.

SUPERVISOR'S contact information:

(360) 378-3022

WTMORRISSEY@SOUNDFINANCIALPLANNING.NET

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Tammy works solely in the Mount Vernon office Monday's through Thursday's.