

## Form CRS (Client Relationship Summary) – ADV Part III March 2023 CommonWealth Financial Planners, Inc.

CommonWealth Financial Planners, Inc (“CWFP”, “we”, “us”) is a registered investment adviser with the Securities and Exchange Commission (SEC). Brokerage and investment advisory services and fees differ and it is important that the retail investor understands this. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker/dealers, investment advisers and investing.

### What investment services and advice can you provide me?

CWFP offers investment advisory services to retail customers and monitors investments on an ongoing basis and at a minimum, annually as part of these standard advisory services.

CWFP provides personalized financial planning and investment management services. CWFP's services are specifically tailored to the individual needs of its clients. After thorough consultation of client objectives and risk tolerance are determined, CWFP advisors provide advisory services which may include, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

In addition, CWFP provides discretionary services to its 401(K) plan clients in partnership with Raymond James as a 3(38) investment manager. All other advisory services offered to our retail investors are non-discretionary; therefore, the retail investor makes the ultimate decision regarding the purchase or sale of investments.

The minimum relationship size for opening and maintaining an investment advisory account with CWFP is \$500,000; however, CWFP has the discretion to revise its minimum based on the prospective client's situation.

CWFP also has financial planning clients. These clients may only want financial planning advice regarding retirement and/or education funding, estate planning, insurance needs, or cash flow analysis. After the financial plan is completed, clients have the option to purchase any investment products recommended through their own broker or agent who is not affiliated with CWFP.

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#### CONVERSATION STARTER

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Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### What fees will I pay?

The investment advisory client compensates CWFP for investment advisory services on an annual fee basis. The advisory fee is payable in advance, at the end of each quarter at the rate you agreed upon with CWFP (based on our established fee schedule). The fee is based upon the total

asset value of the account at the end of each quarter and is deducted from your account. When an account is opened and funded, the asset-based fee is billed for the remainder of the current billing period. Please note that fees for household accounts are determined separately and incrementally. Annuities in advisory accounts that paid a commission are not included as billable assets.

The Investment Management Program for Advisory Clients (“IMPAC”) is a fee-based account, offered and administered through Raymond James & Associates, Inc., member New York Stock Exchange/SIPC which offers you the ability to pay an advisory fee on the assets in your account and a nominal \$15.00 transaction charge in lieu of a commission for each transaction. For more details about the advisory fee and exclusions to the \$15 transaction charge, please see our ADV part II available upon request or online at [brokercheck.finra.org](https://brokercheck.finra.org). There are no transaction charges for mutual fund redemptions.

Client should understand that the advisor will not share in any transaction charges paid by the client to RJFS. These charges are not commissions but are charged solely to defray the expenses incurred in facilitating the execution and clearing of client's portfolio transactions.

If the advisory relationship terminates on a date other than the end of the specified billing period, fees are prorated and refunded for any remaining prepaid days in the billing period.

There are those clients who only request financial planning advice and an hourly fee of \$175 is billed upon the completion of the requested service.

***You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees you are paying.***

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#### CONVERSATION STARTER

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Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

*When we act as your investment adviser*, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- Commissions earned by advisors providing financial planning advice on behalf of CWFP in their capacity as a registered representative of RJFS is separate from and may be in addition to financial planning fees. This practice presents a conflict of interest because persons providing financial planning advice on behalf of CWFP who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with CWFP.
- CWFP advisors as representative of RJFS could be paid a commission and could make additional compensation if we purchase things outside of our advisory relationships— i.e. life insurance – which is outside of the advisory fee paid to CWFP as a registered investment adviser.
- As the investment manager of our 401(K) business, we receive an annual advisory fee as agreed upon by CWFP and each individual plan sponsor. The fee is payable monthly based on the invested assets on the last business day of the month.

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### CONVERSATION STARTER

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How might your conflicts of interest affect me, and how will you address them?

## How do your financial professionals make money?

- Our financial professionals are paid a salary and additional discretionary compensation based on the profitability our firm earns. The more revenue our firm receives from our clients, the more money our financial professionals may make and this is a conflict of interest.
- Our financial professionals may receive incentive compensation based on revenues earned from client accounts including paid travel for recognition trips, stock options of Raymond James Financial, Inc. and certain expense reimbursements.

- When our advisors recommend or sell insurance products to our clients, a conflict of interest exists as our financial professionals receive commission for any insurance product purchased, which creates an incentive to recommend such products. The commission received from these products are not included as billable assets in the calculation of the client's advisory fee. Clients always have the option of purchasing recommended products through their own insurance agent who is not affiliated with CWFP.
- Persons providing financial planning advice on behalf of CWFP may be registered representatives of RJFS. In some circumstances, these registered representatives may recommend investment products in their capacity as a registered representative and will receive commission-based compensation in connection with the purchase and sale of securities. Commissions earned by these persons in their capacities as registered representatives are separate from and may be in addition to financial planning fees. This practice presents a conflict of interest because persons providing financial planning advice on behalf of CWFP who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with CWFP.

## Do you or your financial professionals have legal or disciplinary history?

No. Visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research us and our financial professionals.

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### CONVERSATION STARTER

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As a financial professional, do you have any disciplinary history? For what type of conduct?

Retail investors can find additional information about our brokerage and investment advisory services in our firm's ADV Part 2A disclosure brochure and ADV Part 2B Brochure Supplement on the FINRA [brokercheck.finra.org](https://www.brokercheck.finra.org) website. The investor can also request a copy of the relationship summary by contacting us at 770-399-6644.

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### CONVERSATION STARTER

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Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?