

Four Ponds Financial Planning LLC

A Massachusetts Registered Investment Adviser

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Form ADV Part 2
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This brochure provides clients and prospective clients with information about Four Ponds Financial Planning LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client. The contents of this brochure have not been approved or verified by the Securities and Exchange Commission, hereinafter the "SEC," or any other state or federal authority. While the firm is an investment adviser registered with the Commonwealth of Massachusetts, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Material Changes: Pursuant SEC Release IA-3060, the firm has amended the format of its advisory brochure since its previous version of Form ADV Part II dated July 22, 2010. Although the document content, disclosures, and advisory fees have generally remained the same, the firm has enhanced its disclosure with respect to risks involving the firm’s strategies and investment selection (*see Section 5*) and its policies involving employee personal trading (*see Section 8*). Clients and prospective clients are encouraged to review this document in its entirety.

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Section 1 - Advisory Business

Four Ponds Financial Planning LLC ("Four Ponds Financial Planning" or the "firm") is a Massachusetts-domiciled registered investment adviser that provides fee-only financial planning, portfolio design and asset management services that, depending upon each client's unique circumstances or specific request may be general in nature or focused on particular areas of interest or need. The firm holds itself to a *fiduciary standard*, which means Four Ponds Financial Planning and its associates will act in the utmost good faith and performing in a manner believed to be in the best interest of its clients.

In addition to the firm's registration as an investment adviser within Massachusetts and Rhode Island, the firm and its associated personnel may register or meet certain exemptions to registration in other states in which they conduct business. Mr. McPherson (noted in the accompanying Part 2B) is the majority shareholder of the firm.

An estimated 45% of the firm's activities involve providing continuous supervision and consultation with respect to the investment of client assets; 9% furnishing investment advice through consultations not included in either investment supervisory or investment management; and the remaining 46% of the firm's efforts are oriented toward "non-securities advice," such as issues involving expense budgeting and savings, education, insurance, charitable and estate planning, real estate, among others. The firm provides asset management services to over \$10.9 million in client assets under a non-discretionary engagement agreement.

Introductory Review

A complimentary interview is conducted by a qualified representative of the firm to determine the scope of services to be provided. During the initial meeting, a current ADV Part 2 brochure and Privacy Policy will be given to the client.

Should the client wish to engage Four Ponds Financial Planning for its services, parties must enter into a written agreement, with further discussion and analysis conducted thereafter to ascertain financial need, goals, holdings, etc., as provided by the client.

Financial advice or plans are based upon the information disclosed by the client or their legal agent and incorporate the client's financial situation at the time the plan is presented. In performing its services the firm may, but is not required to, verify any information received from the client or from the client's agents.

Financial Planning and Consultation Services

Clients choosing financial planning service may engage Four Ponds Financial Planning on a limited, "as-needed" basis or as a prelude for the firm's investment services. Limited engagements are generally project-based, meant for clients seeking specific advice or recommendations.

Advice may be provided on such subjects as cash flow management, risk management, education funding, investment planning, retirement strategies, estate planning, or other specific needs as indicated by the client.

When financial planning services focus only on certain areas of client interest or need, the client must understand that their overall financial situation or needs may not be fully addressed due to limitations they have established.

A client may also engage the firm to provide consultation involving incidental investment advice is structured to meet the current needs and objectives of the client. Consultation may involve educating the client in the types of investment vehicles or strategies; developing a personal investment policy statement; current or proposed portfolio allocations, as well as assisting the client in establishing their own investment account at their selected broker/dealer or custodian. The firm typically utilizes a long-term investment perspective, unless specifically requested to the contrary by the client.

For limited engagements, the process concludes upon plan presentation or advice rendered and the fee for the initial engagement is due. Clients may re-engage Four Ponds as needed. Periodic financial check-ups are recommended, and it is the client's responsibility to initiate these reviews.

The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation made by the firm. Further, it remains each client's responsibility to promptly notify Four Ponds Financial Planning if there is a material change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the firm's recommendations or services.

Workshop Presentations

Appropriately trained and registered firm personnel may provide educational workshops on an "as announced" basis for groups desiring general advice on investments and personal finance. Topics may include issues related to wealth management, financial planning, retirement strategies, or various other economic and investment topics.

Such workshops or programs are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one person's need, nor does the firm provide individualized investment advice to attendees during these sessions.

Portfolio Design and Asset Management

Clients may engage the Firm to provide ongoing investment advisory services, portfolio management and financial advice. This area includes creation of an initial financial plan, development of an investment policy statement (IPS), quarterly portfolio reviews, as-needed financial planning updates and assistance with employer-sponsored retirement plans not managed directly by Four Ponds Financial Planning.

The IPS will be designed to be specific enough to provide guidance to the firm while concurrently allowing flexibility to respond to changing market conditions. Since the IPS will to a large extent be a product of information and data provided by the client, the client shall be responsible for review and final approval of the statement.

Each portfolio is customized based on the needs of the client. The firm generally employs Modern Portfolio Theory as part of its investment strategy which is described in further detail in Section 5 of this brochure. Existing positions within a client account containing various holdings will be evaluated and

maintained when deemed appropriate. When required under the engagement agreement, the firm will provide regular and continuous monitoring of the client's account, which may include rebalancing portfolios to maintain an optimal allocation while minimizing tax exposures and transactional costs.

Firm Services

The firm does not provide accounting, legal or property and casualty insurance services. With the client's consent, the firm may work with the client's other advisers (accountants, attorney, etc.) to assist with coordination and implementation of agreed upon strategies. The client should be aware that their other advisers may bill them separately for their services and these fees will be in addition to those of the firm.

The firm will use its best judgment and good faith effort in rendering its services to its clients. Four Ponds Financial Planning cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the client or their legal agent's direction; or any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within the client services agreement is intended to diminish in any way the firm's fiduciary obligation to act in the client's best interest or shall in any way limit or waive any rights clients have under federal or state securities laws or the rules promulgated pursuant to those laws.

Section 2 - Fees and Compensation¹

Financial Planning and Consultation Services

Financial planning and consultation services fees are generally paid on a fixed fee or project-based rate, and assessed based on the normal hourly rate and an estimate of the number of hours involved in the project. Four Ponds current hourly rate is \$200. Projects spanning more than three months will be billed quarterly in advance.

The firm may require a deposit for initial engagements equal to half of the quoted fee. The balance of the fee is due upon presentation of the plan or advice to the client. Upon completion of the initial engagement, additional work may be billed at an agreed upon fixed rate.

¹Four Ponds Financial Planning LLC reserves the right (but is not obligated) to assess a lower fee to those clients who had engaged the firm prior to February 1, 2011, in addition to associates' and related persons' accounts maintained by the firm through its selected custodian.

If the client elects to further engage the firm to provide asset management services, certain financial planning services fees during the initial engagement year may be waived at the discretion of the firm principal.

In limited situations, client fees may be paid by a third-party on behalf of the client. For example, FinancialPoint, a subsidiary of ComPsych Corp., will pay financial planning fees on behalf of clients receiving benefits under a Servicemembers' Group Life Insurance policy.

In all cases, fees for these services are negotiable at the discretion of the firm principal and services to be provided and the assessed fee will be detailed in the written engagement agreement.

Workshop Presentations

While most of the engagements are *pro bono* in nature, the firm may impose a fee for educational workshops. In the event there is a charge to workshop attendees, the fee will be published in the workshop announcement or invitation, or may be paid by the engagement sponsor. Fees for these events are typically a fixed amount paid at the time of the presentation.

Portfolio Design and Asset Management

Investment supervisory services fees may be determined by factors such as account size and other potentially unique advisory services required by the client. A tiered, annualized asset-based fee for those accounts that the firm provides its portfolio design that includes asset management services are calculated based on the reporting period end value for those assets under its management and as noted in the following table. The firm's asset management services fees are negotiable at the discretion of the firm principal.

Account Asset Value	Annualized Fee
First \$250,000	1.00%
Next \$500,000	0.75%
Next \$1,000,000	0.50%
Next \$1,750,000	0.25%

"Householding" Accounts

At its discretion, the firm may aggregate or "household" asset management accounts (including multiple accounts) for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member or incompetent person's account. Should, however, investment objectives be substantially different for any two or more household accounts requiring different investment approaches, the firm reserves the right to apply its fee schedule separately to each account.

Billing Cycle and Fee Assessments

For the convenience of the client, they may be billed either quarterly or monthly (in arrears) during each advisory billing cycle. The account's first billing cycle will occur at the end of the selected current cycle once the account is funded and investments allocated, irrespective of a partial period under the firm's management.

Fee payments will generally be assessed within three business days following each calendar billing period. For those accounts held by client's selected brokerage firm or custodian that the firm does not maintain an agreement, clients will be directly billed and fees will be due in full within 15 days of receipt of the firm's invoice.

For purposes of determining account asset value, securities and other instruments traded on a market for which actual transaction prices are publicly reported will be valued at the last reported sale price on the principal market in which they are traded.

If there are no sales on such date, then they will be determined by the mean between the *closing bid* and *asked price* on such date. Other readily-marketable securities will be valued using a pricing service or through quotations from one or more dealers. In the absence of a market value, Four Ponds Financial Planning may seek an independent third party opinion or through a good faith determination by a qualified firm associate.

The applicable asset management services fees referenced include all fees and charges for the services of the firm and its investment advisor representatives. The client will be required to authorize in writing a selected broker/dealer or custodian ("service provider") to deduct advisory fees, applicable transaction charges, etc., from client accounts and all such fees will be clearly noted on client statements.

In all instances, the client bears responsibility for verifying the accuracy of fee calculations in their invoice/statement.

Lower fees for comparable services may be available from other sources.

No-Load Products

Specific product recommendations made by the firm will usually be for "no-load" (i.e., no commission) products, if available. In some cases, such as with insurance products, there may not be a suitable selection of no-load products available for recommendation, however, neither the firm nor its associates will be paid a commission on the purchase.

Any transactional or custodial fees assessed by the selected service provider and/or individual retirement account or qualified retirement plan account termination fees are borne by the client and are as provided in the current, separate fee schedule of the selected service provider. Fees paid to the firm for its services are separate from any charges the client may pay for mutual funds, ETFs/ETNs, or other investments of this type. The firm does not receive "trailer" or SEC Rule 12b-1 fees from any investment company. Fees charged by these issuers are detailed in prospectuses or product descriptions and clients are encouraged to read these documents before investing. Four Ponds Financial Planning receives none of these described or similar fees or charges.

Termination of Services

Either party may terminate the agreement at any time, which will typically be in writing. Should the client verbally notify Four Ponds Financial Planning of the termination and, if in two business days following this notification the firm has not received notice in writing; the firm will make written notice of such termination in its records and will send its own termination notice to the client as a substitute.

A new client may terminate an agreement with the firm within five business days after the signing of the services agreement without penalty or charge. Thereafter, any prepaid, unearned fees will be promptly returned.

For asset management services accounts, following termination notice, it will remain the client or their legal representative's responsibility to ensure an immediate transfer is completed of any portfolio, account, or residual to the receiving service provider. The firm will not be responsible for future allocations, transactions, etc., upon receipt of a termination notice.

Section 3 - Performance-Based Fees and Side-By-Side Management

The firm's investment management services fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of funds of an advisory contract, also known as performance-based fees.

Four Ponds Financial Planning prohibits any affiliated entity or employee to engage in or benefit from side-by-side investment management arrangements, often reflective of managing a hedge fund or other similarly pooled fund.

Section 4 - Types of Clients

The firm provides its services to individual investors, trusts, estates, and businesses of various scale. Clients are expected to provide an adequate level of information and supporting documentation to the firm throughout the engagement. This allows the firm to determine the appropriateness of its financial planning or investment strategy for the client or their account; source of funds, or income levels, client or legal agent's authority to act on behalf of the account, among others.

Four Ponds Financial Planning does not require minimum income levels or dollar-value of assets for its services. The firm reserves the right to waive certain fees based on unique individual circumstances, special arrangements, pre-existing relationships or as otherwise may be determined by the firm principal. The firm also reserves the right to decline services to any prospective client for any reason.

Section 5 - Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis

If the firm is engaged to provide investment consultation, supervisory or management services, the client's current financial situation, needs, goals, objectives and tolerance for risk are initially evaluated. Asset allocation and investment policy decisions are made and discussed with the client to, in the adviser's best judgment, meet the client's objectives while minimizing risk exposure.

The firm employs fundamental analysis that involves using data to evaluate a security's intrinsic value. For example, fundamental analysis of a bond's value could involve evaluating economic factors including interest rates, the current state of the economy, and information about the bond issuer's credit ratings. Fundamental analysis of a stock takes into account revenues, earnings, future growth, return on equity, profit margins and other data to evaluate a company's value and its potential for future growth.

Recommendations provided are based on publicly available reports, company press releases, analysis and research materials, computerized allocation modeling programs, and various subscription services.

Investment Strategies

Four Ponds Financial Planning portfolios are generally constructed based on the principles of Modern Portfolio Theory. The result of this process is a portfolio allocation that potentially produces the highest possible return for a given level of risk. The firm will rebalance each portfolio in an attempt to maintain optimal allocation while minimizing tax exposures and trading costs. In limited circumstances and on client request, the firm may offer advice on shorter-term investment strategies.

Cost-efficient index mutual funds, ETFs, and ETNs are researched and selected for each asset class in the model allocation. Existing positions within a client account will also be evaluated and may be recommended to remain when deemed appropriate. Portfolios may also include a broader range of mutual funds and individual securities. Individual securities may include common or preferred stocks, bond debentures, U.S. Government issues, notes, commercial paper, etc. This is not an all-inclusive list.

Risk of Loss

While Four Ponds Financial Planning believes its strategies and investment selection is designed to potentially produce the highest possible return for a given level of risk, it cannot warrant or guarantee that an investment objective or planning goal will be achieved. Some investment decisions made by the firm and/or client may result in loss, which may include the original principal invested. The client must be able to bear the various risks involved in the investment of account assets, which may include market; currency, interest rate, liquidity, operational or political risk, among others.

When the firm's research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves. The firm makes every effort to determine the accuracy of the information received but it cannot foretell events or actions taken or not taken, or the validity of all information it has researched or provided which may or may not affect the advice to or investment management of a client account or financial plan.

When employing an efficient markets theory (such as Modern Portfolio Theory), an investor should consider the potential risk that their broader allocation may generate lower-than-expected returns than that from a specific asset, and that the risk on each type of asset is a deviation from the average return from the asset class. The firm believes this variance from the "expected return" is generally low if the portfolio is made up of diverse, non-correlated assets.

Investment vehicles such as ETFs have the potential to be affected by "active risk" or "tracking error risk," which might be defined as a deviation from their stated benchmark (index). Since the core of a portfolio may attempt to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a "sample index" ETF that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a holding or use a "replicate index" ETF as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

Further, while many ETFs/ETNs are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are certain asset classes or holding periods within an ETF/ETN that may not benefit. Shorter holding periods as well as certain commodities and currencies (that may be part of an ETF/ETN portfolio) may be considered “non-qualified” under certain tax code provisions, therefore, the holding’s QDI will be considered if tax-efficiency is an important aspect of the portfolio.

Although not a common practice of the firm; those accounts that require the employment of more frequent trading strategies may result in additional transactional costs or create taxable events that will be borne by the client, and potentially reducing or negating any benefit derived by shorter term investing.

Section 6 - Disciplinary Information

Neither Four Ponds Financial Planning nor any of its associated personnel have been the subject of a reportable legal or disciplinary event pursuant the Investment Advisers Act of 1940 (as amended) or similar state statute.

Section 7 - Other Financial Industry Activities and Affiliations

Neither Four Ponds Financial Planning nor its associated persons are affiliated with or maintain a material relationship or arrangement with another financial industry entity. The firm’s policies require it and its personnel to conduct business activities in a manner that avoid actual or potential conflicts of interest between the firm, employees and clients, or that may otherwise be contrary to law. The firm will provide disclosure to its client prior to and throughout the term of an engagement of any conflicts of interest which will or may reasonably compromise its impartiality or independence.

Since the firm offers its clients financial planning and investment consulting services, in addition to investment supervisory services, a potential conflict of interest may exist. Therefore, the client is under no obligation to act upon a firm recommendation. If the client elects to act on any of the firm’s recommendations, they are under no obligation to execute them through Four Ponds Financial Planning or its associates.

Four Ponds Financial Planning is a member of the Garrett Planning Network (Garrett), an organization that assists financial planners in fee-only, financial planning practices. Garrett is not, nor believed required to be, a registered financial industry participant. The firm pays an annual membership fee to Garrett for extensive services that include a host of training, compliance and operational support to enhance its ability to provide quality service and advice to the investing public. Garrett members must also adhere to ethical guidelines, and meet experiential and education requirements.

Investment adviser representatives of the firm may hold individual membership or serve on boards or committees of professional industry associations such as the National Association of Personal Financial Advisors (NAPFA), or the Certified Financial Planner Board of Standards, Inc. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements.

Section 8 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The firm has adopted a Code of Ethics that sets forth the policies of ethical conduct for all personnel and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulation but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. The firm's policies include the prohibition against insider trading, circulation of rumors, certain political contribution activities, among others.

Firm personnel that are CFP® designees also adhere to the Certified Financial Planner Board of Standards and Code of Ethics. These principles include:

Principle 1 – Integrity

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisors are placed by clients in positions of trust by clients, and the ultimate source of that trust is the advisor's personal integrity.

Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 – Objectivity

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 – Competence

Advisors will maintain the necessary knowledge and skill to provide professional services competently.

Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests.

Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Principle 5 – Confidentiality

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

Not all organizational duties are segregated; however, the firm employs policies and procedures to ensure timely, accurate record keeping and supervision. Certain functions may be outsourced to assist in these efforts when/as necessary.

All material conflicts of interest are disclosed to clients prior to and throughout the term of an engagement that will or may reasonably compromise the firm's impartiality or independence.

The firm periodically reviews and amends its Code of Ethics to ensure currency; all firm access persons are required no less than annually to attest to their understanding and adherence.

Four Ponds Financial Planning will provide a copy of its Code of Ethics to any client or prospective client upon request.

Privacy Policy

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of an engagement agreement. The firm will notify its clients annually of its privacy policy and at any time, in advance, if its privacy policy is expected to change.

Participation or Interest in Client Transactions

Neither Four Ponds Financial Planning nor any related person are authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Additionally, employees are prohibited from taking or providing a loan from a client unless it is an approved financial institution or the natural person is an immediate family member.

Personal Trading

The firm and its related persons may buy or sell securities similar to those recommended to clients for their accounts. The firm may also make recommendations or take action with respect to investments for its clients that may differ in nature or timing from recommendations made to or actions taken for other clients or its employees. However, at no time will Four Ponds Financial Planning or any related party receive preferential treatment over its clients.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading, firm policy may require the utilization of published lists that restrict or prohibit transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in any related person's account. The firm maintains the required personal securities transaction records per regulation.

Section 9 - Brokerage Practices

Four Ponds Financial Planning is not affiliated with any bank, custodian, or broker-dealer firm.

When engaged to provide investment consultation, supervisory or management services, the firm may offer to use the service provider with whom the prospective client's assets are currently maintained. Should the client prefer a new custodian, the firm will suggest the institutional services divisions of Scottrade, Inc. ("Scottrade") or *Foliofn* Investments, Inc. ("Folio"). The firm believes the selection of Scottrade or Folio as a custodian of choice is due to what the firm would describe as the investment adviser industry's "best practices;" combining the elements of low (not necessarily the lowest) transaction costs to the client for the benefit of custody of client's securities, and service to both the client and the firm in its efforts to better serve their account. Such services involve, for example, handling client distribution and withdrawals, account billing services, electronic client statements, etc. Research is also a modest consideration.

It is the firm's policy to restrict non-cash compensation (termed "soft dollars" in certain jurisdictions) to products or services that enhance its ability to render quality advice and service to all of its clients that utilize any of Scottrade or Folio's services. Although the firm may maintain a majority of its business with Scottrade or Folio, it derives no special benefit (any more than any other investment adviser) from doing so, nor does it "pay up" to receive these additional services.

Industry fees and schedules periodically change; subsequently transaction fees charged by a custodian, such as Scottrade or Folio, may be higher or lower than those charged by other service providers. The firm believes, in good faith, that rates are reasonable in relation to the value of the services received. The fees paid by firm clients will also comply with the firm's duty to obtain "best execution" (as further defined in a following paragraph).

The firm periodically conducts an assessment of Scottrade or Folio, their range of services and capabilities, as well as the reasonableness of fees, in comparison to other comparable industry providers.

Client Referrals

All compensation paid to the firm is paid directly by the client and, therefore, the firm does not receive any additional compensation when its clients engage a recommended custodian or other service provider.

Directed Brokerage

Four Ponds Financial Planning does not require or engage in directed brokerage involving its accounts. The firm recognizes its obligation in seeking "best execution" for its clients, however, it is the firm's belief that the determinative factor is not always the lowest possible cost but whether selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, the firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction.

The firm periodically reviews its policies regarding recommending service providers to clients in light of its duty to seek "best execution."

The client may direct the firm (in writing) to use another particular broker-dealer to execute some or all transactions for the client's account. In these circumstances, the client is responsible for negotiating, in advance, the terms and/or arrangements for their account with their selected broker-dealer. The firm will not be obligated to seek better execution services or prices from these other broker-dealers, or be able to aggregate client transactions for execution through other custodians with orders for other accounts managed by the firm. As a result, the client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Further, pursuant to the firm's obligation of best execution, it may decline a client's request to direct brokerage if the firm believes any directed brokerage arrangement would result in additional operational difficulties, expense, or risk for the firm.

Trade Aggregation

Transactions for each client will generally be effected independently unless the firm decides to purchase or sell the same securities for several clients at approximately the same time often termed "aggregated" or "batched" orders. The firm does not receive any additional compensation or remuneration as a result of aggregated transactions.

The firm may (but is not obligated to) aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among client accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed.

Within aggregated orders, transactions will generally be averaged as to price and allocated among the clients on a *pro rata* basis on any given day and the firm will attempt to do so in accordance with applicable industry rules. Client accounts where trade aggregation is disallowed or infeasible may be assessed higher transaction costs than those that are batched.

The firm reviews both its trade aggregation procedures and allocation processes on a periodic basis to ensure it remains within stated policies and/or regulation.

Section 10 - Review of Accounts

Periodic financial check-ups or portfolio reviews are recommended for those clients receiving incidental financial planning and consultation; and it is the client's responsibility to initiate these reviews.

Asset management services accounts are periodically reviewed throughout the year by the firm principal. Additional reviews may be triggered by news or research related to a specific holding, a change in the firm's view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector.

Accounts may also be reviewed when being considered for an additional holding or an increase in a current position. Account cash levels above that deemed appropriate for the investment environment, given the client's stated risk tolerance and objectives, may also trigger a review.

Section 11 - Client Referrals and Other Compensation

The firm does not currently engage in solicitation activities as defined by Rule 206(4)-3 of the Investment Advisers Act of 1940, or similar state statute, nor does it pay a direct or indirect fee for referrals.

As earlier stated, Four Ponds Financial Planning is a member of the Garrett Planning Network. Similar to other industry professional organizations, including those earlier noted in Section 7, an added benefit Garrett provides to the investing public is the availability of an electronic map on the Garrett website that allows interested parties (prospective clients) to search for participant firms (such as Four Ponds Financial Planning) or individual planners within a selected state. The map notes the advisers' contact information, listed in alphabetical order. This passive website list provides a means for an interested person to contact a firm or individual planner via electronic mail or telephone number so that the interested person may interview the participant firm or an individual planner. Members of the public may also choose to telephone Garrett support staff to inquire about a firm or individual planner within their area, and would receive the same information.

Prospective clients locating a firm or individual planner via any of the noted venues are not actively marketed by Garrett, NAPFA, or the CFP® Board, nor do they pay more for their services than another client who may be referred in another fashion, such as a personal referral from another adviser client.² Further, the firm does not pay these associations for these prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

Four Ponds Financial Planning also participates in a program established by Garrett and The Motley Fool (www.fool.com) that identifies fee-only financial planners that members of The Motley Fool community may be interested in engaging. Although this program is informational only, the firm has chosen to opt-in to generate additional prospects for its financial planning business. Should a fee be paid to The Motley Fool, it would be a flat monthly rate and assessed regardless of whether leads are generated or interested parties become clients. The firm does not believe this arrangement is a "solicitor" relationship but feels the relationship between parties is important to be disclosed to its clients or

² *The firm believes this arrangement is in consonance with SEC No-Action Letter No. 1251421 (January 25, 2002) in its response to the National Football League Players Association.*

prospective clients. Clients referred to Four Ponds Financial Planning by The Motley Fool do not pay more for services than clients who learn about the firm from other referral sources.

Section 12 - Custody

Client funds and securities will be maintained by unaffiliated, qualified custodians (such as Scottrade or Folio); banks, broker-dealers, mutual fund company, or transfer agent and not with or by Four Ponds Financial Planning or any of its associates.

The firm will not accept or forward client securities (i.e., stock certificates) erroneously delivered to the firm.

At no time will a firm employee be authorized to have knowledge of a client's account access information (i.e., online 401(k), personal brokerage, or bank accounts), even for the "accommodation" of the client or their legal agent.

Firm policies restrict the firm and its associated persons from acting as trustee for or having full power of attorney over a client account.

Firm fees for any single account will not be collected for services to be performed more than six months in advance.

Clients will be provided transaction confirmations and summary account statements sent directly from their selected service provider; not through or Four Ponds Financial Planning. Typically, these statements are provided on a monthly or quarterly basis, and as transactions occur. Clients are reminded to inform the firm, at its main office, if they do not receive these statements in a timely fashion. For those accounts that elect to receive electronic statements from the selected service provider, they must ensure they maintain a current electronic mail address with the service provider.

Clients may receive periodic reports from Four Ponds Financial Planning that may summarize account performance. They are urged to compare their account statements received from the assigned service provider with those performance reports they receive from the firm for accuracy.

Section 13 - Investment Discretion

The firm provides asset management services to its clients via a non-discretionary account agreement. Therefore, before the firm is able to implement an investment decision on behalf of an account, such as a purchase or sale of a security, the client must grant the firm the authority to do so. Asset management services clients must make themselves available and keep the firm apprised of their current contact information so that transaction instructions can be efficiently effected on their behalf.

By definition and absent client written instruction to the contrary, non-discretionary account transactions do not involve those with respect to a trade execution's price or time. Further, all account restrictions, limitations, and rescissions will be made in writing by the client and approved in writing by a firm principal. A record will be made and retained per regulation for each of these actions.

Section 14 - Voting Client Securities

Proxy Voting

The firm does not vote client proxies. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the client's investment assets.

Other Corporate Actions

The firm will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

Firm's Receipt of Materials

If the firm receives correspondence for a client relating to the voting of their securities, class action litigation, or other corporate actions, it will typically forward the correspondence to the client or another entity (i.e., client counsel, etc.) if so directed.

Section 15 - Financial Information

Due to the nature of the firm's services, an audited balance sheet is not required nor included in this disclosure. No further material financial information is provided.

Part 2B: Brochure Supplement (Advisory Personnel)

Managing Member/Firm Principal/Data Security Officer/Investment Adviser Representative

David J. McPherson, CFP®

Educational Background and Business Experience

Education: BA - Political Science; Stonehill College (1987)
Certificate in Financial Planning; Boston University (2005)
Certified Financial Planner™ (CFP®)¹ (2010)
NASAA State Investment Adviser Law (Series 65) Exam (2006)

Experience: **Four Ponds Financial Planning, LLC**; Falmouth, MA
Managing Member/Principal
1/2007 to Present

ABCNews.com Personal Finance Columnist
10/2007 to 10/2010

The Providence Journal; Providence, RI
Deputy Business Editor - 7/2002 to 1/2007
Online Reporter/Producer – 11/2000 to 7/2002

Cape Cod Times; Hyannis, MA
Reporter and Bureau Chief
12/1991 to 11/2000

Disciplinary Information

None

Other Business Activities

Mr. McPherson is an active member of NAPFA and the Certified Financial Planning Board of Standards, Inc. He is also engaged in freelance writing and editing on business and financial topics for business clients, newspapers, magazines, web sites and other publications of general circulation.

Additional Compensation

The firm prohibits employees from accepting or receiving additional economic benefit, such as sales award or other prizes, for providing advisory services to its clients.

Supervision

Mr. McPherson serves in multiple capacities with the firm; such as Managing Member, Firm Principal, Data Security Officer and Investment Adviser Representative. The firm recognizes that not having all organizational duties segregated may potentially create a conflict of interest; however, the firm employs

policies and procedures to ensure timely, accurate record keeping and supervision. Certain functions may be outsourced to assist in these efforts when or as necessary. Questions relative to the firm, staff, its services, or this ADV Part 2 may be made to the attention of Mr. McPherson at (508) 403-0395.

Additional information about the firm, other advisory firms, or associated investment adviser representatives is available on the Internet at www.adviserinfo.sec.gov. A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for Four Ponds Financial Planning LLC is 142683.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Massachusetts Securities Division at (617) 727-3548.

¹The 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.