

Form ADV Part 2A | Brochure

March 30, 2016

Liberty Financial Planning, Inc.

Registered Investment Adviser

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Canton, MI 48187
Office: 734-844-8770
www.LibertyFinancialPlanning.com

This brochure provides information about the qualifications and business practices of Liberty Financial Planning, Inc. ("Liberty" or "firm"). If you have any questions about the contents of this brochure, please contact us at 734-844-8770. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. While Liberty and its personnel are registered with the State of Michigan, it does not imply a certain level of skill or training on the part of the firm or its personnel.

Additional information about Liberty is available on the SEC's website www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using Liberty's IARD/CRD number, **115024**. The SEC's web site also provides information about any persons affiliated with Liberty who are registered, or are required to be registered, as investment adviser representatives of the firm.

Material Changes

This item outlines specific material changes made to the brochure since the last update and provides clients with a summary of those changes.

The last annual update of our brochure was March 31, 2014.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Our brochure may be requested by contacting Steve Braun, president of Liberty, by phone at 734-844-8770 or by email stevebraun@libertyfinancialplanning.com. It is also available free of charge on our web site www.LibertyFinancialPlanning.com.

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Specific Material Changes

- Page 6 – Eliminate assets under management because it is not applicable based upon regulatory guidance defining “continuous and regular supervisory or management services” for securities portfolios.

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Advisory Business

General Description

Liberty Financial Planning, Inc. (“Liberty” or “firm”) is a Michigan corporation in business since 2001 and is a Registered Investment Adviser with the State of Michigan. Stephen D. Braun (IARD/CRD number 4531142) is 100% owner of Liberty. There are no indirect owners of Liberty or intermediaries who have any ownership interest in the firm. Liberty is not affiliated with any national firm, franchise, or broker/dealer so that we can avoid conflicts of interest to the greatest extent possible. We work for our clients, not someone else.

Liberty is an independent financial planning firm that specializes in providing objective financial planning and financial management services to individuals and families on a fee-only basis. All fees are charged at an hourly rate or set at a fixed amount depending on the engagement and the client’s needs.

The cornerstone of our business is trust. To remain objective and avoid conflicts of interest, Liberty does not sell any financial, legal, or insurance products, and we do not charge asset management fees on a percentage basis. Furthermore, Liberty is not compensated by any third-party that we may recommend or to whom we may refer clients. For example, if we refer a client to an attorney for estate planning work there is no compensation back to Liberty or its representatives for the referral.

Liberty’s services are tailored to the needs of each client. This is accomplished by meeting with a representative of our firm for an initial consultation at no cost or obligation. In that meeting we explore the prospective client’s current situation, financial issues or concerns, and financial planning goals. Based on that information we work together to determine which of Liberty’s services are appropriate, define the scope of the proposed engagement, and agree upon the cost of Liberty’s services. Then each prospective client must decide whether or not to engage any or all of Liberty’s proposed services.

Prior to engaging Liberty’s services, clients are required to enter into one or more written agreements setting forth the terms and conditions under which Liberty will render its services. This is required by the State of Michigan and is intended as a consumer protection.

Liberty gathers required information through a Client Questionnaire completed by the client, in-depth personal interviews, and other verbal, written, or electronic information the client provides, including relevant personal and financial supporting documents (i.e., account statements, tax returns, insurance policies, etc.). The completeness, accuracy, and timeliness of this required information is critical to Liberty’s work and ability to deliver the agreed upon services.

Once Liberty has completed its work, the client retains absolute discretion over and responsibility for all implementation and investment decisions and is free to accept or reject any of Liberty’s recommendations. Liberty may recommend the services of other professionals to implement its recommendations. The client is under no obligation to act upon any of the recommendations made by Liberty or engage the services of any such recommended professional. With investments this means the client retains full control over all investment accounts since Liberty does not take possession or custody of client funds and does not possess any grant of discretionary power over the client’s accounts. The client is always in control and has the final say and responsibility for implementing any recommendations.

Liberty’s financial planning services, financial management services, and associated fees are described in greater detail on the following pages.

Financial Planning Services

Liberty may provide advice to clients through Financial Planning Services. Clients purchasing this service will receive a written, detailed financial plan (the "Plan") designed to help them achieve their stated financial goals and objectives. In general, the financial plan will address any or all of the following areas of concern:

- **Emergency** – Strategies to build and maintain an adequate emergency fund account to meet cash needs in a time of crisis.
- **Retirement** – Strategies and investment plans to help clients achieve retirement goals.
- **Education** – Strategies and investment plans to help clients achieve education goals.
- **Investments** – Strategies, investment plans, investment alternatives, and detailed investment recommendations for client portfolios to meet the client's financial goals. The client may impose restrictions on certain securities or types of securities that Liberty considers or recommends. For example, the client may wish to avoid a particular stock (i.e., "no Ford stock") or perhaps an entire category of securities (i.e., "no automotive stocks," or "no individual stocks," or "no technology mutual funds," etc.).
- **Taxes** – Income tax planning for current and future years. Liberty may illustrate the impact of various types of investments on current and future income tax liability.
- **Death and Disability** – Cash needs at death, income needs of surviving dependents, estate planning, and disability income needs of the client.
- **Household** – Financial goals, cash flow, net worth, debt management, and personal liability.

Liberty charges an hourly fee of \$180 for these services. Further details about Liberty's hourly fee can be found under the Fees and Compensation section of this brochure.

Liberty provides support to the client through scheduled annual reviews of the Plan, ongoing proactive Financial Management Services (see next heading), or on an as needed basis at the client's request. Additional fees apply for these services at an hourly rate or fixed amount.

Financial Management Services

Liberty may provide its clients with a broad range of Financial Management Services, which may include tax and other non-investment related matters, based on the client's Plan completed by Liberty. In general, the Financial Management Services may address any or all of the following areas:

- Manage and assist with Plan implementation issues as needed.
- Provide proactive intermittent investment management advice for the Plan's investment portfolios as market conditions or the client's situation warrant, or in response to client requests.
- Prepare periodic reviews and reports on the Plan's investment portfolios and make recommendations for any changes or rebalancing.
- Prepare an annual review of the Plan's investment portfolios and make recommendations for any changes or rebalancing. If applicable, the annual review may also include a report on the client's progress toward Plan investment targets found in certain sections of the Plan.
- Review and update applicable Plan sections or scenarios annually as needed.
- Review and update specific sections or scenarios in the Plan during the year due to significant changes in the client's situation.
- Seek to minimize taxes by reviewing investment income and capital gains exposure in any taxable investment accounts, selecting tax-efficient investments, taking advantage of tax-loss harvesting, and timing any realized capital gains.
- Provide advice for allocating investment capital optimally among taxable, tax-deferred, and tax-exempt account options, including any employer-sponsored retirement plan contribution opportunities and applicable employer matching or defined contributions.
- Provide tax planning advice in response to or in anticipation of changes in the client's situation or the tax code based on completed personal tax returns and related schedules filed in each applicable jurisdiction by Liberty.

Liberty charges a fixed fee annual retainer for these services. Further details about Liberty's fixed fee annual retainer can be found under the Fees and Compensation section of this brochure.

In managing client investments under these services, Liberty will not take custody of any client assets or possess any grant of discretionary power over client accounts. The client, not Liberty, is not responsible for arranging or effecting the purchase or sale of securities. The client retains absolute discretion over all investment and implementation decisions and is free to accept or reject any of Liberty's recommendations. Clients may impose restrictions on specific securities or types of securities considered or recommended under these services. For example, the client may wish to avoid a particular stock (i.e., "no Ford stock") or perhaps an entire category of securities (i.e., "no automotive stocks," or "no individual stocks," or "no technology mutual funds," etc.).

Fees and Compensation

The only compensation Liberty receives is directly from clients as described below.

Financial Planning Services

Liberty charges an hourly rate of \$180 for its Financial Planning Services. This rate is not negotiable.

New financial planning clients are provided with a fee estimate in the services agreement required for each client engagement. One-half of the estimated total fee is due upon execution of the services agreement and the balance is due upon completion of the client's financial plan. Additional authorized work beyond the initial financial plan, including any plan reviews or updates, is billed to the client at Liberty's applicable hourly rate at the time of service. Payment is accepted by cash, paper check, or electronic check only.

Financial Management Services

Liberty charges a fixed fee annual retainer for its Financial Management Services. The fee ranges between \$100 and \$10,000 and is based on the nature and complexity of each client's circumstances. The fee is negotiable and determined upon mutual agreement with the client.

Generally, the fixed fee annual retainer covers a one year period and is paid in equal monthly installments during that time. Payment is preferred by electronic check on the 1st or 15th day of each month but can also be made by paper check or cash.

Additional Fee and Compensation Information

The following applies to Liberty's Financial Planning and Financial Management services.

If any engagement is terminated prior to its completion, the client will receive a prompt refund of any unearned prepaid fees. The refund amount is the prepaid fee less any earned fee as determined by the hours of work completed before the date of termination. However, engagements terminated within 5 days subsequent to executing the financial planning services agreement will receive a full refund of all paid fees.

Liberty does not collect fees more than six months in advance of services and in excess of \$500.

Clients that follow Liberty's investment advice may also incur separate fees and expenses that are charged by mutual funds or exchange traded funds. We recommend that clients review each investment prospectus for a complete explanation of these fees and expenses. In addition, clients may incur separate transaction costs or administration fees from brokerage firms. We recommend that clients obtain a complete schedule of fees from their brokerage firms. Liberty does not receive any portion of these other fees and does not receive commissions or third-party payments of any kind.

Performance-Based Fees & Side-by-Side Management

None

Liberty does charge performance-based fees (i.e., fees based on a share of capital gains on or capital appreciation of client assets) or engage in side-by-side management.

Types of Clients

Liberty serves individuals and families who want financial peace of mind so they can focus on more important aspects of life – their families, careers, and other interests.

Liberty's clients come from all walks of life and diverse economic situations, from single parents making ends meet to high net worth families. There are no minimum revenue or account requirements.

At Liberty, however, clients are not just an occupation or a demographic profile – they are valued as people with dreams and goals to accomplish. It's our job to help them get it done. Clients are our priority!

Methods of Analysis, Investment Strategies and Risk of Loss

Liberty's investment recommendations consist of determining an appropriate investment asset allocation mix for client accounts and total investment portfolios. This is based on an analysis of the client's:

- specific investment goals,
- need, or lack thereof, to take risks to meet investment goals,
- amount of time to be invested,
- stage of life,
- an assessment of risk capacity,
- results of a risk tolerance questionnaire Liberty provides, and
- past behavior during volatile markets.

After calculating the appropriate percentages for each asset class, Liberty then provides specific recommendations on the exact allocation of securities within each client account to achieve the overall target asset allocation of the investment portfolio.

Liberty primarily recommends that clients invest in mutual funds and exchange traded funds, using low-cost index funds whenever possible. This helps us manage client risk, maintain appropriate asset allocations, and keep investment costs low. Liberty does not usually recommend buying individual securities, such as stocks or bonds, but does take existing positions into account when giving investment advice.

Liberty believes in a strategic buy, hold, and periodically rebalance investment strategy and generally recommends clients take this same approach. The emphasis is on managing client risk while seeking to achieve the appropriate long-term market return. Following this strategy does not mean that investment changes are never warranted but rather that the primary driver of all investment decisions should be rooted in the client's goals and proper analysis – not in short-term market fluctuations that appeal to fear or greed. At the very least, we typically recommend that client portfolios be reviewed and rebalanced annually.

Liberty strives to provide clients with the highest possible return for a given level of risk, but we cannot guarantee that any clients will achieve a certain level of return or meet their investment objectives. Client investments, including the original principal, may lose value when following the firm's recommendations. Investing in any security involves risks, including general market risk, liquidity risk, interest rate risk, currency risk, and political risk, among others. This is true of the mutual funds and exchange traded funds Liberty typically recommends. Investing in index funds, in particular, includes the risk of tracking error, which is defined as the index fund's deviation from its stated benchmark. We encourage all clients to read each investment's prospectus, if applicable, prior to investing for a discussion of the particular risks.

Disciplinary Information

None

Liberty and its management are not, and have not been, the subject of any legal or disciplinary actions by any court, federal or state regulatory agency (i.e., Securities & Exchange Commission, Michigan Office of Financial and Insurance Regulation, etc.), or industry self-regulatory organization (i.e., Financial Industry Regulatory Authority).

Other Financial Industry Activities and Affiliations

None

Liberty and its management do not engage in other financial industry activities (i.e., being registered as a broker-dealer or as a registered representative of a broker-dealer, etc.). Furthermore, Liberty and its management do not have any relationship or arrangements with other organizations or individuals that would create a conflict of interest between Liberty and its clients.

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

As a fiduciary, Liberty has a duty to act solely in the best interest of each client and with the utmost integrity. Our fiduciary duty is a core aspect of our code of ethics. Liberty will act in an ethical and professionally responsible manner in all of its services and activities. We follow these core principles:

- **Integrity** – Provide professional services with integrity.
- **Objectivity** – Be objective in providing professional services to clients.
- **Competence** – Serve clients competently and maintain the necessary knowledge and skills to continue doing so.
- **Fairness** – Perform services in a professional manner that is fair and reasonable to clients, owners, and employees, and disclose conflicts of interest whenever applicable.
- **Confidentiality** – Keep client information confidential and do not disclose anything without the specific consent of the client, unless required by law or proper legal process.
- **Professionalism** – Reflect credit on the financial planning profession in all matters of conduct.
- **Diligence** – Act diligently in providing professional services.

Liberty or related persons may buy or sell securities identical to, or different than, those recommended to clients for their personal accounts. In addition, any related persons may have an interest or position in a certain security which may also be recommended to a client.

As these situations represent a potential conflict of interest, Liberty has established the following restrictions in order to ensure its fiduciary responsibilities:

- It is the expressed policy of Liberty that no person employed by Liberty may purchase or sell any security prior to a transaction being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions recommended to clients.
- A director, officer or employee of Liberty shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Liberty shall prefer his or her own interest to that of the client.
- Liberty maintains a list of all securities holdings for itself, and anyone associated with the firm with access to advisory recommendations. These holdings are reviewed on a regular basis by Steve Braun, President and Director of Liberty.
- Liberty emphasizes the unrestricted right of the client to decline to implement any advice rendered. Furthermore, the client is in full control of the timing of all trades, investments, or divestments of securities in the client's accounts.
- Liberty requires that all individuals associated with the firm must act in accordance with all applicable federal and state regulations governing registered investment adviser practices.
- Any employee with the firm not in observance of the above may be subject to termination.

The foregoing policies and procedures are not applicable to transactions in securities that are direct obligations of the government of the United States, bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, or shares issued by open-end registered investment companies (i.e., mutual funds) where the activities of individuals associated with Liberty cannot appreciably impact the markets of such securities.

Finally, Liberty does not recommend that clients invest in any security in which the firm or related persons have a material financial interest. Liberty or individuals associated with the firm do not buy securities from, sell securities to, loan money to, or borrow money from clients.

Brokerage Practices

Clients are required to select their own broker-dealers, insurance companies, and attorneys for the implementation of Liberty's financial planning recommendations. With respect to broker-dealers, Liberty may recommend any one of several brokers. The factors considered by Liberty when making brokerage recommendations are:

- the broker's ability to provide professional services,
- the broker's financial strength,
- the broker's reputation,
- the broker's costs and fees, and
- Liberty's experience with the broker, among other factors.

In short, Liberty's recommendation will be based solely on what we think is in the client's best interest. Clients may, however, use any broker-dealer of their choice. Each client is responsible to independently evaluate any recommended broker before opening an account.

Review of Accounts

Financial Planning Services

Liberty does not provide continuous monitoring of client plans or investment accounts under the firm's Financial Planning Services. Annual reviews of client plans and the associated investments are highly recommended but not required. Clients may initiate a review, plan updates, or request additional work at any time on an "as needed" basis as they deem appropriate. All reviews are conducted by investment adviser representatives of the firm. It is up to each client to determine whether to engage Liberty's services for plan reviews or updates.

Financial Management Services

Liberty's Financial Planning Services clients may engage Liberty to provide ongoing Financial Management Services. These services typically involve providing financial plan and investment account reviews or advice on an intermittent or periodic basis (monthly, quarterly, semi-annually, or annually) according to the client's needs. Such reviews may be initiated by Liberty or the client on an "as needed" basis at any time whenever economic, market, or client circumstances dictate. All financial plan and investment account reviews are conducted by investment adviser representatives of the firm.

Clients are encouraged to discuss their needs, goals, and objectives with Liberty and to keep the firm informed of any changes. Nevertheless, Liberty contacts its Financial Management Services clients at least annually to review its services, recommendations, and to discuss the impact resulting from any changes in the client's financial situation and investment objectives.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients to whom the firm provides ongoing Financial Management Services may also receive a written summary report from Liberty that may include an inventory of account holdings, current and historical balances, and changes in values on a periodic basis (monthly, quarterly, semi-annually, or annually).

Client Referrals and Other Compensation

None

Liberty and its management are not compensated nor do we compensate others for client referrals.

Custody

None

Liberty does not take custody of client assets. Liberty cannot arrange or effect the purchase or sale of securities.

Investment Discretion

None

Liberty does not provide discretionary investment management services and will not possess any grant of discretionary power over client accounts.

Voting Client Securities

None

Liberty does not have authority to vote on issues related to client securities. Clients receive proxies and other solicitations directly from the custodian or transfer agent for their investments. Clients may contact Liberty at 734-844-8770 with questions about particular proxies or solicitations they receive. Ultimately, however, clients are responsible for directing how proxies are voted on their behalf.

Financial Information

Not Required

Due to the nature of Liberty's services, we are not required to provide an audited balance sheet in this disclosure document. We do not have any financial conditions that require further disclosure.

Requirement for State-Registered Advisers

Please see the Brochure Supplement below for information about our executive officers and management persons.

Form ADV Part 2B | Brochure Supplement

March 31, 2014

Stephen D. Braun

Investment Adviser Representative

Founder & President, Liberty Financial Planning

Liberty Financial Planning, Inc.

Registered Investment Adviser

1770 Walnut Ridge Circle

Canton, MI 48187

Office: 734-844-8770

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This brochure supplement provides information about Steve Braun that supplements the Liberty Financial Planning, Inc. ("Liberty" or "firm") brochure. You should have received a copy of that brochure. Please contact us at 734-844-8770 if you did not receive Liberty's brochure or if you have any questions about the contents of this supplement.

Additional information about Steve Braun is available on the SEC's website www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Representative (IAR)" using Steve's IARD/CRD number, **4531142**.

Educational Background and Business Experience

Name: Stephen Douglas Braun

Year of Birth: 1962

Educational Background:

- University of Michigan Ross School of Business, MBA in Finance and Marketing, with Honors (1993)
- University of Michigan, BA in Communications (1985)

Business Experience:

- Founder & President, Liberty Financial Planning, Inc. (2001 – present)
- Member, Liberty Family Resources, LLC (2001 – present)
- Senior Business Consultant, Commerce One, (2000 – 2001)
- Ecommerce Manager, Chrysler Financial Services, (1999 – 2000)
- Financial Analyst, Strategic Planning Analyst, and Ecommerce Manager, GMAC (1993 – 1999)
- Account Manager and Pricing Auditor, Con-Way Central Express, (1986 – 1993)

Disciplinary Information

None

Steve Braun is not, and has not been, the subject of any legal or disciplinary actions by any court, federal or state regulatory agency (i.e., Securities & Exchange Commission, Michigan Office of Financial and Insurance Regulation, etc.), or industry self-regulatory organization (i.e., Financial Industry Regulatory Authority).

Other Business Activities

None

Steve Braun is not engaged in any other investment-related business activities. Furthermore, Steve Braun does not spend a substantial amount of time or earn a substantial amount of his compensation from any other business activities.

Additional Compensation

None

Steve Braun does not accept or receive additional economic benefits, including sales awards or prizes, for providing advisory services to clients.

Supervision

Steve Braun, President of Liberty Financial Planning, Inc.

Steve Braun is solely responsible for the advice given to clients by Liberty Financial Planning, Inc. He may be reached at 734-844-8770 or at the address provided on the cover page of this Brochure Supplement.

Requirements for State-Registered Advisers

Steve Braun has not been involved in an arbitration claim, civil proceeding, self-regulatory organization proceeding, administrative proceeding, or bankruptcy petition.