

Form ADV Part 2A
Investment Advisor Brochure
Financial Planning Services, Inc.

Cover Page

Name of Registered Investment Advisor	Financial Planning Services, Inc.
Address	185 Wind Chime Ct. #203, Raleigh, NC 27615 2541 Mariners Way, Southport, NC 28461
Phone Number	919-676-2806
Website Address	Askholly.com
E-mail Address	hollyknick@gmail.com
Date of Brochure as Last Revised	January 10, 2017

This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. 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. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

The purpose of this section is to discuss only material changes since the last annual update of Financial Planning Services, Inc. Investment Advisor Brochure. The date of the last annual update was March 28, 2016.

Summary of Material Changes:

Clarification concerning wrap fee programs: Registrant does not and has never participated in a wrap fee program.

Arbitration clause has been removed.

Delivery:

Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

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Advisory Business

Advisory Firm

Financial Planning Services, Inc. has been providing investment advisory services since 1989. Holly K Nicholson is the founder and President and has been in the financial services industry since 1989.

Advisory Services

Financial Planning Services, Inc. provides personalized/confidential financial planning and investment management services. Types of clients include individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. 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, portfolio development, portfolio analysis, education funding plans, retirement planning and estate planning.

As of 12/31/2016, Financial Planning Services, Inc. has \$99.3 million of assets under management on a discretionary basis, and \$0 of assets under a non-discretionary basis.

Services are based on the individual needs of the client. An initial interview and data gathering meeting is undertaken to determine the client's financial situation and investment objectives. If money management services are requested, the client may impose reasonable restrictions on the management of the account. Clients have the ability to leave standing instructions with the IA Rep to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities. It is the client's responsibility to notify the IA Rep at any time there are changes. Clients may call in at any time during normal business hours to discuss directly with the IA Rep about the client's account, financial situation, or investment needs. Clients will receive from the custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program. In addition to custodial statements, Financial Planning Services, Inc. sends quarterly reports to the client.

Financial Planning Services, Inc. may provide Financial Plans consistent with the individual client's financial and tax status and risk/reward objectives. Planning may be comprehensive or segmented and focus on investments, insurance, taxes, educational funding and/or estate plans.

Financial Planning Services, Inc. may provide financial and general investment advice on an hourly basis.

Fees and Compensation

The specific manner in which fees are charged by Financial Planning Services, Inc. (FPS) is established in a client's written agreement with FPS. FPS is a fee-only firm. FPS bases its fee on a percentage of assets under management, hourly charges and fixed fees. In most cases, fees are not negotiable.

The following agreements define the typical client relationships and associated fees:

On-going Investment Management/Advisory Services Fees:

Many clients choose to have FPS manage their assets in order to obtain on-going in-depth advice and life planning.

FPS will generally bill its investment management fees on a quarterly basis in arrears each calendar quarter. Clients shall authorize FPS to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with exception to de minimis contributions and withdrawals. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement at any time but the first \$2,000 of the annual advisory fee is not refundable due to the time and effort involved in transferring accounts, developing and implementing a portfolio. FPS may terminate the investment advisory relationship by sending written notification to the client.

FPS fees are exclusive of transaction fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment firms and other third parties such as fees charged by managers, custodial fees, trade away fees, transfer taxes, wire transfer and electronic fund fees, other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees which are disclosed in a fund's prospectus.

Fees for the asset management program are computed at an annualized percentage of assets under management on a sliding scale.

<u>Client Assets</u>	<u>Annual %</u>
On the first \$ 250,000	1.00%
On the next \$250,000	0.85%
On the next \$500,000	0.75%
On the next \$1 million	0.50%
On the next \$3 million	0.40%
On all amounts in excess of \$5 million	negotiable

An invoice will be sent to the client at the same time the billing statement is sent to the custodian.

Fees are not collected for services to be performed more than six months in advance.

Advisory services similar to those offered by this advisor, may be found elsewhere at the same, higher or lower rates.

Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning without on-going investment management after the financial plan is completed.

The financial plan may include but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations' a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; educational planning and funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is \$2,500 to \$15,000 and is negotiable depending on the scope of the work. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work to be performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face or telephone meetings may be scheduled as necessary for up to one month. Follow-up implementation work is billed separately at the rate of \$250 per hour.

Portfolio Review & Analysis

Fees for portfolio development and analysis are based on the fair market value of the investments being reviewed. Accounts less than \$250,000 in value will be charged a flat fee of \$1,250. Accounts valued at \$250,000 and over will be charged 50% of the annual fee per the investment advisory fee schedule above. A portion of this fee may be applied toward the management fee if the client hires FPS to manage the account

Retainer Agreement

In some circumstances, a Retainer Agreement is executed in lieu of an advisory services agreement when it is more appropriate to work on a fixed-fee basis. The minimum annual fee for this agreement is \$2,000 and is not negotiable.

Hourly Planning Engagements/Consultations

FPS may provide hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$250 with a one hour minimum.

Termination of Agreement

A client may terminate any of the aforementioned agreement at any time by notifying FPS in writing and paying the rate for the time spent prior to notification of termination. If the client made an advance payment, FPS will refund any unearned portion of the advance payment.

FPS may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, FPS will refund any unearned portion of the advance payment.

Performance Based Fees and Side-by-Side Management

FPS does not charge performance-based fees, which is based on capital gains in the client account.

Types of Clients and Account Minimums

FPS provides advisory services to individuals, pension and profit sharing plans and other ERISA accounts, trusts, estates, and business entities.

Generally the minimum account size for on-going money management is \$400,000, subject to a minimum annual fee of \$3,775. Smaller accounts may be grandfathered and pay less than the minimum fee based on the percentage rate shown on the standard fee schedule. In no case will a fee exceed 1% per year.

There is no minimum account size for clients retaining financial planning services but there is a one hour minimum for these services.

Methods of Analysis, Investment Strategies, and Risk of Loss

Analysis utilized includes charting, fundamental, technical, and cyclical.

FPS uses asset allocation strategies for portfolio management.

By its nature, financial planning looks to the long-term. After the client's short-term cash needs and emergency fund is evaluated, investment and insurance strategies are designed to help the client achieve his or her financial goals. Casualty insurance (e.g. homeowner's, auto, liability, etc.) is reviewed only at the client's request, and is limited in nature.

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

FPS is disclosing those risks and opportunities for our investment strategy or for particular types of securities used.

- Debt securities are subject to interest rate risk...
- High yield securities are corporate debt securities rated below investment grade...
- Timing the markets has its own set of risks and we may act on trends but asset allocation is the primary strategy for managing risk.
- There are tax consequences for short-term trading wherein capital gains are taxed as ordinary income.
- Our investment style is a diversified approach...
- Auction Rate Securities are floating rate debt securities (long-term variable-rate corporate or municipal bonds) tied to short-term interest rates. ARS have a long-term nominal maturity with interest rates reset through an auction process ("Dutch auction")...
- Structured products are a basket of investments that combine the upside potential of equity with the downside protections of fixed income. Structured products are complex and difficult for the

average investor to understand. Structured products are used if loss of principal is of a concern and there is potential upside.

Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. FPA does not have any disclosure items.

Other Financial Industry Activities and Affiliations

FPS has arrangements that are material to its advisory services. Client accounts are held at either TD Ameritrade or Charles Schwab. No material conflict of interest is created from this relationship.

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

Code of Ethics

FPS maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

Participation or Interest in Client Transactions

FPS 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 FPS Compliance Manual.

Personal Trading

The Chief Compliance Officer of FPS is Holly K Nicholson. She reviews all employee trades each quarter. Her trades are reviewed by herself. 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 or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selection or Recommendation of Broker/Dealers

For on-going money management it is recommended, that trades and custody of assets are maintained through a discount broker. The services of Charles Schwab and TD Ameritrade are recommended. The selection is made on the discount rates and execution services available to the client. Clients may pay transaction fees to the discount brokerages for the purchase of "no-load" funds. Charles Schwab and TD Ameritrade provide the clients with consolidated statements and access to their accounts on-line.

FPS is not affiliated with Charles Schwab or TD Ameritrade or any product sales firms. IA Reps of our firm are not registered representatives of Charles Schwab or TD Ameritrade and do not receive any commissions or fees from recommending these services.

Soft Dollar Practices

FPS may receive compensation from a brokerage firm in the form of research, products or services (“soft dollars”). FPS receives a soft dollar maintenance credit from Charles Schwab of about \$300 per year because some client assets are held in custody there. The credit offsets annual maintenance fees for our portfolio management software. All clients benefit from this credit as it slightly reduces the firm's overall expenses. The selection of Charles Schwab as a custodian for clients is not affected by this nominal credit.

Best Execution

FPS understands its duty for best execution and considers all factors in making recommendations to clients. FPS reviews the execution of all trades at each custodian each quarter. The review is documented in the FPS compliance manual. Trading fees charged by the custodians are also reviewed on a quarterly basis. FPS does not receive any portion of the trading fees.

Client Referrals From Brokers

FPS receives no referrals from any broker/dealer.

Trade Aggregation

While individual client advice is provided each account, if applicable, client trades may be executed as a block trade. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and the Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account. The Advisor and/or its IA Reps may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

Most trades are mutual funds or exchange-traded funds and trade aggregation does not garner any client benefit; therefore trade aggregation is rarely used.

Review of Accounts and Reports on Accounts

Reviews

On-going money management accounts are reviewed at a minimum of once per quarter. Market conditions that might cause a wide variance in the specified asset allocation, or other factors could cause a more frequent review.

Reports

All clients receive standard account statements from the brokerage firms. FPS on-going money management clients receive a written quarterly performance report.

Client Referrals & Other Compensation

Referral Fees Paid

FPS has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, tax professionals and other similar sources. FPS does not compensate anyone for client referrals.

Referral Fees Received

FPS does not exercise agreements with other Registered Investment Advisors. FPS may refer a client to other professionals. The client is under no obligation to use the services of the other professionals recommended. FPS does not accept referral fees or any form of remuneration from other professionals when a prospect or a client is referred to them.

FPS does not participate in a "wrap fee" program.

Sales Awards

None - no products are sold.

Custody

Although client assets are held at a third-party independent custodian, FPS is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement. Except for this fee deduction, we do not have authority to withdraw funds out of client accounts.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against statements prepared by FPS for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

FPS does not physically custody any client assets.

Investment Discretion

FPS maintains full discretion under a limited power of attorney as to the securities and amount of securities.

FPS will not have authority to withdraw funds or to take custody of client funds or securities, other than under the terms of the Fee Payment Authorization clause in the Agreement with the client.

FPS does not have the ability to discount brokerage commissions.

The client will designate the broker/dealer to be used for trading and custodial services. FPS may “trade away” for bond transactions in order to seek best execution. The bonds will be custodied at the broker/dealer designated by the client under a prime brokerage arrangement.

Voting Client Securities

FPS has the authority to vote proxies, if the client specifically directs. If voting authority is granted, clients may contact us directly at the phone number or address listed on the first page of this document to obtain information on how FPS voted on behalf of the client. FPS votes proxies in the best economic interest of the client, and not in the interest of our firm. While it is unlikely that we will have a material conflict when voting client proxies, a conflict could arise from time to time. We can resolve such conflicts to include but not limited to: Documenting that votes were cast in the interest of the client; Informing the client to obtain objective third party advice; Obtaining client's informed consent to vote a proxy in a specific manner. When seeking a client's consent, we will provide the client with sufficient information regarding the matter and the nature of the conflict to enable the client to make an informed decision. There may be times when refraining from voting a proxy is in the client's best interest, such as when the cost of voting exceeds the expected benefit to the client. Clients may request a complete copy of our proxy voting policy. In most cases, FPS's proxy voting policy is to vote with the board of directors.

Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. FPS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

FPS does not serve as custodian for client funds and does not require prepayment of fees of more than \$500 per client or more than six months in advance for any services.

FPS maintains a minimum account balance of \$10,000 at all times in lieu of a surety bond.

Requirements for State Registered Advisors

Business Continuity Plan

General

FPS 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.

Disasters

The plan covers natural disasters such as snow storms, hurricanes, tornadoes and flooding. The plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, internet outage etc.. Electronic files are backed up daily and archived offsite.

Alternate Office

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

Loss of Key Personnel

FPS has an agreement with another financial advisory firm to support FPS in the event Holly K Nicholson's serious disability or death.

Information Security Program

FPS maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

FPS 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 it is needed for the financial planning process, information about transactions between you and third parties and information from consumer reporting agencies, e.g. credit reports. We use this information to help you meet your personal financial goals.

Only with your permission will we disclose information to attorneys, tax professionals, mortgage lenders and other with whom you have established a relationship. This permission may be denied at any time. With your permission, we share a limited amount of 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. Obsolete documents containing personal data are cross-shredded.

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 law. After that time, information will 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.

Financial

FPS maintains a minimum account balance of \$10,000 at all times in lieu of a surety bond.

Form ADV Part 2B
Brochure Supplement
Financial Planning Services, Inc.

Cover Page

Name of Supervised Person/IA Rep	Holly K Nicholson
Address	185 Wind Chime Ct. #203
Phone Number	919-676-2806
Date of Brochure as Last Revised	3-12-2015

Name of Registered Investment Advisor	Financial Planning Services, Inc.
Address	185 Wind Chime Ct. #203
Phone Number	919-676-2806
Website Address	Askholly.com

This Brochure Supplement provides information about Holly K Nicholson that supplements the FPS brochure Form ADV Part 2A. You should have received a copy of that brochure. Please contact Holly K Nicholson, President if you did not receive FPS's brochure or if you have any questions about the contents of this supplement. Additional information about Holly K Nicholson is available on the SEC's website at: www.adviserinfo.sec.gov

Educational Background and Business Experience

Education and Business Background

Name: Holly K Nicholson, CFP®, JD

Year of Birth: 10-24-1955

Education: University of Kansas, Lawrence, KS
BA, Business/Personnel, 1977
University of UNC, Chapel Hill, NC
Doctorate - Law, 2003

Business: Financial Planning Services, Inc., Raleigh, NC, President, Holly K Nicholson
1989 - present

Progress Energy (then Carolina Power & Light), Raleigh, NC, Human Resources
1977 - 1989

Professional Designations Qualifications

CFP® - Certified Financial Planner is issued by the Certified Financial Planner Board of Standards, Inc. Candidates must meet the following requirements:

- Complete CFP® education program or fulfillment by other specified credential
- Bachelor's degree (or higher) from an accredited college or university
- Pass CFP® certification exam
- 3 years of full-time personal financial planning experience
- Continuing education requirement of 30 hours every 2 years

Disciplinary Information

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. Holly K Nicholson does not have any disclosure items.

Other Business Activities

None

Additional Compensation

None

Supervision

Holly K Nicholson formulates her own investment advice. As Chief Compliance Officer, she monitors portfolios for investment objectives and other supervisory reviews. She may be contacted at the phone number of the main office as shown on the cover page.

Holly K Nicholson is the President and Chief Compliance Officer. As such, Holly K Nicholson is responsible for all advice provided to clients.

State Registered Advisors

Disciplinary Events - None

Arbitration Claims - None

Self-Regulatory Organization or Administrative Proceedings - None

Bankruptcy Petition - None