

THOMPSON FINANCIAL FIRM

BIANCA THOMPSON, CFP® | 5678 J STREET, NW WASHINGTON, DC 20008

October 15, 2021

Clarence Ramirez
1234 J Street, NW
Washington, DC 20008

Dear Clarence:

I enjoyed our conversation and I am pleased to be working with you. This letter gives you important information about the work that we (my firm and I) will do for you, how you will pay for services and products, and how we will be paid for the work that we will do for you.

You will find other important information and a description of my obligation to act in your best interests in my firm's Client Relationship Summary (Form CRS), Form ADV, and Investment Advisory Agreement. These documents provide additional information not in this letter, including about how you will pay and how we are paid. We gave you these documents. You should review them carefully and let us know if you have any questions.

WE WILL PROVIDE YOU THE FOLLOWING SERVICES AND PRODUCTS

You have engaged us to provide financial planning, including investment advisory services. Based on our recent conversation, we understand that you would like to focus on the following:

1. Cash flow planning, including preparing a cash flow summary and planning for an emergency fund;
2. Investment planning, including reviewing your current investment portfolio and developing and implementing an asset management strategy;
3. Retirement planning, including analyzing how likely you are to meet your target goals by your retirement date; and
4. Estate, gift, and wealth transfer planning, including assessing your estate net worth and liquidity, and whether you should create a trust for the benefit of your grandchildren.

Here is our approach to financial planning:

1. At first, we will ask you for information, so we can understand your personal and financial circumstances.
2. Then we will work with you to identify and select goals.
3. After you have chosen goals, we will analyze your current course of action and other approaches you might take.
4. Next, we will develop the financial planning recommendations.
5. Then we will present the financial planning recommendations to you, along with the information we considered to develop them.
6. After that, we will analyze and recommend actions, products, and services to implement the financial planning recommendations. We will work with you to decide which of my recommendations you would like to implement.
7. At least annually, we will monitor your financial plan. This will include:
 - a. Analyzing the progress you have made toward achieving your goals. We will remind you to tell us about changes in your personal and financial circumstances. When needed, we will update your goals, our recommendations, and the selection of the actions, products, and services we have recommended.
 - b. Monitoring the investments in your Investment Advisory Account and any actions we have taken.

Here is our approach to providing you with **investment advisory** services:

1. At the beginning, we will meet with you to develop investment goals and strategies that are consistent with your financial planning goals.
2. We gave you our Investment Advisory Agreement. It describes our advisory relationship and my firm's investment practices that apply to you. We will manage the Investment Advisory Account on a discretionary basis. That means we will buy and sell investments for the accounts without first getting your specific authorization for each transaction. We will base these decisions solely on our best judgment about what is in your best interests at that time.
3. We will help you choose a firm (such as a broker-dealer or a bank) to hold (have custody of) the assets that we will manage for you. A separate custodial agreement will outline how your assets will be held and how you may access your assets.
4. My firm will send you a report each calendar quarter that will show the value of your accounts, your accounts' performance, and other account-related information. The report will show all transactions made in the accounts during the quarter, and any costs or fees deducted from your accounts. In the meantime, you can access your monthly statement online.
5. We will monitor these accounts and when appropriate, update your goals, our recommendations, and the selection of the actions, products, and services we have recommended.

As we learn more about your needs, we may discover other services you may need. If you need services that we do not provide, such as accounting and legal services, then we also may be able to recommend professionals to provide those services.

HOW YOU WILL PAY FOR SERVICES AND PRODUCTS

My firm's Form CRS, Form ADV, and Investment Advisory Agreement include more information about how you will pay for products and services. We gave you these documents. You also can access them online. We will help you understand the fees you will pay and the cost of any services and products we recommend. Let us know if you have any questions.

- **You will pay an advisory fee each quarter.** The advisory fee covers our costs to manage your assets and provide other financial planning services. My firm will deduct the fee from your accounts based on the average of the values of the Investment Advisory Account on the last business day of each of the last three months. The amount of the fee is 1% of the average Investment Advisory Account value. If your account value increases to more than \$1 million, then the fee on the amount above \$1 million will be 0.75%. There are additional details in the Investment Advisory Agreement. You should review that agreement carefully and let us know if you have any questions.
- **If you invest in mutual funds and exchange-traded funds (ETFs), then you will pay fees and expenses to third parties.** In addition to the advisory fee you pay us, these products have operating expenses and ongoing fees. Mutual fund and ETF fees and expenses can include investment management fees and shareholder service fees.
- **You will pay fees and expenses to the firm that holds (maintains custody of) your assets.**

*You will pay fees and expenses whether you make or lose money on your investments.
Fees and expenses will reduce the amount you earn on your investments.*

HOW WE (THE FIRM AND I) WILL BE PAID

You pay my firm an advisory fee. I am paid a salary plus a part of the advisory fees that clients pay my firm. You will find more information about payments to me and my firm in my firm's Form CRS, Form ADV, and Investment Advisory Agreement.

MY MATERIAL CONFLICTS OF INTEREST

We have a conflict of interest whenever we have interests that are different from yours. Conflicts can affect the recommendations we give you. When we have a conflict, we will tell you. You can find more information about our conflicts of interest in my firm's Form CRS, Form ADV, and Investment Advisory Agreement. We have policies and procedures designed to help manage conflicts. We will always work in your best interests.

- **The ways you pay us create conflicts of interest.** The amount we earn from working with you depends, in part, on the amount of assets we manage for you. We have a financial incentive to recommend that you make financial decisions that would result in more assets under our management.
- **If we provide other services to you in the future, there may be different conflicts.** When we have a conflict of interest, we will tell you about it.

If you are concerned about a conflict of interest and how it might affect your accounts, please talk to me about it.

YOUR RESPONSIBILITIES

It is **your** responsibility to update the information you have given me about your personal and financial circumstances. You will be sent account reports at least quarterly. You also can access the reports online. You should review these documents carefully. Let me know if you want to talk about the information in these documents.

TIMING OF THE ENGAGEMENT

Our engagement will continue until one of us decides to change or end it. If you decide to change or end the engagement, you just need to tell us. We can do the same, but we will tell you in writing.

YOUR PERSONAL INFORMATION

My firm has adopted and implemented policies about protecting and sharing your non-public personal information. We have given you our privacy policy.

PUBLIC DISCIPLINARY AND BANKRUPTCY HISTORY

In 2017, the Securities and Exchange Commission ("SEC") and the Certified Financial Planner Board of Standards, Inc. sanctioned me for failing to maintain required records. You will find more information at adviserinfo.sec.gov and cfp.net/verify.

THANK YOU FOR WORKING WITH US

Thank you for choosing us to work with you. I look forward to getting to know you better. You may reach me at BiancaThompson@financialfirm.com or 202-379-2200.

Sincerely,

Bianca Thompspon, CFP®