

# **Comprehensive Investment Management, LLC**

*Fee Only Registered Investment Advisers*

## **Financial Planning Disclosures**

This disclosure statement is provided to you in compliance with the regulations of the Certified Financial Planning Board of Standards, Inc. You are encouraged to review the information contained herein, and ask the certificant any questions you may have.

### **Part I: Contact Information**

#### **A. Prospect/Client:**

Name, address, phone number

#### **B. Certificant:**

Harry McCullough, CPA, CFP (certificant)  
Comprehensive Investment Management, LLC (CIM)  
200 Locust Street Suite 3A  
PHL, PA 19106  
Phone: 610.580.5554

### **Part II: Services to be Provided**

#### **A. Investment Management**

Investment management is the primary service provided. Mutual Funds are our first choice of investments. They provide a broad level of diversification that for most individual investors is almost impossible to attain through the purchase of individual securities.

As required by the Pennsylvania Securities Commission, there is a separate written contract specifically covering investment management services.

#### **B. Auxiliary Service: Financial Planning**

1. CIM provides investment management in conjunction with financial planning services. An essential element of its operating methodology is that to reach financial goals, investment management should be accompanied by at least some level of financial planning. Even so, there is no obligation for a client to accept the additional service, nor to disclose information on topics he or she does not wish to share.

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2. CIM provides financial planning on what is generally referred to as an ad hoc basis. Topics are raised periodically, sometimes by the certificant and other times by the client. Although most financial planning topics will be discussed and reviewed sometime during a typical long term engagement, the service does not rise to the level of what is referred to as a full comprehensive financial plan, which normally includes a detailed written report. If the certificant deems a comprehensive plan would clearly be beneficial, the client will be so advised.

3. Financial planning is generally classified under the broad headings of investment management, taxes, retirement planning, asset protection (generally insurance), and estate planning. CIM has experience in, and can assist in all areas of financial planning. The areas of insurance and estate planning generally require services beyond what CIM can provide. Insurance policies can only be sold by a licensed agent, and legal documents, unless you do them yourself, can only be prepared by an attorney.

### **Part III: Obligations and responsibilities of each party**

- Defining goals, needs and objectives
- Gathering and providing appropriate data
- Determining recommendations
- Determining implementation responsibilities
- Determining and monitoring responsibilities

As part of its investment management service, CIM prepares quarterly summaries. In most cases an annual written portfolio analysis is prepared, which usually includes updated recommendations about reallocation. Generally there is meeting or conference call to go over the report. The client keeps CIM informed on any changed circumstances, particular those affecting their planned withdrawals from the accounts.

In financial planning, the formalization of obligations and responsibilities as described above is more appropriate when preparing a comprehensive financial plan. In providing financial planning as an auxiliary service, CIM's approach is that of a continuous process emphasizing flexibility and practicality over formality and presentation.

### **Part IV: Relationships with other professional firms**

A. Collins & Company, CPA's: CIM Associate Advisers, Michael C. Collins and Brian A. Collins are principals of Collins & Company, CPA's. Collins & Company has the responsibility of preparing income tax returns for certain CIM clients, and in most cases bills CIM for the service.

B. McCullough & Company, CPA's: The tax returns of certain other clients are prepared by the certificant, using facilities (computer and software) provided gratis by McCullough & Company CPA's. The certificant, a former principal of the company, provides tax preparation services for several McCullough & Company clients.

C. The Vanguard Group®: Because of its reputation for fair dealing, low costs, and usually reliable customer services, CIM generally recommends the mutual funds and brokerage services of The Vanguard Group®. There's no direct business affiliation or compensation between the two companies. In regard to CIM clients, Vanguard does not in any way limit the usual marketing of its own services.

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### **Part V: Sources of Compensation**

A. CIM is a fee only service provider, which means the fee paid by the client is the only source of revenue for services rendered. Fees are based on the amount of assets under management as described in a written contract. There are no other sources of compensation, such as commissions, either direct or indirect.

B. There is no separate fee charged to clients for auxiliary financial planning services. Any separate services and accompanying costs, such as those of an attorney, would be arranged by and paid directly by the client.

### **Part VI: Potential Conflicts of Interest**

There is a conflict of interest with most services. You ask a repairman: "Is it worth fixing?" It's the same when you ask a financial adviser: "Should I be saving more?" However, rest assured a certificant must always put the interest of the client ahead of his or her own. That's the duty of a fiduciary as defined by the CFP Board. Even so, there are potential conflicts of interest about which a client should be aware.

A. Selection of investments: CIM's compensation is Fee-Only. That means the only revenue it collects is paid directly by its client. Consequently there is no conflict of interest in regard to selecting investments, as there may be if commissions were paid by a third party. CIM receives no commissions or payment of any kind from anyone other than its clients.

B. Amount of assets under management: CIM's fee is based on the amount of assets under management, so the higher the balance the higher the fee. That's a financial incentive for any adviser, but not a conflict of interest, since it's also in the best interest of the client for the balance to be higher. Taking it a step further, is there a conflict when CIM advises clients on these topics, which also impact the amount of assets under management?

Spending or gifting

Keeping unmanaged assets, for example, at a bank or credit union

Using assets to pay off debt, for example a mortgage or credit card balance

Certainly the fiduciary responsibility requires CIM to provide advice in the client's best interest, not that of CIM. As an example, advice on paying off debt will be based on objective considerations including the client's overall liquidity, the cost and availability of other financing, the difference between mortgage rates and potential investment return, and income taxes.

### **Part VII: Limitations on products and services**

CIM has no binding agreements with other parties that would limit its ability to serve its clients.

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## Part VIII: Additional information

### A. Back Up and Support:

1. Investments: Assets are held at independent custodians, such as The Vanguard Group® or in the case of employment plans at the custodian for the client's employer. A description of their back up and security plans are available at their respective web sites, brochures and plan documents.

2. Services: Besides the certificant, Harry McCullough, CPA, CFP, Registered Associate Advisors are Michael C. Collins, CPA, CFP®, Brian A. Collins, CPA, CFP® and Erik McCullough, MBA, AAMS®.

B. CIM is not the custodian of any managed assets. Reports on the accounts, including confirmations of activity, are mailed directly by the respective custodian to the client. Access to account balances and activity history is available to clients from the custodian at any time via phone during business hours and web access at any time.

C. Should there be any material change in the company's operations, updated disclosure information will be provided on a timely basis.

D. If you ever feel there's been a violation of CFP Standards, you may file a complaint with the CFP Board. The web site is [cfp.net](http://cfp.net), and emails can be sent to [complaints@CFPBoard.org](mailto:complaints@CFPBoard.org). The mailing address is

CFP Board – Attn: Professional Standards  
1425 K Street, NW, Suite 500  
Washington, DC 20005

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AAMS® (Accredited Asset Manager Specialist)  
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