

**Financial Planning Work\$, Inc**  
**Code of Ethics & Insider Trading Policy**  
**for Registered Representatives,**  
**Investment Adviser Representatives, and Employees**

**We can state our Code of Ethics in eight words. The appearance of an impropriety is an impropriety.**

**December 2012**

**SECTION 1 Statement of General Principles**

Financial Planning Work\$, Inc commits to providing brokerage services and/or investment advice with the utmost professionalism and integrity. These qualities are a vital business asset. The confidence placed in us by our clients is something that we value and should protect. Financial Planning Work\$, Inc, including its directors, officers, employees, and representatives, owes its clients undivided loyalty and should not engage in any activity that conflicts with the interests of any client. Doubtful situations should be resolved in favor of Financial Planning Work\$, Inc's clients.

To help avoid any potential conflicts that might damage our professional reputation and to ensure compliance with the securities laws, this Code of Ethics sets forth guidelines and restrictions for personal securities trading, including an absolute prohibition against trading on the basis of "inside" (*i.e.*, material, non-public) information. Adherence to this Code of Ethics is a condition of your engagement or employment. If you have any doubt regarding the propriety of any investment, personal or otherwise, consult the Chief Compliance Officer for Financial Planning Work\$, Inc before taking any action.

Each Financial Planning Work\$, Inc director, officer and employee must certify in writing upon employment or engagement, and annually thereafter, that he or she has received, understood and reviewed Financial Planning Work\$, Inc. Code of Ethics and Insider Trading Policy and agrees to adhere to that policy.

## SECTION 2 Applicability of Code of Ethics

This Code of Ethics applies to all directors, officers, employees, and registered representatives of Financial Planning Work\$, Inc. (collectively, “Associates”) and to all transactions in any security or derivative thereof for any Associate Account or Related Account.

## SECTION 3 Definitions

Associate means all W2 employees of Financial Planning Work\$, Inc. It also means any temporary employee of a firm or agency contracting to perform services for Financial Planning Work\$, Inc, who has access to non-public information regarding client’s purchase or sale of securities.

“Associate Account” means the following securities accounts: your personal account, any joint or tenant-in-common account in which you have an interest, or are a participant, any account for which you act as a trustee, executor or custodian, any account over which you have investment discretion or otherwise can exercise control, including the accounts of entities controlled directly or indirectly by you, and any other account in which you have a direct or indirect beneficial or financial interest (other than such accounts over which you have no investment discretion and cannot otherwise exercise control).

“Related Account” means the following securities accounts, to the extent that they otherwise would not be Associate Accounts: any account of your spouse or your minor children; any account of a relative to whose support you contribute directly; and any account of any other relative residing in your household.

“Security” means stocks, notes, debentures, limited partnership interests, and investment contracts, plus all derivative instruments, such as options and warrants that relate to foregoing. We consider a financial instrument and its equivalent or derivative securities to be the same security.

## SECTION 4 Guidelines for Personal Investing

Financial Planning Work\$, Inc. Associates must abide by the following rules and restrictions with respect to any and all securities transactions in their Associate Accounts and/or Related Accounts:

### 4.1 Restriction on Purchases During IPOs

Financial Planning Work\$, Inc. Associates may not purchase securities in an initial public offering (“IPO”) without the review and written approval by the **Chief Compliance Officer** or Designee.

Any short-term profits earned by Financial Planning Work\$, Inc. Associates in an IPO may create at least the appearance that an investment opportunity that should have been available to clients was diverted to the personal benefit of a Financial Planning Work\$, Inc. employee.

It also may create the impression that future investment decisions might be for reasons other than because they were in the best interest of the clients. Financial Planning Work\$, Inc. believes that restricting the purchase of securities in an IPO will reduce these potential conflicts.

#### **4.2 Prior Approval for Participation in Private Placements**

Financial Planning Work\$, Inc. Associates must obtain prior approval for participation in any private placement.

All Financial Planning Work\$, Inc. Associates are required to obtain prior written approval for participation in any private securities transactions as defined by FINRA Rule 3040 and Financial Planning Work\$, Inc.

#### **4.3 Personal Accounts of Associates Approved to Give Investment Advice to Financial Planning Work\$, Inc Clients (RIAs)**

Application materials received from Financial Planning Work\$, Inc. Representatives who wish to register as RIAs with Financial Planning Work\$, Inc must disclose all personal investment accounts.

Approval as an RIA is contingent upon establishing Financial Planning Work\$, Inc to receive third party statements for all securities that are currently held at other investment/brokerage firms, as well as subsequently opened accounts, where they are registered owners or tenants on the accounts, or where they have any control over investment decisions.

The current exceptions to the requirement to receive statements of all personal and related accounts to Financial Planning Work\$, Inc include:

- Accounts for household members where the IAR is not a registered owner or tenant.
- Accounts with outside money managers or advisers that have discretionary authority over RIA's accounts. However, in these accounts, one must still report transactions on a quarterly basis and the Compliance Department should receive duplicate statements of an account if the RIA is a registered owner.

*In addition, we require all Financial Planning Work\$, Inc employees to submit quarterly reports of transactions in their Associate Accounts using the Quarterly Personal Transaction Report Form (QPTRF).*

#### **4.4 Personal Accounts of Associates Approved to Sell Approved Securities Products to, and Execute Transactions for Clients (RRs)**

Financial Planning Work\$, Inc RR's that wish to open Associate Accounts at other investment/brokerage firms where they are registered owners or tenants on the accounts, or where they have any control over investment decisions, are required to disclose to their brokers that they are FINRA registrants of Financial Planning Work\$, Inc. They must obtain written approval for the opening of such accounts and provide it to their brokers. By FINRA Rule, brokers are prohibited from opening such accounts without written authorization from Financial Planning

Work\$, Inc.

Registered Representatives, who have Associate's Accounts held at other investment/brokerage firms where they are registered owners, tenants on the accounts, or where they have any control over investment decisions, must direct their brokers to supply duplicate copies of confirmations of all personal securities transactions and quarterly statements of Associate Accounts to Financial Planning Work\$, Inc.

#### **4.5 Disclosure of Personal Holdings**

Upon commencement of employment or engagement, all Financial Planning Work\$, Inc. Associates are required to submit information on securities holdings in their Associate Accounts using an Outside Brokerage Account form. Annually thereafter, all Financial Planning Work\$, Inc. Associates are required to confirm such information on their annual compliance questionnaire and have an ongoing responsibility to adhere to firm policy with respect to the opening of new Associate Accounts and, to update Associate Account information when there are any changes.

#### **4.6 Short Sales**

Financial Planning Work\$, Inc. Associates are forbidden from engaging in short sales unless they are "against the box" and comply with the other provisions in this Code of Ethics.

#### **4.7 Exceptions**

There may be some circumstances in which we permit exceptions to these restrictions. The Chief Compliance Officer will review any such requests on an individual basis.

#### **4.8 Exempted Transactions**

Specifically, we exempt the following transactions from the requirements set forth in Sections A through F above:

1. Transactions in securities issued by the government of the United States.
2. Transactions in shares of an open-end investment company.
3. Transactions involving "non-brokered" bank certificates of deposit, commercial paper, or repurchase agreements.
4. Transactions effected in any account over which the Financial Planning Work\$, Inc. Associate has no direct or indirect influence or control (*e.g.*, a blind trust or an account or trust managed by a third party with full investment discretion).
5. Transactions that are part of an automatic dividend reinvestment plan, or transactions that are part of a payroll deduction plan pursuant to which an employee receives the securities of his employer.
6. Transactions in stock index futures (such as the S&P 500) and options on

futures contracts.

7. Transactions resulting from corporate actions of a publicly traded company, such as stock dividends, stock splits, reverse stock splits, mergers, consolidations, spin-offs, or other similar corporate reorganizations or distributions generally applicable to all holders of the same class of securities.
8. Acquisitions through the exercise of rights issued pro rata to all holders of a class.

## **SECTION 5 Insider Trading Prohibition**

In the course of your duties as a Financial Planning Work\$, Inc. Associate, you may acquire “material, non-public information,” [think Martha Stewart] also referred to as “inside information,” regarding a company or its securities. Material, non-public information is any information that may influence an investment decision relating to a security, or that may affect an analysis of the value of a security, and that is not generally available to the public, whether in filings with the Securities and Exchange Commission or otherwise. Trading based on material, non-public information -- regardless of whether it is for a client account or an Associate Account -- is a violation of the federal securities laws, punishable by imprisonment and severe fines. Consequently, in addition to the restrictions on personal securities transactions set forth in this Code of Ethics, Financial Planning Work\$, Inc. Associates are strictly prohibited from: (1) trading, either in an Associate Account or the account of any other person (including client accounts) on the basis of material, non-public information; or (2) communicating material nonpublic information to others in violation of the law.

Financial Planning Work\$, Inc. adopted an “Insider Trading Policy” that describes more fully what constitutes “insider trading” and the legal penalties for engaging in it. We include that policy to this Code. Financial Planning Work\$, Inc. Associates should refer to the Insider Trading Policy (as well as this Code) whenever any question arises regarding what to do if a Financial Planning Work\$, Inc. Associate believes he or she may have material nonpublic information.

## **SECTION 6 Other Restrictions**

### **6.1 Gifts**

Financial Planning Work\$, Inc. Associates are prohibited from accepting any gift of more than \$100 from any individual doing business with or on behalf of a client for which Financial Planning Work\$, Inc. acts as adviser. Financial Planning Work\$, Inc. Associates are precluded from giving any gift of more than \$100 to any individual doing business with or on behalf of a client for which Financial Planning Work\$, Inc. acts as adviser.

We exclude occasional business meals and entertainment from the definition of “gift,” provided that a Financial Planning Work\$, Inc. Associate is present at such events.

## **SECTION 7 Supervisory Procedures**

A Compliance Committee, including the CEO, and the Chief Compliance Officer, will oversee compliance with this Code of Ethics.

### **7.1 Prevention of Violations**

To prevent violations of this Code and of Financial Planning Work\$, Inc.'s Insider Trading Policy, the Chief Compliance Officer or Designee will:

- Answer questions regarding this Code and the Insider Trading Policy.
- Review accounts, statements, confirms, and trading activity reports filed by each Financial Planning Work\$, Inc. Associate, as applicable and coordinate the review of such media with the other members of the Compliance Committee as may be appropriate;
- Accept and review Trade Authorization Requests and either grant or deny such requests promptly; and
- Promptly, upon learning of a potential violation of this Code or of the Insider Trading Policy, prepare a written report to other members of the Compliance Committee providing full details and recommendations for further action.

In addition, the Compliance Committee will:

- Resolve issues of whether information received by a Financial Planning Work\$, Inc. Associate is material and nonpublic;
- Review on a regular basis and update as necessary this Code and the Insider Trading Policy.
- When it has been determined that a Financial Planning Work\$, Inc. Associate has material nonpublic information, implement measures as appropriate to prevent dissemination of and trading on such information;
- Upon a determination that a Financial Planning Work\$, Inc. Associate violated this Code or the Insider Trading Policy, determine appropriate sanctions, including, among other things, suspension or dismissal, and take any necessary action to prevent further violations.

## 7.2 Recordkeeping

The CCO or designee will maintain, in an accessible place, the following materials:

- A copy of this Code and the Insider Trading Policy,
- A record of any violation of this Code and the Insider Trading Policy for the most recent six years, and a synopsis of the actions taken in response, and
- A copy of the documentation requiring for filing under this Code and the Insider Trading Policy for the most recent six years.

## SECTION 8 APPENDIX

### 8.1 Insider Trading Policy

#### 8.1.1 General Principles

It is the policy of Financial Planning Work\$, Inc. that no officer, director, employee, or representative of Financial Planning Work\$, Inc. may: (i) trade, either personally or on behalf of others (including investment companies, collective investment funds, common trust funds and trust accounts managed or advised by Financial Planning Work\$, Inc. on the basis of material nonpublic information or (ii) communicate material nonpublic information to others in violation of the law -- conduct that is commonly called "insider trading." This policy extends to activities both within and outside of their duties at Financial Planning Work\$, Inc. Each Financial Planning Work\$, Inc. Associate must read this policy statement and acknowledge his or her understanding of it. Terms used in this policy but not defined will have the meanings given them in Financial Planning Work\$, Inc. Code of Ethics.

The federal securities laws do not define the term "insider trading." Generally, it refers to the use of material nonpublic information to trade in securities (whether or not one is an "insider") and to the communication of material nonpublic information to others. Generally understood is that the law concerning insider trading prohibits:

- Trading by an "insider" while he or she is in possession of material nonpublic information,
- Trading by a non-insider while he or she is in possession of material nonpublic information, if the information either was disclosed to the non-insider in violation of an insider's duty to keep it confidential or was misappropriated; and
- Communicating material nonpublic information to others in violation of one's duty to keep such information confidential.

Discussed below are the elements of insider trading and the penalties for it. If, after reviewing this policy statement, you have any questions, you should consult the Chief Compliance Officer.

### **8.1.2 Who is an Insider?**

The concept of an “insider” is broad. It includes officers, directors and employees of a company. In addition, a person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result has access to information solely for the company’s purposes. A temporary insider can include certain “outsiders” such as, among others, a company’s attorneys, accountants, consultants, bank-lending officers and the employees of such organizations. According to the United States Supreme Court, before such an “outsider” may be considered a “temporary insider,” the company’s relationship with the outsider must be such that the company reasonably expects him or her to keep the disclosed nonpublic information confidential.

### **8.1.3 What is Material Information?**

Information generally is material if there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or if public dissemination of it is reasonably certain to have a substantial effect on the price of a company’s securities. You should presume information material if it includes, but is not limited to dividend changes; earnings estimates; changes in previously released earnings estimates; significant merger or acquisition proposals or agreements; commencement of or developments in major litigation; liquidation problems; and extraordinary management developments.

Material information does not have to relate to a company’s business. For example, in one case, the Supreme Court considered as material certain information about the contents of a forthcoming newspaper column that was expected to affect the market price of a security.<sup>1</sup> In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether those reports would be favorable or not.

Perhaps more importantly, knowledge of a decision, or an impending decision, by Financial Planning Work\$, Inc to buy or sell a security for its clients or to recommend a security can constitute “material” information.

### **8.1.4 What is Nonpublic Information?**

Information is nonpublic until effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally public. For example, we considered public any information found in a report filed with the Securities and Exchange Commission, or appearing in Dow Jones, Reuters Economic Services, The Wall Street Journal or other publications of general circulation.



## 8.2 Basis for Liability

### 8.2.1 Fiduciary Duty Theory

In 1980, the Supreme Court found that there is no *general* duty to disclose before trading on material nonpublic information, but that such a duty arises only where there is a fiduciary relationship. That is, there must be a relationship between the parties to the transaction such that one party has a right to expect that the other party will disclose any material nonpublic information or refrain from trading.<sup>2</sup>

In Dirks v. SEC,<sup>3</sup> the Supreme Court stated alternate theories under which non-insiders can acquire the fiduciary duties of insiders. They can enter into a confidential relationship with the company through which they gain information (*e.g.*, attorneys, accountants). They can acquire a fiduciary duty to the company's shareholders as "tippees" if they are aware or should have been aware that an insider who has violated his fiduciary duty to the company's shareholders has given them confidential information.

In the "tippee" situation, a breach of duty occurs if the insider personally benefits, directly or indirectly, from the disclosure. However, the benefit does not have to be monetary. It can be a gift, a reputational benefit that will translate into future earnings, or even evidence of a relationship that more obscurely suggests a "quid pro quo." To avoid being considered "tippees," Financial Planning Work\$, Inc Associates should remain alert during conversations with corporate insiders. Financial Planning Work\$, Inc Associates should refuse to accept any "tips" offered by such insiders and should discourage (and, if necessary, refuse to engage in) any discussions that are likely to result in the receipt of inside information by the Financial Planning Work\$, Inc Associate.

### 8.2.2 Misappropriation Theory

Another basis for insider trading liability is the "misappropriation" theory, where trading occurs on material nonpublic information that was stolen or misappropriated from any other person. In Carpenter v. U.S.,<sup>4</sup> the Court found that a columnist defrauded The Wall Street Journal when he stole information from the Journal and used it for trading in the securities markets.

One can use the misappropriation theory to reach a variety of individuals not previously thought encompassed under the fiduciary duty theory.

<sup>1</sup>Carpenter v. U.S., 108 U.S. 316 (1987)

<sup>2</sup>Chirella v. U.S., 445 U.S. 22 (1980).

<sup>3</sup>463-U.S.-646-(1983).

—<sup>4</sup>108 U.S. 316 (1987).

### 8.2.3 Takeover-Related Information

One of the most abused types of material nonpublic information is information regarding impending corporate takeovers. To address historical abuses, the SEC adopted Rule 14e-3 under the Securities Exchange Act of 1934. That Rule imposes liability. In addition to any liability that may arise under the other theories described above for trading while in possession of material information relating to a tender offer, if the person trading knows *or has reason to know* that the information is nonpublic and has been obtained directly *or indirectly* from: (i) the offeror, (ii) the target company, or (iii) any officer, director, partner or employee, or any other person acting on behalf of, either the offeror, or the target company.

### 8.3 Penalties for Insider Trading

Penalties for trading on or communicating material nonpublic information are severe, both for individuals involved in the trading (or tipping), and their firms. A person can be subject to some or all of the penalties below even if he or she does not personally benefit from the violation. Penalties include:

- civil injunctions;
- damages in a civil suit;
- disgorgement of profits;
- jail sentences;
- heavy fines for the person who committed the violation of up to three times the profit gained or loss avoided, whether or not the person actually benefited;
- heavy fines for the employer or other controlling person; and
- prohibition from employment in the securities industry.
- In addition, any violation of this policy statement can be expected to result in serious disciplinary measures by Financial Planning Work\$, Inc including dismissal of the Financial Planning Work\$, Inc Associate(s) involved.

## SECTION 9 Procedures to Implement Financial Planning Work\$, Inc Securities Corporation's Policy Against Insider Trading

The following procedures have been established to aid Financial Planning Work\$, Inc Securities Corporation Associates in avoiding insider trading, and to aid Financial Planning Work\$, Inc in preventing, detecting and punishing insider trading. Every Financial Planning Work\$, Inc Associate must follow these procedures or risk serious sanctions, including dismissal, substantial personal liability and criminal penalties. If you have any questions about these procedures, you should consult the Chief Compliance Officer.

### 9.1 Identifying Inside Information

Any time you think you may have inside information about a company, before you can place any trade in that company's securities, either for yourself or for others (including Financial Planning Work\$, Inc clients), and before you advise anyone to trade, in that company's securities, you must take the following steps:

- Report the matter immediately to the Chief Compliance Officer.
- Do *not* purchase or sell the securities on behalf of any account, including, but not limited to an Associate Account or a client account.
- Do *not* communicate the information inside or outside Financial Planning Work\$, Inc other than to the Chief Compliance Officer.
- After the Chief Compliance Officer has reviewed the issue, you will receive instructions to continue the prohibitions against trading and communication, or you will receive authorization to trade and communicate the information.

The following questions may help you identify when you must bring information to the attention of the Chief Compliance Officer:

- *Is the information material?* Is this information that an investor would consider important in making his or her investment decisions? Is it information that would substantially affect the market price of the securities if generally disclosed?
- *Is the information nonpublic?* Who else has this information? Was it essentially communicated to the marketplace by appearing on the Dow Jones wire or by being published in Reuters, The Wall Street Journal, or other publications of general circulation?

If, after asking these questions, you believe the information is material and nonpublic, or if you have any doubt as to whether the information is material and nonpublic, you must follow the steps outlined above.

## 9.2 Restricting Access to Material Nonpublic Information

Information in your possession that you identify as material and nonpublic may not be communicated to anyone, including persons within Financial Planning Work\$, Inc, except as provided in paragraph 9.1 above. In addition, you should take steps to keep such information secure.

### ACKNOWLEDGMENT

I hereby acknowledge receipt of Financial Planning Work\$, Inc. Code of Ethics & Insider Trading Policy. I certify that I read, understand, and agree to abide by it in all respects. I also confirm that I instructed all brokerage firms where I maintain accounts to supply duplicate copies of my confirmation statements as applicable to Financial Planning Work\$, Inc. I hereby certify that I was never found civilly liable or criminally guilty of insider trading and that no legal proceedings alleging that I violated the law on insider trading are now pending, or to my knowledge, threatened by any persons or authority.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Print Name)