

# Part 2A of Form ADV: Firm Brochure

27 January 2024



## Jon Cain Financial Planning, PLC

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**This Brochure provides information about the qualifications and business practices of Jon Cain Financial Planning, PLC, an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Registration does not imply a certain level of skill or training. If you have any questions on the contents of this Brochure, please contact us at 480-238-3585 or [joncain.email@gmail.com](mailto:joncain.email@gmail.com). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.**

**Additional information about Jon Cain Financial Planning, PLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 1: COVER PAGE**

Please refer to the previous page

## **ITEM 2: MATERIAL CHANGES**

Jon Cain Financial Planning, PLC has not made any material changes to this Brochure since 27 January 2024, its initial publication.

## ITEM 3: TABLE OF CONTENTS

ITEM 1: COVER PAGE.....	2
ITEM 2: MATERIAL CHANGES.....	2
ITEM 3: TABLE OF CONTENTS.....	3
ITEM 4: ADVISORY BUSINESS.....	4
ITEM 5: FEES AND COMPENSATION.....	9
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	10
ITEM 7: TYPES OF CLIENTS.....	10
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	10
ITEM 9: DISCIPLINARY INFORMATION.....	12
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	12
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	12
ITEM 12: BROKERAGE PRACTICES.....	13
ITEM 13: REVIEW OF ACCOUNTS.....	13
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION.....	14
ITEM 15: CUSTODY.....	14
ITEM 16: INVESTMENT DISCRETION.....	14
ITEM 17: VOTING CLIENT SECURITIES.....	14
ITEM 18: FINANCIAL INFORMATION.....	15

## **ITEM 4: ADVISORY BUSINESS**

### **1. DESCRIPTION OF FIRM**

Jon Cain Financial Planning, PLC (“Jon Cain Financial” or the “Firm”) is a Tucson, Arizona-based investment advisory. Founded in 2024, the Firm provides comprehensive financial planning services to individuals to help them reach financial and retirement goals. The Firm works with clients on goal setting and data gathering, and then provides custom-tailored analysis, recommendations, and an implementation plan. The Firm addresses most aspects of comprehensive financial planning, including but not limited to budgeting, savings, student loans and debt consolidation, forgiveness, and repayment, investments and portfolio allocation, insurance reviews, tax planning, and estate planning. Jon Cain Financial is committed to acting as a fiduciary, and there are no fees or commissions tied to the sale of certain types of products.

Jon Cain Financial is currently registered with the United States Security and Exchange Commission (“SEC”) as an investment adviser and with the State of Arizona as a Limited Liability Company. Jon Cain Financial Planning, PLC is 100% owned and managed by Jonathan Cain, ChFC®, who is the sole proprietor of the Firm.

### **2. OVERVIEW OF ADVISORY SERVICES**

Jon Cain Financial provides Financial Planning Services, including investment advisory services. The Firm does not provide Investment Management Services or Assets Under Management Services and does not actively manage any investment accounts or hold any Assets Under Management for any clients.

#### **A. Financial Planning Services**

Jon Cain Financial provides three types of Financial Planning Services: Comprehensive Financial Planning, Financial Fine Tuning, and Rocket Science Review. No other consulting services are provided. The choice of Financial Planning Service is based on an initial consultation between the client and Jonathan Cain. If the client chooses to move forward with Jon Cain Financial to provide Financial Planning Services, the client will be required to enter into a written agreement (“Client Agreement”) with the Firm setting forth the type of Financial Planning Service to be provided, and the terms and conditions of the services, and the estimated fees to be charged. Jon Cain Financial will provide this Brochure and one or more Supplement

Brochures prior to or contemporaneously with the execution of the Client Agreement. For Comprehensive Financial Planning, the advisory relationship will continue until terminated by the client or the Firm in accordance with the provisions of the Client Agreement. For Financial Fine Tuning and Rocket Science Review, the advisory relationship is terminated after the final closeout meeting, the final invoice is paid, and the Client Agreement Closeout Section is signed by the client and Jonathan Cain.

## **1. Comprehensive Financial Planning**

Comprehensive Financial Planning consists of three Phases: Formulation, Execution, and Maintenance. During the Formulation Phase, there are 6 Subphases: Initial Consultation, Data Gathering, Goals and Objectives, Analysis, Recommendations, and Formulation Closeout.

### **a. Formulation: Initial Consultation**

The Initial Consultation consists of a phone, web-based, or in-person meeting, the signing of the Client Intake Form and Client Agreement, client's receipt of the Firm's Client Summary Relationship, Brochure, and any Supplemental Brochures, and the Firm's receipt of retainer fee (See Item 5: Fees and Compensation).

### **b. Formulation: Data Gathering**

Upon completion of the Initial Consultation Subphase, the Data Gathering Subphase consists of memorialization of the client's investment objectives, risk tolerance, time horizons, family status, and other important and necessary information. This information is gathered through a Fact Finder and Risk Tolerance Questionnaire and is used to determine the most appropriate asset allocations and investment strategy to achieve the client's goals. There may be certain restrictions by the client discovered during the Data Gathering Subphase that prevent Jon Cain Financial from accepting or continuing the Comprehensive Financial Planning Service. If the restrictions prevent the Firm from meeting or maintaining the Firm's objectives, the Firm reserves the right to terminate the Client Agreement.

Data Gathering also includes an Inventory of Assets and Liabilities to be completed by the client. It seeks to be an all-encompassing and complete list of all accounts, property, real estate, debts, and financial notes, as well as future benefits or changes such as vesting employer-sponsored benefits or expected future inheritances. During the Data Gathering Subphase, the client provides documents such as tax returns from previous years, estate documentation like trusts, wills and powers of attorneys, applicable employee handbooks including information about employer-sponsored retirement plans and health insurance, private insurance documentation such as life insurance policies, and recent statements from checking, savings, and investment

accounts. All documentation is uploaded and stored through a secure on-line portal compliant with SEC regulations. No hard or paper copies of any documents are accepted.

Jon Cain Financial shall not assume any responsibility for the accuracy of the information provided by the client. The Firm has no obligation for verification of information received from the client. The Firm can only rely on the provided information from the client and is expressly authorized to do so. The client assumes all responsibility for notifying the Firm of any material changes to the information provided during any Phase of the Comprehensive Financial Planning process, including the Data Gathering Subphase.

**c. Formulation: Goals and Objectives**

During the Goals and Objectives Subphase, the Firm prepares a Goals and Objectives document and networth statement for the client based on their stated goals and objectives and the information obtained in the Data Gathering Subphase. The Goals and Objectives are organized into sections that follow GRETIRE: **G**eneral Principles, **R**isk Management and Insurance Planning, **E**ducation Planning, **T**ax Planning, **I**vestment Planning, **R**etirement Planning, and **E**state Planning. Each goal has a description, factors list, impact list, and prioritization, and there may be several or no goals in each section. The goals are presented to the client during a meeting where the Firm takes notes on updates. Then, the Firm updates the Goals and Objectives and sends them back to the client, who then has a period to review and update if necessary. The final Goals and Objectives are agreed to and finalized by both the Firm and the client before moving to the next Subphase.

**d. Formulation: Analysis**

The Analysis Subphase consists of the Firm analyzing the Clients data and goals. All plans include a Monte Carlo Analysis of retirement needs using a Commercial-Off-The-Shelf analysis software such as Envestnet MoneyGuide. One or more additional analyses may be provided depending on the client's circumstances, goals, and objectives. The results of the analysis are reviewed with the client during a meeting before moving onto the next Subphase.

**e. Formulation: Recommendations**

Recommendations include the following documents prepared by the Firm: Executive Summary, Recommendations, Assumptions, Implementation Schedule, and a Cashflow Balance Sheet. The Executive Summary contains a top-level summary of the plan and descriptions of the Recommendation documents. The Recommendations include a list of recommendations and every goal from the Goals and Objective is mapped to at least one recommendation. The Assumptions document includes a list of every assumption used in the analysis and

recommendations, including but not limited to average rate of returns, inflation rates, income levels, risk tolerances, and social security benefits. The Implementation Schedule is a list of who, what, when, and impact for each recommendation ordered by priority in time. The Cashflow Balance Sheet shows current account balances and the account balances after the Implementation Schedule has been executed by the client. The Recommendations are presented to the client during the final meeting.

**e. Formulation: Closeout**

During the final client/Firm meeting when the Recommendations are presented, the Firm also presents the finalize invoice for the Formation Phase and the portions within the Client Agreement to be signed by the client after the meeting. The end of the Closeout Subphase is when the client and Firm both sign the Closeout section of the Client Agreement and the client has paid the invoice for the Formation Phase.

**f. Execution**

After the formulation of the financial plan has been completed during the Formulation Phase of the Comprehensive Financial Planning, the next Phase is Execution, where the client performs the work necessary to stand up the plan. These steps are outlined in the Implementation Schedule. During the Execution Phase, the Firm and client will meet in-person or virtually for as many check-in as necessary to execute the plan. At least one meeting is recommended by the Firm, but the client is encouraged to meet as many times as necessary. Prior to each meeting, the services provided is added to the Execution section of the Client Agreement and signed by both the client and the Firm. There is a separate invoice for each meeting.

**g. Maintenance**

After the Execution Phase, when the plan is put into place, the final Phase is the Maintenance Phase. During this Phase, the client's various life events and circumstances that warrant an adjustment to the plan may discussed during an in-person and virtual meeting. Prior to the meeting, the Maintenance section of the Client Agreement is updated to include the meeting and is signed by both the client and the Firm. During the meeting it is mutually agreed upon if the changes to the plan require the formation of a new plan, or if the current plan is sufficient to carry forward without adjustments. If a new plan is decided upon, then the current Client Agreement is terminated/completed by signing the Termination section of the Client Agreement and a new one will be created. If it is decided to keep the current plan, then the updates are made to the planning documents and the services provided are added to the Execution section of the Client Agreement and signed by both the client and the Firm. After executing the updates, the plan returns to the Maintenance Phase.

## **2. Financial Fine Tuning**

Financial Fine Tuning is a flat-fee service offered by Jon Cain Financial to support clients that do not typically engage with a financial planner. The engagement consists of a 30-minute virtual or in-person meeting at the beginning of the process, where the client and the Firm discuss goals and objectives and the required documentation the client needs to provide the Firm. The Firm then spends no more than one hour reviewing the documentation and developing a one-page written summary of recommendations. At the end of the engagement, the Firm presents the recommendations to the client during a 30-minute virtual or in-person meeting. Because the Financial Fine Tuning service is rendered with a minimal time limit, the outcomes of the engagement are not intended to be comprehensive in any way. Although the Firm acts in the best interest of the client, and as the client's fiduciary, the plan provided is expressly acknowledged by the Firm to be limited and non-comprehensive.

## **3. Rocket Science Review**

Rocket Science Review is a service offered by Jon Cain Financial to provide a review of pre-existing financial plans. The service follows the same structure as the Comprehensive Financial Planning, with the following differences: (1) the plan to review is provided by the client to the Firm during the Formulation Data Gathering Subphase, (2) the only required document provided in the Formulation Recommendations Subphase is the Executive Summary, and (3) there are no Execution or Maintenance Phases and the engagement terminates after the Formulation Closeout Subphase.

### **B. Wrap-Fee Program**

Jon Cain Financial does not provide portfolio management services to any wrap fee programs.

### **C. Assets Under Management**

Jon Cain Financial does not have any assets under management, as it does not actively manage investments or any other asset or liability for clients.

# **ITEM 5: FEES AND COMPENSATION**

## **1. ADVISORY FEES**



Prior to engaging with Jon Cain Financial to provide Financial Planning Services, the client is required to enter into a written Client Agreement with the Firm setting forth the terms and conditions of the engagement and the fees under which the Firm will render its services. Fees are non-negotiable.

## **2. Fees for Comprehensive Financial Planning and Rocket Science Review**

For Comprehensive Financial Planning and Rocket Science Review, all fees paid by clients to the Firm are based on an hour fee of \$200.00 per hour for Jonathan Cain's time attending virtual or in-person meetings, data review, research, and composition of the documentation. After an initial consultation, the Firm estimates the total number of hours required for the Formulation Phase. The client is required to pay a non-refundable retainer of 25%, up to \$1,000.00, of the estimated total hours prior to moving into the Data Gathering Subphase. If at any time, the total estimated hours changes, the Firm will notify the client prior to executing those hours to receive written consent to changes in estimated total hours. The total hours rendered during the Formulation Phase are outlined on the invoice to be paid by the client at the end of the Closeout Subphase.

For Comprehensive Financial Planning, the Execution and Maintenance Phases may include in-person or virtual meetings. After the meeting, a bill is sent to the client for the Firm's staff's time attending the meeting.

## **3. Fees for Financial Fine Tuning**

There is a flat fee of Financial Fine Tuning of \$249.00 due at the time of the signing of the Client Agreement, prior to the first in-person or virtual meeting. The fee is non-refundable.

## **4. BILLING METHOD**

All billing and invoicing are digital using Wave Accounting, for which clients can use credit, debit, or bank accounts. No checks or cash are accepted.

## **5. OTHER FEES AND EXPENSES**

No other fees or expenses are incurred by Jon Cain Financial, and the Firm nor Jonathan Cain receive any compensation of any kind from any third party as a result of the client executing the financial advice of the Firm.

The recommendations provided by the Firm may incur fees, expenses, or commissions to the client by third parties in the course of executing the financial advice of the Firm, for which the

client is responsible for paying. The client is solely responsible for understanding the structure and amount of these fees, and the Firm is available to help explain the fees, expenses, and commissions during the course of the client/Firm engagement as specified in the Client Agreement.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Jon Cain Financial does not charge any performance-based fees, nor does it engage in any side-by-side management.

## **ITEM 7: TYPES OF CLIENTS**

Jon Cain Financial provides advisory services to individuals and high net worth individuals.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. METHOD OF ANALYSIS**

Jon Cain Financial analyzes a variety of factors when creating provided Financial Planning Services, some of which are applicable to most or all clients and some are highly customized towards specific clients. These factors include interest rates, supply of money, political factors, among others, and are used to forecast the future economic environment. Jon Cain Financial employs Monte Carlo Analysis across these factors to guide the effects on portfolio allocation decision making.

### **B. INVESTMENT STRATEGIES**

Investment strategies are informed by factors such as the client's desired rate of return, aversion to risk, time horizons, availability of pensions to supplement their retirement accounts, other household investments held by the client, state of residence, account types, and tax implications. The Firm makes use of Modern Portfolio Theory and returns-based-style analysis, as well as behavioral finance. The core principles employed by the Firm are portfolio diversification, emphasis on long-term buy/hold, and period rebalancing.

### C. RISK OF LOSS

Investments in securities, including mutual funds and/or exchange-traded funds, have significant risks associated with them, including the risk of loss of principal. This risk is borne by the client. Jon Cain Financial's methods of analysis and investment strategies are predicated on the loss of risk and its relationship with the client's desired rate of return. Some, but not all, of the material risks which may lead to a loss in the value include the following:

- A. Concentration Risk.** This is the risk of having too much invested in one particular security, sector, type of holding, or similar concentration. This risk leads to correlations across the portfolio of risks, such as Business Risk.
- B. Business Risk.** This is the risk associated with a particular business or business within a sector. For example, the defense industry is highly tied to political events around the world, as well as the annual defense budget spending by the United States Congress.
- C. Political and Legislative Risks.** All companies face a complex set of laws and circumstances in each country they operate. The political environment, especially outside the United States, changes rapidly and may have a significant impact on the value of companies based or operating in those companies.
- D. Market Risk.** The price of a security, bond, mutual fund, or other investment may drop in reaction to tangible or intangible events and conditions at any time. This risk is caused by external factors, regardless of the security's particular underlying circumstances.
- E. Interest-Rate Risk.** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds may become less attractive, causing their market values and the market value of any mutual fund or exchange-traded fund holding those bonds to decline.
- F. Inflation Risk.** When any type of inflation is present, purchasing power may be eroding at the rate of inflation. Also referred to as purchasing power risk, this risk also reflects the possibility that the cash flows from an investment will not be worth as much in the future due to changes in purchasing power due to inflation.
- G. Reinvestment Risk.** The risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (e.g., interest rate). This primarily relates to fixed income securities.
- H. Credit Risk.** Borrowing on credit for a business' operations increases the risk that the company may be unable to make interest payments and/or repay principal when due. This is credit or financial risk and can result in an inability to meet loan obligations, credit downgrade, and/or decline in market value.

## **ITEM 9: DISCIPLINARY INFORMATION**

There are no legal or disciplinary events against Jon Cain Financial. The Firm has no information to disclose.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Jon Cain Financial is not a registered broker-dealer. It is also not an insurance agency, accounting firm, real estate broker or dealer, futures commission merchant, commodity pool operator, or commodity trading advisor

The Firm is fee-only and receives no commissions or compensation from any source other than the client's direct payment for the Firm's services that would create a material conflict of interest. The Firm does not have other business relationships with any other advisor or broker-dealer that would create a material conflict of interest.

The Firm does not have any affiliation with any related person who is a broker-dealer, investment company, banking or thrift institution, accounting firm, law firm, insurance agency, pension consultant, real estate broker or dealer, financial planning firm or other investment advisor, commodity pool operator, or commodity trading adviser or futures commission merchant.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Jon Cain Financial has adopted a Code of Ethics ("the Code"), a copy of which is available upon request to clients and prospective clients. Jonathan Cain, the sole proprietor of the Firm, is required to adhere to the Code. Jonathan Cain is the Chief Compliance Officer, and is responsible for enforcement of the Code.

The primary purpose of the Code is to outline the principles of the Firm's fiduciary duty towards its clients, including general ethical principles, receipt and giving of gifts, actual or apparent

conflicts of interests, reporting personal securities trading, exceptions to reporting personal securities trading, reportable securities, reporting ethical violations, review and enforcement policies, and amendments to Form ADV. Neither the Firm nor Jonathan Cain recommend to clients, or buys or sells for client accounts, securities in which the Firm or a related person has a material financial interest.

The Firm prohibits participation in any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions are when an adviser, acting in its own account, buys or sells securities for a client. Agency cross transactions are when an adviser or affiliate of the adviser acts in both an advisory role and as a broker for the advisory client and some other person who is on the other side of the transaction.

Jonathan Cain may have positions in securities that are recommended to clients. As a fiduciary, the Firm places the best interest of its individual clients ahead of its own, so that client transactions have priority over any transactions of Jonathan Cain's personal transactions.

## **ITEM 12: BROKERAGE PRACTICES**

Jon Cain Financial does not have any material relationship with any broker-dealer, as the Firm does not directly have access to any client accounts, brokerage or otherwise. It is generally the practice of the Firm to leave in place any client accounts through the Financial Planning Services process. On rare occasions, the Firm may recommend switching broker-dealers, which is done based solely on the client's best interest, as the Firm receives no benefit of any kind from any broker-dealer, including soft dollar benefits. When it is the recommendation of the Firm that the client create a new account (brokerage, tax-advantaged, or otherwise), it is based solely on the circumstances and needs of the client, which to preference for any broker-dealers.

## **ITEM 13: REVIEW OF ACCOUNTS**

Jon Cain Financial does not directly review any accounts. As specified in the Financial Planning Services provided by the Firm in Item 4, the client is required to provide all information on all accounts to the planner via the secure portal. During the Execution and Maintenance Phases of Comprehensive Financial Planning, all reviews are triggered by the client and the client is directed by the Firm to provide the most recent and relevant information for the desired engagement with the Firm.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

The Firm accepts referrals from independent persons or firms (“Solicitors”) for introducing the Firm to potential clients and will sometimes pay a fee. If the Firm pays a fee to the Solicitor, the clients received from the Solicitor will be provided this ADV and an additional document outlining the engagement with the Solicitor. The contents of the additional document include:

- the Solicitor’s name and relationship with the Firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of fee; and
- whether the fee paid to the Firm will be increased above our normal fee in order to pay the Solicitor.

It is not the Firm’s policy to accept or allow any related persons to accept any form of compensation from any non-client in conjunction with the advisory services provided to any client.

## **ITEM 15: CUSTODY**

Jon Cain Financial does not have any custody of any client’s accounts or assets. The Firm makes recommendations to the accounts and assets, but it is the client who is responsible for executing the recommendations. During the and Phase of Comprehensive Financial Planning, but especially the Maintenance Phase, it is the client’s responsibility to keep abreast of all statements from all accounts.

## **ITEM 16: INVESTMENT DISCRETION**

Jon Cain Financial does not accept any discretionary authority for actively managing any accounts. The recommendations of the Firm are executed at the sole discretion of the client.

## **ITEM 17: VOTING CLIENT SECURITIES**

Jon Cain Financial does not vote proxies on behalf of clients and has no authority to do so.

## **ITEM 18: FINANCIAL INFORMATION**

Jon Cain Financial does not require or solicit prepayment of more than \$1,000 in fees per client six months or more in advance. Jon Cain Financial has not been the subject of any bankruptcy proceeding.