

# Item 1: Cover Page

## Grit and Lavender Financial Planning LLC

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Brighton, Michigan 48116

### **Form ADV Part 2A – Firm Brochure**

(810) 206-3050

Dated March 31, 2021

This Brochure provides information about the qualifications and business practices of Grit and Lavender Financial Planning LLC, “GLFP”. If you have any questions about the contents of this Brochure, please contact us at (810) 206-3050. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Grit and Lavender Financial Planning LLC is registered as an Investment Adviser with the State of Michigan. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about GLFP is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), which can be found using the firm’s identification number 305656.

## Item 2: Material Changes

Since the initial filing of the Form ADV Disclosure Brochure for GLFP, the following material changes have been made:

- GLFP updated their custodian from TD Ameritrade to Charles Schwab to support the use of XY Investment Solutions as their Sub-Advisor.
- The fee table for Investment Management Services in Item 5 has been restructured.
- Items 4 and 5 have been updated to disclose our Divorce Financial Planning and Collaborative Financial Planning services.

# Item 3: Table of Contents

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# Item 4: Advisory Business

## Description of Advisory Firm

Grit and Lavender Financial Planning LLC is registered as an Investment Adviser with the State of Michigan. We were founded in June 2019 and became registered with the State of Michigan in February 2020. Natalie Miller is the principal owner of GLFP. Because GLFP is a new entity, it currently reports no discretionary or non-discretionary Assets Under Management. Assets Under Management were calculated as of December 2020.

## Types of Advisory Services

### Investment Management Services Using Third Party Managers, Outside Managers, or Sub-Advisors (TAMPs)

Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background. We manage accounts on a non-discretionary basis, as described in Item 16 of this brochure.

We provide these portfolio management services through the use of Third Party Managers, Outside Managers, or Sub-Advisors (TAMPs). We assist Clients in selecting an appropriate allocation model, completing the Outside Manager's investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the Client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as tax considerations. Fees pertaining to this service are outlined in Item 5 of this brochure.

### Project-Based Financial Planning

We provide project-based financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning involves an evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client. Clients purchasing this service will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The Client and advisor will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

**Business Planning:** We provide consulting services for Clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan

aimed at achieving your goals.

**Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

**College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).

**Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

**Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

**Financial Goals:** We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.

**Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

**Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving

more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

**Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

## **Comprehensive Financial Planning**

This service involves working one-on-one with a planner over an extended period of time. By paying a fixed monthly fee, Clients get to work with a planner who will work with them to develop and implement their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date.

We will be following the CFP Board’s six steps in the Financial Planning Process to guide us through the process while working with a client. Those steps include:

- (1) determining your current financial situation.
- (2) developing financial goals.
- (3) identifying alternative courses of action.
- (4) evaluating alternatives.
- (5) creating and implementing a financial action plan.
- (6) reevaluating and revising the plan.

In addition to following those six steps when taking a client through the financial planning process, developing a deeper understanding of who the client is as a person and/or as a family and help them create a life in which they love and are passionate about. We will help them uncover areas that may be a blind spot or risk to their current financial success and help them make the best financial decision as life changes. We will act as their advocate and refer them to additional resources to help them through their journey so they can make the best possible decisions for their situation and have confidence in the decision making process. Some of our work will be done with those who work in the skilled trade industries and their families and we have found that they have a specific set of needs related to the physical nature of their work and, at times, the inconsistency of available work/projects. Since these clients are usually paid on an hourly basis, accounting for unpaid time off for illness, holidays, family emergencies, and vacation all must be accounted for when working with their cash-flow, savings, and retirement planning. We will also find that there is usually a unique dynamic in skilled trade families as have found a stay at home spouse to be drastically under insured in life insurance and should that spouse pass away, the income earner experiences a double loss as they now have to adjust their life accordingly to take care of children, a home and a career and while they are making that transition, they may experience a significant loss of income due to the time away from their normal career. As a part of our financial planning process, we will include any additional factors that may be specific to each client's needs.

We will hold regular client meetings as we move through the financial planning process and as the plan is implemented we will reduce the frequency of the meetings. We plan to meet with clients either in-person or virtually at least once per year, but find semi- annually is more fitting.

We will review and offer advice on all of the major financial planning topics, including business planning, cash-flow, college savings, employee benefits, estate planning, tax planning strategies, financial goal setting, insurance, investment analysis, retirement planning, risk management and any other financial topic that is specific to a client's financial situation such as trade school and professional certification cost planning or taking extended leave for physical ailments or surgery.

## **Divorce Financial Planning**

Divorce financial planning specifically focuses on developing personal and business financial strategies that can help an individual achieve the best possible divorce settlement for their personal situation.

The goal of divorce financial planning is to make you fully aware of your options, the true value of your assets, and how your decisions in a divorce will impact your finances.

When you engage us for divorce financial planning, we will work together to develop a strategic plan that will remove the right amount of emotional decision making, protect your future and minimize mistakes and emotional stress that you will encounter along the way.

We are not attorneys and do not provide legal advice regarding your divorce. We recommend hiring an attorney to assist you throughout this process as well. We are happy to work directly with your attorney to discuss strategies & weigh the best possible outcomes for you & your situation.

While we will provide advice around your finances there are some circumstances that are beyond our current knowledge base. When those situations arise, we will help you find other professional that are highly trained divorce specialists to also assist you in your divorce process. You will pay for those service separately from our services. We do not receive any compensation for such referrals.

We understand that divorce is a highly stressful time, and you must continue to move forward with the other parts of your life. Therefore, we also highly recommend working with a therapist or other mental health professional during this challenging time. They will be able to provide you with the emotional support as you navigate this challenging time.

### Our Divorce Financial Planning Process

1. Gather & Assess Financial Information
2. Budgeting and Cashflow Analysis
3. Analyzing Possible Settlement Options
4. Risk Management & Asset Protection
5. Estate Planning Review
6. Analyzing Executive Compensation
7. Developing a Strategic Plan
8. Litigation & Settlement Support

### Collaborative Divorce Process & the Role of a Neutral Financial Professional

We have been trained in the Collaborative Divorce Process & will occasionally act as a Financial Neutral within this process. When we act as a Financial Neutral, both divorcing parties engage us to assist them with the financial matters within their divorce. Since both divorcing parties are hiring us, we must remain neutral (we

cannot take sides at any time) throughout the divorce process and would not work with either client individually post-divorce to avoid any potential conflicts of interest in the divorce proceedings.

### WHAT IS THE COLLABORATIVE DIVORCE PROCESS?

In the Collaborative Divorce approach, a professional team supports couples through the emotional aspects of divorce as they resolve the legal and financial issues. Each spouse retains an attorney who has had the Collaborative Divorce Training.

The parties and lawyers all sign a commitment to reach a settlement without going to court. Depending on the circumstance, other members of the collaborative team may include a divorce coach, financial professionals, mediators or a child specialist – all of whom are trained and committed to the collaborative process.

Collaborative Divorce focuses on the future and puts children first.

Divorcing couples are often unaware of the financial implications of various settlement options. The Neutral Financial Professional helps the couple evaluate their financial situation, provides tax consequences of different division of assets and debts options, and develops creative solutions to complex financial problems. As a neutral, the financial professional has greater credibility in providing information and fostering a dialogue than an advocate. This makes it easier to reach mutually satisfying agreements.

### KEY AREAS WE CONSIDER:

- Supporting two households on income that previously supported one
- Sustainable budgeting
- Workable property division
- Tax issues, planning, liabilities, and funding
- Business and pension valuations
- Real estate values and issues
- Recognizing that financial topics often involve very strong emotions

### WE HELPS PARTIES TO:

- Gather information about the family finances
- Get finances organized
- Identify, clarify, and prioritize financial needs, goals, and concerns
- Educate themselves about their financial situation
- Validate emotions when they arise
- Analyze income and expenses and assets and liabilities
- Prepare legal declarations of disclosure
- Prepare workable budgets
- Address the financial arrangements necessary to support healthy children
- Consult with additional neutral specialists when necessary
- Evaluate possible settlement options with respect to short and long term consequences
- Assess tax consequences for different scenarios
- Make informed decisions on a level playing field
- Generate creative solutions to financial problems
- Communicate with the team and clients on financial matters

### DURING THE COLLABORATIVE DIVORCE PROCESS, WE:

- Gather all relevant financial documents
- Identify and prioritize financial needs
- Prepare detailed financial reports for all members of the Collaborative team which also serve as the clients' legal declarations of disclosure
- Educate one or both clients regarding the family's financial position
- Assist with developing a client's budget
- Raise awareness of need for other financial specialists
- Facilitate discussion of settlement options and analysis including tax consequences
- Prepare projections based on the different settlement options, if needed
- Bring the voice of financial reality to the discussions
- Review marital settlement agreement for accuracy as it relates to team financial discussions

\*\*Each divorce is unique therefore not every situation will require every item listed above.

## **Collaborative Financial Planning**

This service is a hands-on limited financial planning engagement designed for those that like to play an active role in their financial plan. We understand the moving pieces to your unique financial situation, we help you weigh your options & prioritize them, then we provide you the action steps & resources you need to implement your plan. To get you there, we take you through a 4-5 meeting process to really understand your needs and the inner working of your life. Once we know who you are, then we can advise you on any financial decisions you need to make on an ongoing basis, typically paid monthly.

We create 1-page financial plan with your current priorities & values, top 3 goals we are focused on, and the action items for you to complete independently to implement your financial plan. We also understand that implementing your plan can be challenging when you don't know the inner workings of the financial industry, so we are here to help. Since this is a limited engagement (meaning we don't actually implement your plan), we offer you bi-weekly office hours for you to schedule a time to meet if you have any questions along the way. We will provide any guidance, phone call assistance, research, or calculations in real-time during those calls. Office hour calls will be limited to 30 min., but you are welcome to request additional time should you need it. Additional time will be paid hourly at a rate of \$200/hours. This rate is negotiable and may be changed at any time throughout our engagement. Of course, we will notify you well before any changes are implemented.

We split our planning process into two stages, Initial Client Onboarding & then the Ongoing Client Service Relationship.

### Initial Client Onboarding

We take a 5-step approach to understanding your financial situation. Each meeting is typically an hour.

1. Discovery Meeting – Getting you know you and your unique financial situation.
2. Get Organized Meeting – Gathering all the information we need to provide proper guidance.
3. Goal & Strategy Session – Identifying, Prioritizing, & Strategizing your top 3 financial goals
4. Plan Delivery Meeting – We will review the recommended action plan, get feedback & adjust accordingly.
5. Action Plan – Email you the provided action steps needed to implement your plan independently.

### Ongoing Client Service Relationship

## Ongoing Support

- Biweekly Office Hours (up to 30 min/call)
- Resources specific to your top 3 goals
- Ongoing Client Communication to our client email list
- Client Events, Workshops, & Socials
- Employee Benefits Review
- Annual Review & Focus Session

## Secure Client Vault & Financial Planning Records

Additional Financial Planning services are available in case you get stuck or need to hand it off.

## Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our Clients. However, specific Client financial plans and their implementation are dependent upon the Client Investment Policy Statement which outlines each Client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a Client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

## Wrap Fee Programs

We do not participate in any wrap fee programs.

# Item 5: Fees and Compensation

Please note, unless a Client has received the firm's Disclosure Brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the Client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

## **Investment Management Services Using Third Party Managers, Outside Managers, or Sub-Advisors (TAMPs)**

The standard advisory fee is based on the market value of the account and is calculated as follows:

<b>Account Value</b>	<b>Total Annual Advisory Fee</b>	<b>GLFP's portion of Annual Advisory Fee</b>	<b>Outside Manager's portion of Annual Advisory Fee</b>
<b>\$1 - \$1,000,000</b>	1.00%	0.75%	0.35%
<b>\$1,000,001 and Above</b>	0.75%	0.40%	0.35%

The annual fees are negotiable and are pro-rated and paid in arrears on a quarterly basis, and are based on the average daily balance over the previous quarter.

When an Outside Manager is used, the Outside Manager will debit the Client's account for both the Outside Manager's fee, and GLFP's advisory fee, and will remit GLFP's fee to GLFP. Please note, the above fee schedule does include the Outside Manager's fee. No increase in the annual fee shall be effective without agreement from the Client by signing a new agreement or amendment to their current advisory agreement.

Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 days calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

### **Comprehensive Financial Planning**

Fees for Comprehensive Financial Planning consist of an upfront charge of \$750 and an ongoing fee that is paid monthly, in arrears, at the rate of \$250 per month for multiple-member households, or \$200 per month for single-member households.. The fee may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer, credit card or check. This service may be terminated with 30 days' notice. Upon termination of the engagement, any prepaid and unearned fees will be returned to the client, any completed deliverables will be provided, and no further fees will be charged.

The upfront portion of the Comprehensive Financial Planning fee is for Client onboarding, data gathering, and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 30 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance.

### **Divorce Financial Planning**

Fees for Divorce Financial Planning consist of an upfront charge of at least \$300 depending on complexity and then the client may choose to pay hourly, at \$200/hr. or they may pay an ongoing fee that is paid monthly, in arrears, at the rate of at least \$300 per month. The fee may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer, credit card or check. This service may be terminated with 30 days' notice. Upon termination of the engagement, any prepaid and unearned fees will be returned to the client, any completed deliverables will be provided, and no further fees will be charged.

The upfront portion of the Comprehensive Financial Planning fee is for Client onboarding, data gathering, and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 30 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance.

## **Collaborative Financial Planning**

Fees for Collaborative Financial Planning consist of an upfront charge of \$285 and an ongoing fee that is paid monthly, in arrears, at the rate of \$95 per month. The fee may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer, credit card or check. This service may be terminated with 30 days' notice. Upon termination of the engagement, any prepaid and unearned fees will be returned to the client, any completed deliverables will be provided, and no further fees will be charged.

The upfront portion of the Collaborative Financial Planning fee is for Client onboarding, data gathering, and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 30 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance.

## **Project-Based Financial Planning Fixed Fee**

Project-Based Financial Planning is offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$85 and \$1,500 depending on complexity and the needs of the client. The fee is negotiable. If a fixed fee program is chosen, half of the fee is due at the beginning of the process and the remainder is due upon completion of work, however, GLFP will not bill an amount above \$500 more than 6 months in advance. Fees for this service may be paid by electronic funds transfer, credit card or check. In the event of early termination any prepaid but unearned fees will be refunded to the Client and any completed deliverables of the project will be provided to the Client and no further fees will be charged.

## **Financial Planning Hourly Fee**

Hourly Financial Planning engagements are offered at a rate of \$200 per hour, billed in 10-minute increments. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by the Client, any fees for the hours already worked will be due. Fees for this service may be paid by electronic funds transfer or check.

## **Other Types of Fees and Expenses**

Our fees are inclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may still incur certain non-transactional charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

## Item 6: Performance-Based Fees and Side-By-Side Management

We do not offer performance-based fees and do not engage in side-by-side management.

## Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals.

Our minimum account size requirement is \$5,000.

## Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Our primary methods of investment analysis are Fundamental and Technical analysis.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical analysis** involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

**Use of Outside Managers:** We refer Clients to third-party investment advisers ("outside managers"). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the manager's compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he or she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an outside manager's portfolio. There is also a risk that a manager may deviate from the stated investment mandate or

strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Passive Investment Management**

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange-traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

### **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively,

investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

**Mutual Funds:** When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## Item 9: Disciplinary Information

### **Criminal or Civil Actions**

GLFP and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

GLFP and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

GLFP and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of GLFP or the integrity of its management.

## Item 10: Other Financial Industry Activities and Affiliations

No GLFP employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No GLFP employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

GLFP does not have any related parties. As a result, we do not have a relationship with any related parties.

GLFP only receives compensation directly from Clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

Natalie Miller is currently a licensed insurance agent for the purpose of discussing insurance options with advisory clients, however, she no longer sells any insurance products, and is not affiliated with any insurance companies. Natalie Miller will not sell any insurance products to clients or prospective clients of GLFP.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, GLFP recommends Clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, GLFP will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities

### **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory Clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to Clients.
- Competence - Associated persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.

- Confidentiality - Associated persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect the credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm and its “related persons” may buy or sell securities similar to, or different from, those we recommend to Clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

### **Trading Securities At/Around the Same Time as Client’s Securities**

From time to time, our firm or its “related persons” may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of GLFP to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, GLFP will never engage in trading that operates to the client’s disadvantage if representatives of GLFP buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **Factors Used to Select Custodians and/or Broker-Dealers**

Grit and Lavender Financial Planning LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

#### **1. Research and Other Soft-Dollar Benefits**

We currently receive soft dollar benefits due to the nature of our custodial relationships with Charles Schwab & Co., Inc. (“Schwab”).

#### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for Clients to use, however, Clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing Clients to choose a specific custodian, we may be unable to achieve the most favorable execution of Client transaction and this may cost Clients money over using a lower-cost custodian.

## **The Custodian and Brokers We Use (Charles Schwab)**

The custodian and brokers we use maintain custody of your assets that we manage, although we may be deemed to have limited custody of your assets due to our ability to withdraw fees from your account (see Item 15 – Custody, below).

We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”)

### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### **Your brokerage and custody costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program.

### **Products and services available to us from Schwab**

Schwab Advisor Services<sup>TM</sup> is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and

related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

### **Services that benefit you**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### **Services that may not directly benefit you**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

### **Services that generally benefit only us**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

We do not require that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay, rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

## **Aggregating (Block) Trading for Multiple Client Accounts**

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. We do not engage in block trading. It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized

investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Outside Managers used by GLFP may block Client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

## Item 13: Review of Accounts

Natalie Miller, Owner and CCO of GLFP, will work with Clients to obtain current information regarding their assets and investment holdings and will review this information as part of our financial planning services. GLFP does not provide specific reports to financial planning Clients, other than financial plans.

Client accounts with the Investment Advisory Service will be reviewed regularly on a quarterly basis by Natalie Miller, Owner and CCO. The account is reviewed with regards to the Client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of Client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

GLFP will provide written reports to Investment Advisory Clients on an annual basis. We urge Clients to compare these reports against the account statements they receive from their custodian.

## Item 14: Client Referrals and Other Compensation

Other than those listed below, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

## Item 15: Custody

GLFP does not accept custody of Client funds except in the instance of withdrawing Client fees.

For Client accounts in which GLFP directly debits their advisory fee:

- i. GLFP will send a copy of its invoice to the custodian at the same time that it sends the Client a copy.
- ii. The custodian will send at least quarterly statements to the Client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The Client will provide written authorization to GLFP, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, we maintain discretion over Client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the Client.

## Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of Client funds or securities or require or solicit prepayment of more than \$500 in fees per Client six months in advance.

# Item 19: Requirements for State-Registered Advisers

## **Natalie Miller**

Born: 1985

### **Educational Background**

- 2009 – BBA in International Business, Northwood University. Midland, MI
- 2007 – Associates in Business, Washtenaw Community College. Ann Arbor, MI

### **Business Experience**

- 06/2019 – Present, Grit and Lavender Financial Planning LLC, Owner and CCO
- 01/2019 – 6/2019, Mass Mutual, Financial Advisor
- 02/2018 – 1/2019, PNC Investments, Financial Advisor
- 08/2017 – 2/2018, Merrill Lynch, Financial Advisor
- 10/2016 – 8/2017, Homemaker
- 02/2010 – 10/2016, JPMorgan Chase & Co, Client Service Associate

### **Professional Designations, Licensing & Exams**

Series 66 - Uniform Combined State Law Examination

### **Other Business Activities**

Natalie Miller is the Owner of Grit and Lavender Co-working Space. This activity accounts for approximately 20% of her time.

### **Performance-Based Fees**

GLFP is not compensated by performance-based fees.

### **Material Disciplinary Disclosures**

No management person at Grit and Lavender Financial Planning LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

### **Material Relationships That Management Persons Have With Issuers of Securities**

Grit and Lavender Financial Planning LLC, nor Natalie Miller, have any relationship or arrangement with issuers of securities, in addition to what is described in Item 10.

### **Additional Compensation**

Natalie Miller does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through GLFP.

## **Supervision**

Natalie Miller, as Owner and Chief Compliance Officer of GLFP, is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

## **Requirements for State Registered Advisers**

Natalie Miller has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

## **Grit and Lavender Financial Planning LLC**

211 N. First Street Suite 200  
Brighton, Michigan 48116

(734) 717-5460

Dated March 31, 2021

Form ADV Part 2B – Brochure Supplement

*For*

**Natalie Miller - Individual CRD# 5755954**

Owner and Chief Compliance Officer

This brochure supplement provides information about Natalie Miller that supplements the Grit and Lavender Financial Planning LLC (“GLFP”) brochure. A copy of that brochure precedes this supplement. Please contact Natalie Miller if the GLFP brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Natalie Miller is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 5755954.

## Item 2: Educational Background and Business Experience

### **Natalie Miller**

Born: 1985

#### **Educational Background**

- 2009 – BBA in International Business, Northwood University. Midland, MI
- 2007 – Associates in Business, Washtenaw Community College. Ann Arbor, MI

#### **Business Experience**

- 06/2019 – Present, Grit and Lavender Financial Planning LLC, Owner and CCO
- 01/2019 – 6/2019, Mass Mutual, Financial Advisor
- 02/2018 – 1/2019, PNC Investments, Financial Advisor
- 08/2017 – 2/2018, Merrill Lynch, Financial Advisor
- 10/2016 – 8/2017, Homemaker.
- 02/2010 – 10/2016, JPMorgan Chase & Co, Client Service Associate

#### **Professional Designations, Licensing & Exams**

Series 66 - Uniform Combined State Law Examination

## Item 3: Disciplinary Information

No management person at Grit and Lavender Financial Planning LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, criminal action, or administrative proceeding.

## Item 4: Other Business Activities

Natalie Miller is the Owner of Grit and Lavender Co-working Space. This activity accounts for approximately 20% of her time.

## Item 5: Additional Compensation

Natalie Miller does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through GLFP.

## Item 6: Supervision

Natalie Miller, as Owner and Chief Compliance Officer of GLFP, is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

## Item 7: Requirements for State Registered Advisers

Natalie Miller has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.