

Item 1 Cover Page

Item 1A Business Name and Contact Information



Rorik Wallace Larson, MBA, CFP®, EA
Owner and Advisor

Mailing Address:
PO Box 321
Palos Heights, IL 60463
Phone: (708) 949-6194

Physical Address:
14010 Norwich Lane
Orland Park, IL 60467

Email: Rorik@EssentialFinancialStrategies.com
Website: <http://essentialfinancialstrategies.com/>

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Item 1B Required Statements

This brochure provides information about the qualifications and business practices of Essential Financial Strategies (“EFS”). If you have any questions about the contents of this brochure, please contact Rorik Larson (“Rorik Larson”) at (708) 949-6194 or by email at: Rorik@EssentialFinancialStrategies.com. 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.

Additional information about EFS is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by an identifying number, known as a Central Registration Depository (CRD®) number. The CRD number for Essential Financial Strategies is 153415.

Item 1C RIA Disclaimer Statement

EFS is a Registered Investment Adviser with the State of Illinois. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provides you with information about which you determine to hire or retain an Adviser.

Item 2 Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure dated March 10, 2017 is an updated version of the previous document (dated February 1, 2017) new document prepared according to the SEC’s and State of Illinois’s new requirements and rules.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Material Change:

1. Item 4B Wealth Review--adjusted credited amounts toward Wealth Retainer
2. Item 4B Incorporated new service of Strategic College Plan
3. Item 4B Wealth Retainer—adjusted description of services
4. Item 5A Wealth Review fee adjusted
5. Item 5A Strategic College Plan fees added
6. Item 5A Wealth Retainer Renewal fees adjusted.
7. Item 13A Description adjusted
8. Item 13C Business Days to send meeting notes adjusted

This Brochure may be requested by contacting Rorik Larson at (708) 949-6194 or Rorik@EssentialFinancialStrategies.com. Brochures are provided free of charge.

Additional information about EFS is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with EFS who are registered, or are required to be registered, as investment adviser representatives of EFS.

Item 3 Table of Contents

Item 1 Cover Page i

 Item 1A Business Name and Contact Information i

 Item 1B Required Statements i

 Item 1C RIA Disclaimer Statement i

Item 2 Material Changes ii

Item 3 Table of Contents iii

Item 4 Advisory Business 6

 Item 4A Description of Advisory Firm 6

 Item 4B Description of Advisory Services Offered 6

 Item 4C Client Imposed Restrictions 8

 Item 4D Wrap Fee Programs 8

 Item 4E Client Assets Under Management 9

Item 5 Fees and Compensation 9

 Item 5A Fee Schedule 9

 Item 5B Fee Billing 11

 Item 5C Additional Client Fees Charged 11

 Item 5D Termination, Prepayment and Refunds 11

 Item 5E External Compensation For the Sale of Securities to Clients 12

Item 6 Performance-Based Fees and Side-By-Side Management 12

Item 7 Types of Clients 12

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss 13

 Item 8A Methods of Analysis and Investment Strategies 13

 Item 8B Investment Strategy and Method of Analysis Material Risks 13

 Item 8C Security Specific Material Risks 14

Item 9 Disciplinary Information 14

Item 9A Criminal or Civil Actions 14

Item 9B Administrative Enforcement Proceedings 14

Item 9C Self Regulatory Organization Enforcement Proceedings 14

Item 10 Other Financial Industry Activities and Affiliations14

Item 10A Broker Dealer or Representative Registration..... 14

Item 10B Futures or Commodity Registration..... 14

Item 10C Material Relationships of this Advisory Business and Conflicts of Interest 14

Item 10D Recommendations or Selection of Other Investment Advisers and Conflicts of Interest..... 15

Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading15

Item 11A Code of Ethics Description 15

Item 11B Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest15

Item 11C Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest 16

Item 11D Client Securities Recommendations or Trades of Concurrent Advisory Firm Securities
Transactions and Conflicts of Interest..... 16

Item 12 Brokerage Practices17

Item 12A Factors Used to Select Broker-Dealer/Custodians for Client Transactions 17

Item 12B Aggregating Securities Transactions for Client Accounts..... 18

Item 13 Review of Accounts.....18

Item 13A Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons
Involved 18

Item 13B Review of Client Accounts on Non-Periodic Basis 18

Item 13C Content of Client Provided Reports and Frequency 19

Item 14 Client Referrals and Other Compensation 19

Item 14A Economic Benefits Provided by External Sources and Conflicts of Interest 19

Item 14B Advisory Firm Payments for Client Referrals 19

Item 15 Custody..... 19

Item 16 Investment Discretion.....19

Item 17 Voting Client Securities20

 Item 17A Advisor Voting Client Securities 20

 Item 17B Client Voting Securities 20

Item 18 Financial Information20

 Item 18A Balance Sheet..... 20

 Item 18B Financial Conditions Reasonably Likely to Impair Advisor Firm’s Ability to Meet Commitments to Clients 20

 Item 18C Bankruptcy Petition During the Past Ten Years 20

Item 19 Requirements for State-Registered Advisers.....20

 Item 19A Principal Executive Officers and Management Persons 20

 Item 19B Other Business Activities Engaged In 22

 Item 19C Performance Based Fee Description 23

 Item 19D Material Facts about Arbitration or Disciplinary Actions Involving Management Persons..... 23

 Item 19E Material Relationships Maintained with Issuers of Securities. 24

Item 4 Advisory Business**Item 4A Description of Advisory Firm**

EFS is a fee-only holistic financial planning firm that specializes in providing tailored financial planning services to individuals and families. EFS was formed in 2010 and began advising in 2011. Essential Financial Strategies is owned and operated by Rorik Larson, MBA, CFP®, EA.

Item 4B Description of Advisory Services Offered

EFS offers a wide range of financial services. Specifically, EFS distinguishes itself from traditional investment advisory firms by providing services to meet not only your investment needs, but also your tax preparation and planning, estate planning, college planning, risk management, retirement planning, and business development needs. EFS income tax preparation may be completed by Rorik Larson in conjunction with his employment with a tax preparation service. All services are tailored to the objectives of the Client.

The Advisor's role is to make investment and financial planning recommendations. The Advisor does not have authority over Client funds and does not execute trades in Clients' accounts unless specifically authorized by the Client. You are under no obligation to implement any advice given to you by EFS. You, the Client, are solely responsible to implement any recommendations made by the Advisor.

The Advisor and Client will enter into an agreement which details the scope of the relationship and responsibilities of both Advisor and Client. Advice and services provided under the agreement are personalized to the stated objectives of the Client.

EFS does not sell insurance or investment products, nor does it accept commissions as a result of any product recommendations. EFS does not pay referral or finder's fees to acquire specific Clients, nor does it accept such fees from other firms.

If Clients account is subject to the provisions of the Employment Retirement Income Security Act of 1974, as amended, or corresponding provisions of the Internal Revenue Code, as amended, Advisor acknowledges that it is a "fiduciary" with respect to performing its duties.

EFS provides the following four types of Advisory Services:

1. Wealth Review: The Wealth Review is first of two entry points for working with Essential Financial Strategies. The Wealth Review consists of a single two-hour discussion of two (2) or three (3) financial planning questions selected in advance by the Client. A 30-day follow-up window after the meeting via phone and email is included at no additional charge. No implementation help is provided nor is advice provided on unrelated questions.

The Wealth Review **does not** constitute a comprehensive financial planning engagement.

If you wish to upgrade to the Wealth Retainer option, you may receive credit toward Wealth Retainer fees for all amounts paid under Wealth Review agreements in the previous two months or 50% of paid amount in the previous six months.

2. Strategic College Plan: The Strategic College Plan is second of two entry points for working with Essential Financial Strategies. The Strategic College Plan is a of narrowly focused financial planning engagement aimed at developing a plan to fund college education for one or more children in a family. It is based upon the College Pre-Approval™ methodology. The Strategic College Plan does not constitute a comprehensive financial planning nor is it college planning engagement.

If you wish to upgrade to the Wealth Retainer option, you may receive credit toward Wealth Retainer fees for all amounts paid under Strategic College Plan agreements in the past two months or 50% of paid amount in the previous six months.

3. Wealth Retainer: The Wealth Retainer provides comprehensive year-round financial planning for a fixed annual fee. The Client agrees to an ongoing relationship with EFS as their trusted guide in financial areas of their life. You will have six to eleven scheduled meetings during the Initial Year (see below), depending on your individual situation, and generally three or four scheduled meetings during Renewal Years (see below). In addition to scheduled meetings, additional face-to-face, e-mail and/or phone consultations are included at no additional charge.

Services provided may include, but are not limited to tax preparation, tax planning, college planning, risk management review, inventory of assets, analysis of financial goals, portfolio analysis, development of an asset allocation strategy, no-load mutual fund/Exchange Traded Fund recommendations, retirement planning and estate plan reviews.

The total hours spent formulating a financial plan during the initial year is dependent upon the complexity of the Client's situation. The Advisor generally develops the plans with the Client during the face-to-face meetings. An individual meeting or strategy session usually touches on just one or two areas of the Client's financial life. Meetings typically last for 90-120 minutes. The Advisor normally spends two (2) to four (4) hours preparing for and following up after each Client session. The Advisor and Client develop the plan in segments over the course of the year in 6 to 11 meetings. Generally during the initial year between 20 and 65 hours per year are spent on the Client's plan.

At the request of the Client, the advisor may help the Client with the implementation of the sale and/or purchase of investments when authorized to do so only on a non-discretionary basis. The Client must authorize the specific transaction(s) to be placed.

Initial Year of Wealth Retainer - Scheduled meeting topics are listed below. EFS will schedule meetings to cover those topics relevant to you.

- Tax preparation
- Tax planning
- Inventory of Client assets
- Budgeting and cash flow
- Record-keeping
- Retirement planning

- Portfolio analysis
- Develop asset allocation strategies
- Recommend investments
- Risk analysis
- Analysis of employee benefits
- Goal setting
- Estate planning review
- Small business planning
- Education planning

Renewal Years of Wealth Retainer - Typical scheduled meetings:

- Tax planning & Tax preparation
- Investment review/update
- Financial planning and/or financial services as requested or needed by Client.
- Goal setting/review
- Rebalancing of assets

3. Wealth Project: If a Wealth Retainer relationship is not desired or practical, project services are also offered. Thus, Wealth Project is narrower in scope as compared to the Wealth Retainer and usually focus on one or more of the following areas: goal setting, asset/liability analysis, tax planning, cash flow management, investment review, retirement planning, risk management, estate planning, and record keeping. The service includes various Client consultations as well as written and/or oral recommendations resulting from such consultations. The Wealth Project does **not** constitute a comprehensive financial planning engagement. As such, follow-up advice and/or implementation assistance is not normally provided following the completion of the Wealth Project agreement. Additionally, tax return preparation is not automatically included with the Wealth Project, though it may be purchased as a separate service for an additional fee. Investment implementation may be included if included on the specific client agreement.

Wealth Projects are appropriate when only one or two areas of client's financial situation are to be the focus. As such it makes sense not to engage in the Wealth Retainer. Advisor will use his best discretion for which clients Wealth Projects may be appropriate and how many hours are required.

If you wish to upgrade to the Wealth Retainer option, you may receive credit toward Wealth Retainer fees for all amounts paid under Wealth Project agreements in the past two months or 50% of Wealth Project amounts paid in the previous six months.

Item 4C Client Imposed Restrictions

EFS will abide by the wishes or restrictions given by the Client. Clients of EFS are free to choose to implement or not the recommendations of EFS. Should either the Client or EFS decide that agreement on recommendations cannot be achieved; either party may initiate to terminate the advisement agreement.

Item 4D Wrap Fee Programs

EFS does not offer a Wrap Fee Program.

Item 4E Client Assets Under Management

EFS does not charge by Assets Under Management. At the request of the Client, EFS may provide a referral to a financial custodian. EFS strives to have each Client maintain control of their own accounts.

Item 5 Fees and Compensation**Item 5A Fee Schedule**

EFS charges Clients by fixed fees also called a retainer. These fees may be for a Wealth Retainer for one year, a Wealth Project, Wealth Review or Strategic College Plan for a limited scoped engagement. Essential Financial Strategies' fees are predicated upon the life situation of the Client. Agreed upon fee will not be adjusted if income tax preparation is part of the agreement and is completed through another firm by Rorik Larson.

Retainer fees charged are described below by type of agreement.

Wealth Review

The cost for the Wealth Review is \$950. A 50% deposit is due upon signing the agreement, and the remaining 50% is due at the beginning of the review meeting. Discounts may apply. Portfolio Review/Recommendation projects do not provide specific investment advice for investment portfolios over \$200,000. If desired, Asset Allocation recommendations are provided as part of the Review. EFS does not collect more than \$500 more than six months in advance from any client.

Strategic College Plan

Services under the Strategic College Plan are provided on a flat annual fee of \$1500 for two appointments for the first child. Additional children can added at the annual amount of \$500 per child.

A 50% deposit is due upon signing the agreement, and the remaining 50% is due at the beginning of the sixth month. Fees and payments may be modified to match unique circumstances. In no event will EFS collect more than \$500 more than six months in advance from any client.

Wealth Retainer

Initial Year: Our Clients' needs vary from levels of extremely complexity, requiring much analysis and frequent consultants, to portfolio maintenance with minimal ongoing planning needs after the first year. We believe our fees should, in fairness, reflect these varied circumstances. The Initial Year of Wealth Retainer ranges from \$3,000 to \$20,000 or more. This range of fees reflects the spectrum of Client financial situations. Clients may range from a recent (mid-twenties) college graduate just starting life who is single, rents an apartment, has

student loans, and 401k choices at work to the blended family with his, hers and our children, two jobs, a side business, a primary home, a summer house, retirement plans, and college funding concerns. The simple situation may involve 20 hours of Advisor work while a more complex situation may take 60 or more hours of Advisor work.

Fees are calculated based upon the Client(s) total income, assets, and overall complexity of their financial situation. For example, a single person with an income of \$80,000 with \$39,000 of Marketable Assets would have an estimated initial year retainer of \$3000 and renewal year retainer of \$2,400. A married couple with wage income of \$120,000, investment income of \$450 and Marketable Assets of \$440,000 would have an estimated initial fee of \$6000, renewal fee of \$4,800. Finally, a married couple with wage income of \$550,000, investment income of \$5000, and Marketable Assets of \$4,500,000 would have an estimated initial fee of \$20,000 and renewal fee of \$16,000.

Add-ons, Credits, and Miscellaneous Adjustments: A charge of \$250 is assessed for each amended tax return prepared, if applicable. A charge of \$250 is assessed for additional tax returns prepared (additional return for dependents of the Client, etc.). Credits and Miscellaneous Adjustments may be applied if the Client has professional investment counsel in place, if they are upgrading from a Project retainer, or for other reasons as appropriate.

Renewal Years:

Renewal fees like the initial fee vary upon the financial situation of the individual Client. Renewal year fees are computed with the most current financial information used to recalculate an initial year Wealth Retainer fee. Existing clients before January 1, 2020 will retain their current renewal fee until the current agreement expires. Rorik will review these preexisting agreements on a case by case basis with increases not to exceed 10% from the previous renewal recalculated annual fee.

Retainers will be determined by formula as explained above and are generally non-negotiable. Clients are billed quarterly with the first payment due and payable upon signing an engagement contract. Fees and payments may be modified to match unique circumstances. In no event will EFS collect more than \$500 more than six months in advance from any Client.

Wealth Project

Services under the Wealth Project are provided on a flat-fee basis. For all project retainers the fees are based on a standard rate of \$250 per hour. The minimum Wealth Project fee is four (4) hours which covers preparation, meeting time and possible follow-up. The number of hours is based upon the scope of the project. Additional estimated out of pocket expenses will be added to the fee prior initial invoicing.

Wealth Project fees are due in full at the beginning of the engagement. At the Advisor's sole discretion, fees may be paid with one-half due at the beginning of the engagement and the remainder upon completion or earlier. Fees and payments may be modified to match unique

circumstances. In no event will EFS collect more than \$500 more than six months in advance from any client.

Portfolio Review/Recommendation projects do not provide specific investment advice for investment portfolios over \$200,000. Asset Allocation recommendations are provided if desired as part of the Review. Discounts may apply.

Fee Negotiation

EFS does not generally negotiate fees. EFS reserves the right to do pro bono work or offer discounts on all service offerings.

Item 5B Fee Billing**Client Fees Billed**

EFS bills clients directly for services. EFS does not directly debit fees from Client investment accounts.

How Often Clients Billed

Fees are calculated annually, billed, and payable quarterly, in advance, by check or via Paypal.

Item 5C Additional Client Fees Charged

In addition to the Advisor's fee, Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds 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 EFS's fee, and EFS does not receive any portion of these commissions, fees, and costs.

Item 5D Termination, Prepayment and Refunds**Termination**

In Illinois you, as an advisory Client, have the right to terminate the contract by written notice without penalty within five (5) business days of signing the contract. Additionally, either party may terminate an agreement, without penalty, at any time upon 30 days written notice.

EFS reserves the right to stop work on any account that is more than 30 days overdue. In addition, EFS reserves the right to terminate any financial planning engagement where a Client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in EFS's judgment, to providing proper financial and tax advice.

Prepaid Fees

Clients pay EFS quarterly in advance. Payments of more than \$500 for more than six months in advance are not accepted.

Refund of Prepaid Fees

Advisor will promptly refund any prepaid but unearned fees. Any fees that have been earned but not yet paid by Client will be due and payable. Whether fees have been earned or unearned will be determined by Advisor at the Advisor's sole discretion.

Item 5E External Compensation for the Sale of Securities to Clients

EFS **does not** receive compensation from outside firms or individuals based upon the sale or purchase of securities by a Client.

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

Performance-Based Fees

EFS **does not** charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client) nor manage accounts which impose performance-based fees. Management of accounts with performance-based fees may provide an incentive to favor such accounts over the accounts of other Clients. EFS considers avoidance of such a conflict paramount in maintaining our fiduciary duty to each of our Clients.

Side-by-Side Management

Essential Financial Strategies has no Side-by-Side Management issues to disclose.

Item 7 Types of Clients

Account Requirements

Essential Financial Strategies maintains **no** minimum net-worth or asset requirements to qualify Clients.

Description of Types of Clients Provided Advice

EFS provides holistic financial planning and investment advisory services primarily to middle-income individuals and families. We enjoy working with people from different walks of life and especially families with school-aged children. As discussed above, your chosen relationship agreement and fee will be based upon your individual circumstances.

Conflicts of Interest between Clients

EFS's relationship with each Client is non-exclusive; that is EFS provides financial planning services to multiple Clients. EFS seeks to avoid situations in which one Client's interest may conflict with the interest of another of its Clients. However, circumstances may unavoidably occur such as a divorce. EFS will disclose the conflict of interest to each party involved and recuse itself from providing recommendations that will harm the fiduciary relationship.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**Item 8A Methods of Analysis and Investment Strategies**

In determining investment recommendations, EFS will utilize public information obtained through Morningstar as well as other public research. EFS may utilize the research of the Alliance of Comprehensive Planners. Advisor also subscribes to various professional publications deemed to be consistent and supportive of Advisor's investment philosophy. Moreover, EFS approaches investment portfolio analysis and implementation based on internal factors such as your tax situation, overall risk tolerance, current financial situation, and your personal goals and aspirations. After identifying these items, your portfolio will be structured around your individual needs, while minimizing negative effects of external factors, such as interest rates, market performance, and the economy as a whole.

In general, EFS recommends no-load mutual funds (i.e., mutual funds that have no sales fees), U.S. government securities, index-based exchange traded funds, money market accounts, certificates of deposit, and individual bonds (government, corporate, agency and/or municipal). EFS believes in an efficient market where it is exceedingly difficult to beat the market year in and year out. Therefore, and generally, EFS uses a long-term passive investment strategy investing in index mutual funds or exchanged traded funds though on occasion an active fund may be utilized if appropriate to your personal situation. However, in the course of providing investment advice, EFS may address issues related to other types of assets that you may already own. Any other products that may be deemed appropriate for you will be discussed, based upon your goals, needs and objectives. The Client has the final approval on the tailored strategy. Personal situations change; therefore, we will review Client's portfolios, at minimum, an annual basis.

Item 8B Investment Strategy and Method of Analysis Material Risks

Investing involves risk of loss that Clients should be prepared to bear. EFS will strive to use a diversified portfolio to limit such risk. The inherent risks associated with any investment recommended by EFS will be thoroughly reviewed and discussed with your goals, needs, and objectives at the forefront. This will help ensure you fully understand your investments and that you are properly prepared to bear any associated risks. Any investing in securities involves risk of loss that Clients should be prepared to bear. While the Advisor will use its best judgment and good faith efforts in rendering services to you, not every investment decision or recommendation made by Advisor will be profitable. EFS cannot warrant or guarantee any particular level of account performance, or that an Account will be profitable over time. You assume all market risk involved and understand that investment decisions are subject to various markets, currency, economic, political, and business risks. If a particular investment or strategy is not comfortable for you, you have the right and **obligation** to tell EFS of your concern in advance of your purchase. You have the **absolute final approval** on the purchase of a particular investment.

Item 8C Security Specific Material Risks

Essential Financial Strategies will discuss risks of a specific security with you. Certain securities recommended, such as U.S. small cap and emerging market mutual funds possess higher levels of volatility (as individual asset classes within a portfolio). EFS may employ these securities as part of an overall strategic asset allocation for you, and when such is undertaken EFS possesses a reasonable belief that the risk-return relationship for these securities will likely be beneficial for you over the long term.

Certificates of Deposit (CDs) recommended to our Clients are FDIC-insured, the pricing of certain of these CDs, which may trade in the secondary market, can vary; accordingly, due to price declines and/or transaction costs associated with trading, these CDs could lose value if redeemed prior to maturity. When CDs are recommended, it is our intent that you hold the CDs to maturity.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of EFS or the integrity of EFS's management.

Item 9A Criminal or Civil Actions

EFS has no criminal or civil actions to disclose.

Item 9B Administrative Enforcement Proceedings

EFS has no administrative enforcement proceedings to disclose.

Item 9C Self Regulatory Organization Enforcement Proceedings

EFS has self-regulatory Organization Enforcement Proceedings to disclose.

Item 10 Other Financial Industry Activities and Affiliations**Item 10A Broker Dealer or Representative Registration**

EFS or Rorik Larson does not maintain registration as a Broker Dealer or Registered Representative.

Item 10B Futures or Commodity Registration

EFS or Rorik Larson does not maintain Futures or Commodities registration.

Item 10C Material Relationships of this Advisory Business and Conflicts of Interest

Rorik Larson is a member of the Alliance of Comprehensive Planners (ACP). This non-profit organization provides training and support through an alliance of fee-only comprehensive financial advisors working with middle-income Clients. As a member of the ACP, EFS has the

right to use proprietary products and systems designed by the ACP. The ACP offers education in the form of in-person, web- and tele-conferences (which may provide continuing education credits) and services produced by collaborative efforts of the fee-only financial advisors.

Rorik Larson is a NAPFA-Registered Advisor of the National Association of Personal Financial Advisors (NAPFA). Rorik Larson is a member of the Financial Planning Association (FPA) and abides by FPA's Code of Ethics and Standards of Care. As CERTIFIED FINANCIAL PLANNER™ professional, he follows the CFP® Board's Code of Ethics.

From time to time, EFS advisors may be employed by other firms either as employee or as contractor for work such as tax preparation. Currently, Rorik Larson is employed part-time by Lobash and Lobash Accounting and Tax Service as an income tax professional.

Item 10D Recommendations or Selection of Other Investment Advisers and Conflicts of Interest

Essential Financial Strategies will not select other investment advisers or third-party investment advisers for Clients.

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

EFS is committed to a Code of Ethics, to which all investment advisor representatives and employees are bound to adhere. Incorporated into our practice are the standards set by the Certified Financial Planning Board, the Code of Ethics and Fiduciary Oath promulgated by NAPFA, and the Alliance of Comprehensive Planners Pledge to Clients which forms the foundation of EFS ethical practices.

Our **Code of Ethics** states:

EFS and its investment advisor representatives and employees shall always:

- As a fiduciary, act in the best interests of each and every Client;
- Act with integrity and dignity when dealing with Clients, prospects, and others;
- Strive to maintain and continually enhance our high degree of professional education regarding all aspects of personal financial planning; and
- Seek at all times to preserve our firm's independence and to maintain our complete objectivity with respect to our advisory services and each recommendation made to our Clients.

Item 11B Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

EFS seeks to avoid material conflicts of interest. EFS does not participate in securities in which it has a material financial interest. EFS and its related persons, as a matter of policy, do not recommend to Clients, or buy or sell for Client accounts, securities in which the firm or its related persons has a material financial interest. Accordingly, neither EFS nor its investment adviser representatives nor its' team members receive any third party direct monetary

compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms, custodians, or mutual fund companies.

Advisor will disclose to advisory Clients any material conflict of interest relating to the Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

EFS believes that the services and benefits actually provided to it by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations made to Clients of EFS. However, in the interest of full disclosure of any potential conflicts of interest, we discuss the possible conflicts in the next two paragraphs.

However, some additional services and non-direct monetary or other forms of compensation may be offered and provided to EFS as a result of its relationships with custodian(s) and/or providers of mutual fund products. For example, EFS's investment advisors and employees may be invited to attend educational conferences and/or entertainment events sponsored by such brokerage firms, custodians, or mutual fund companies.

EFS believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain. However, Clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest. In any event, Advisor will disclose to advisory Clients any material conflict of interest relating to Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Item 11C Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Individuals associated with EFS may buy or sell securities for their personal accounts identical or different than those recommended to Clients.

Certain classes of securities, such as open-ended mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of Advisor's Clients. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as Clients, there is a possibility that employees might somehow benefit from the market activity of a Client. Accordingly, when applicable, Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Advisor and its Clients.

Item 11D Client Securities Recommendations or Trades of Concurrent Advisory Firm Securities Transactions and Conflicts of Interest.

It is the expressed policy of our firm that no person employed by the firm shall prefer his or her own interest to that of a Client nor make personal investment decisions based on investment decisions of advisory Clients. Advisor or individuals associated with Advisor may buy and sell some of the same securities for its own account that Advisor buys and sells for its

Clients. When appropriate the Advisor will purchase or sell securities for Clients before purchasing or selling the same securities for Advisor's own account. In some cases, Advisor may buy or sell securities for its own account for reasons not related to the strategies adopted by the Advisor's Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of advisory Clients while at the same time, allowing employees to invest appropriately for their own accounts.

Advisor will notify Clients in advance of its policies in respect to officers trading for their own account including the potential conflict of interest that arises when recommending securities to Clients in which Advisor or its principal holds a position.

Item 12 Brokerage Practices

Item 12A Factors Used to Select Broker-Dealers/Custodians for Client Transactions

Recommending a broker dealer/custodian can create a conflict of interest. Accordingly, EFS has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A Director, officer, associated person, or employee of EFS shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public or reasonable inquiry. No person of EFS shall prefer his or her own interest over that of yours, as the advisory Client;
2. EFS emphasizes your unrestricted right to decline to implement any advice rendered;
3. EFS emphasizes your unrestricted right to select and choose any broker or dealer, custodian and/or insurance company you wish;
4. EFS requires that all associated individuals act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
5. Broker-Dealer/Custodian is registered to do business in the state in which the Client resides.

EFS may use its discretion in recommending a broker-dealer/custodian. You are not obligated to effect transactions through any broker-dealer/custodian recommended by EFS. In recommending broker-dealers/custodian, EFS will generally seek "best execution." In recommending a broker-dealer/custodian, EFS will comply with its fiduciary duty and the Securities Exchange Act of 1934 to obtain best execution. Best execution means the most favorable terms for a transaction based on all relevant factors. Factors considered may include, but are not limited to, the broker-dealer/custodian's facilities, costs, reliability and financial responsibility, the ability of the broker-dealer to effect transactions, and the research and related brokerage services provided to you and/or EFS. EFS recognizes the obligation in seeking "best execution" for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions

represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, we seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. EFS may receive benefits from a custodian such as access to form filling software that benefits EFS and ultimately the client by lower total costs.

Clients are encouraged to monitor and manage their own accounts with the assistance and advisement of the Advisor. EFS is not responsible for the outcomes of trades directed by the Client. Only at the Client's request will EFS guide the Client through recommended and agreed upon transactions. EFS believes Client participation in transactions is paramount in maintaining transparency in financial advising and maintaining the advisor's fiduciary relationship.

Essential Financial Strategies receives occasional small gifts from firms that are recommended to Clients, but all at a de minimus level (less than \$75.00). Examples of such gifts are calendars, dinners, pens, or coffee mugs.

Item 12B Aggregating Securities Transactions for Client Accounts

Essential Financial Strategies does not aggregate Client account holdings. Transactions for each of our clients will generally be affected independently unless we decide to purchase or sell the same securities for several clients and/or multiple accounts for the same client (such as IRAs and taxable accounts) at approximately the same time, often termed "aggregated" or "batched" orders. We do not receive any additional compensation or remuneration as a result of aggregated transactions.

Item 13 Review of Accounts

Item 13A Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved.

Rorik Larson is responsible for periodically reviewing and reassessing financial recommendations made to you. EFS does not regularly and continuously manage your investments. The typical Client will have at least one investment related review meeting per year with the advisor. The Client and Advisor will jointly discuss the accounts and progress towards the Client's goals during this meeting. The Client is free to ask for a review at each of the meetings during renewal years.

Item 13B Review of Client Accounts on Non-Periodic Basis

Certain situations may trigger a review of the Client's accounts and financial strategy. Triggering factors include significant changes in your financial condition, major life events, changes in the fundamentals of the companies or entities issuing securities, significant price fluctuations and significant economic or industry developments. A triggered based review will be specifically tailored to address the situation.

Item 13C Content of Client Provided Reports and Frequency

Essential Financial Strategies makes written notes after the conclusion of an appointment summarizing the topic discussed, recommendations presented and outcome where appropriate. These reports are normally emailed to Client via an encrypted PDF file or other secure electronic means within 7 business days of the advisory session.

If you maintain any brokerage account(s), your custodian or broker will provide a statement at least quarterly which includes a list of all assets held in the account, asset values, and all transactions affecting the account assets, including any additions or withdrawals.

Item 14 Client Referrals and Other Compensation**Item 14A Economic Benefits Provided by External Sources and Conflicts of Interest**

Essential Financial Strategies accepts referrals. The referrals come from current Clients, employees, personal friends, allied professionals, and other similar sources. EFS does not accept referral or finder's fees for gaining specific individual Clients. EFS is a fee-only financial planning firm and does not sell insurance or investment products, nor does it accept commissions as a result of any product recommendations.

Item 14B Advisory Firm Payments for Client Referrals

EFS does not pay referral or finder's fees for gaining specific individual Clients, nor does it accept such fees from other firms. EFS may pay a set-up and/or periodic fee to be listed on referral "Find an Advisor" websites such as those hosted by NAPFA, Fee-Only Network, or the Alliance of Comprehensive Planners.

Item 15 Custody

Advisor does not have custody over Client funds and securities. Accordingly, Advisor shall have no liability to the Client for any loss or other harm to any property in the account.

You should receive at least quarterly statements or reports from the broker dealer, bank or other qualified custodian that holds and maintains your investment assets. EFS urges you to carefully review such statements and compare such official custodial records to the documents that we provide to you. The documents EFS provides you during reviews may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 Investment Discretion

The Advisor's primarily role is to make investment and planning recommendations based upon your financial situation. At your request, EFS may execute the sale and/or purchase of investments where authorized to do so by you on a non-discretionary basis. Non-discretionary refers to the requirement to obtain your express permission and approval prior to initiating any

investment transactions. This is accomplished by providing trading authorization to the custodian and then authorizing specific trades to the advisor. Your Wealth Retainer Agreement specifically prohibits us from making trades in Client accounts without such having obtained agreement on the trade beforehand.

EFS **does not** provide discretionary services. Discretionary services are those in which the advisor may trade securities in a Client's account without consulting the Client.

Item 17 Voting Client Securities

Item 17A Advisor Voting Client Securities

As a matter of firm policy and practice, EFS does not have any authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios.

Item 17B Client Voting Securities

Clients will receive their proxies or solicitations directly from the firm holding their securities. Clients may ask EFS questions about their proxies or solicitations by providing the information in writing to the Advisor. EFS may provide advice to Clients regarding the Clients' voting of proxies.

Item 18 Financial Information

Item 18A Balance Sheet

This section is not applicable since this entity does not have discretionary authority or custody of Client funds or securities or require or solicit prepayment of more than \$500 in fees per Client six months in advance.

Item 18B Financial Conditions Reasonably Likely to Impair Advisor Firm's Ability to Meet Commitments to Clients

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about EFS's financial condition. EFS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients.

Item 18C Bankruptcy Petition During the Past Ten Years

Rorik Wallace Larson d/b/a Essential Financial Strategies has not filed for bankruptcy in the proceeding 10 years.

Item 19 Requirements for State-Registered Advisers

Item 19A Principal Executive Officers and Management Persons

Principal Owner: Rorik Wallace Larson

Formal Education After High School:

- MBA (Financial Planning), California Lutheran University, Thousand Oaks, CA 2008
- MAS (Aviation Operations) Embry-Riddle Aeronautical University, Daytona Beach, FL 1994
- BS (Aviation Management/Flight Technology), Florida Institute of Technology, Melbourne, FL 1987

Business Background for the Preceding Ten Years:

- Employed Part-Time by Lobash and Lobash Tax and Accounting Service, Tax Professional, December 2011 to present
- Employed by H&R Block, Tax Professional, December 2010- April 2011
- Member, Alliance of Comprehensive Planners (formerly Alliance of Cambridge Advisors), November 2009 - Present
- United States Army, Lieutenant Colonel, Manager of an Executive Suite in Heidelberg, Germany and Iraq, June 2005-July 2009.

Qualifications:

1. Enrolled Agent:

An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a three-part comprehensive IRS test covering individual and business tax returns, or through experience as a former IRS employee. Enrolled agent status is the highest credential the IRS awards. Individuals who obtain this elite status must adhere to ethical standards and complete 72 hours of continuing education courses every three years.

Enrolled agents, like attorneys and certified public accountants (CPAs), have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before

2. CERTIFIED FINANCIAL PLANNER™ Professional

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional

engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 19B Other Business Activities Engaged In

Rorik Larson may from time to time be employed or contracted by firms for specific financial planning work such as tax preparation or other consulting. Currently, Rorik Larson is employed part-time by Lobash and Lobash Accounting and Tax Service as income tax professional.

EFS or Rorik Larson does not receive any additional compensation (or other economic benefit) for providing investment advisory services to EFS Clients.

Item 19C Performance Based Fee Description

Essential Financial Strategies does not have Performance-Based fees.

Item 19D Material Facts about Arbitration or Disciplinary Actions Involving Management Persons

Illinois Registered Investment Advisors are required to make disclosures if they have been involved in any of the events listed below:

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

3. If the management personnel have been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status.

Rorik Larson has not ever been found liable or required to pay any award for an arbitration claim nor other civil proceeding related to an investment related activity.

Item 19E Material Relationships Maintained with Issuers of Securities.

Neither Essential Financial Strategies nor Rorik Larson maintain a material relationship with any Issuers of Securities.