

## Item 1: Cover Page

### Stephen Madeyski Financial Planning LLC

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This brochure provides information about the qualifications and business practices of Stephen Madeyski Financial Planning LLC. If you have any questions about the contents of this brochure, please contact us at 505-798-9496. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any State securities authority.

Additional information about Stephen Madeyski Financial Planning is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique CRD number. The CRD number for Stephen Madeyski Financial Planning is 133259.

Stephen Madeyski Financial Planning is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any particular level of skill or training. The oral and written communications from an advisor provide you with information you should use to decide whether to hire or retain an advisor.

## Item 2: Summary of Material Changes

Since the last annual Investment Advisor Brochure of January 29, 2020, the Financial Consultation service fee has been increased from \$500 to \$550. The hourly fee rate has been increased from \$165 to \$180 per hour.

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*\*Please note that the format of this Brochure is mandated by regulation. As a result, these item headings are mandatory, even if they are not applicable to Stephen Madeyski Financial Planning.*

## Item 4: Advisory Business

### Services Offered

We provide advice to individuals regarding their personal financial decisions. Sometimes this assistance is targeted and focused and is provided in one meeting. For most clients, this assistance is broad and comprehensive and is provided in a series of meetings conducted over many years. In this later form, our assistance can be called “financial planning.”

This advice potentially covers all areas of personal finance, including determining financial goals and objectives, investments, income taxes, estate planning, retirement planning, insurance, education funding, employee benefits, cash and debt management.

We do not provide the following services: discretionary management of investment accounts, preparation of legal documents or tax returns, administration of qualified retirement plans, or the sale of financial products or instruments of any kind. Implementation of our advice often requires specialized services or products. We will work with specialists selected by the client, or we can often provide qualified referrals. There is no requirement that the client work with any professional recommended by us.

### Clients

Our clients are individuals and couples who seek to maximize the benefits of their financial resources and/or reduce the costs of their activities. Some clients have many years until retirement, while others are at, near, or beyond their retirement age. We also deal with trusts, estates, businesses, and retirement plans associated with these individuals.

### Firm’s History

The firm was formed in 2004 and has been owned by Stephen Madeyski since then.

## Item 5: Fees and Compensation

### Compensation

The only source of compensation are the hourly fees paid directly by clients for services provided. We do not accept commissions, referral fees, revenue sharing arrangements, or “soft dollar” products or services, which might adversely influence advice provided to clients. We do not charge fees based on a percentage of clients’ assets (AUM) or income.

Clients enter into a fixed-fee or hourly-fee arrangement as described below. Fees are negotiable at the sole discretion of the firm. There is no minimum amount of investment assets required to engage Stephen Madeyski Financial Planning’s services.

There may be fees from other service and product providers associated with implementing our advice, including, but not limited to, mutual fund and exchange traded fund fees, brokerage fees, insurance agent commissions, tax preparation fees, attorney’s fees. Clients are responsible for paying those fees.

**Fixed Fees**

The Financial Consultation service is assessed at a fixed fee of \$550.

**Hourly Fees**

Stephen Madeyski Financial Planning’s current hourly rate is \$180 per hour.

**Billing Practices**

The firm invoices clients after the services have been provided. Prepayment of fees is not accepted. Invoices are generated monthly and are due upon receipt of the invoice. Most invoices are emailed to clients unless mailed invoices are specifically requested.

Occasionally, fees for serving a client will be paid by someone else (e.g., employer, parent, child or friend). In these cases, our fiduciary obligation and confidentiality responsibility is with the client whose finances are the subject of the advice and not to the payer of the services.

**Item 6: Performance-Based Fees and Side-by-Side Management**

This item is not applicable to our firm.

**Item 7: Types of Clients**

Please see the heading “Clients” under item 4.

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

In advising clients regarding investments, the first step is an allocation between fixed-income and equity investments. This target “asset allocation” is primarily influenced by the client’s personal risk tolerance and the extent to which higher-risk investments (i.e., equities) are needed to achieve the client’s long-term financial goals.

We specialize in developing long-term, passive-index portfolios, which are based on the sound principles of financial planning, behavioral finance, and minimizing fees and taxes. We believe there is overwhelming evidence that, over the long term, low-cost passive index-oriented investment strategies provide superior results compared to active management strategies. Once implemented, our strategy involves patience and periodic rebalancing.

Low-cost index funds and index exchange traded funds (ETFs) are recommended for clients’ portfolios. Existing holdings are evaluated, taking into account their asset classes, ongoing costs, redemption costs and tax consequences of liquidating the holdings. Regular rebalancing of portfolios is very important to the investment process. It is believed that maintaining a target asset allocation is a superior way of growing wealth over a long-term horizon and is superior to market timing (which we do not recommend). If a large amount of cash is to be invested in the market, in general, it is recommended to dollar cost average into the market over several months (actual number of months will be discussed with the client).

All investment purchases are made through brokerage firms with which we are not affiliated. Although we do not have the authority to trade on a client’s behalf, we can assist clients with implementation of investment recommendations, such as conference calls with brokers or others, and on-line trading activity. Clients are billed for time spent on such activities.

**There is risk in all investments. No guarantee that the investment strategy selected for the client will result in the client’s goals being met, nor is there any guarantee of profit or protection from loss of principal.**

### **Item 9: Disciplinary Information**

Neither the firm nor any of its employees have been involved in litigation regarding its business nor have they been subject to any disciplinary action by a regulatory authority.

### **Item 10: Other Financial Industry Activities and Affiliations**

Stephen Madeyski is a member of the National Association of Personal Financial Advisors (NAPFA). He attends and participates in educational programs sponsored by NAPFA and by financial industry firms and associations.

As a result of the above-mentioned participation, Stephen Madeyski occasionally can and does receive gratuities from other financial services firms or providers. These gratuities may take the form of entertainment, refreshments, gifts (e.g., candy, pens, T-shirts, golf balls). None of these gratuities are considered material to the advisory activities of Stephen Madeyski Financial Planning, LLC.

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

#### **Code of Ethics**

Stephen Madeyski Financial Planning’s Code of Ethics sets forth standards of conduct expected of the advisor, requires compliance with federal securities laws, and addresses conflicts that arise from personal trading by advisor. Clients may request a copy of the Code of Ethics. Our Code of Ethics has been adopted from those set forth by the National Association of Personal Financial Planners (NAPFA) and CFP Board, and requires a fiduciary standard of care for our clients, including acting in the client’s best interests at all times, objectivity, confidentiality, competence, diligence, integrity, honesty, regulatory compliance, full disclosure, and professionalism.

#### **Participation or Interest in Client Transactions and Personal Trading**

We do not participate in investment transactions with clients, nor do we use information from our knowledge of client transactions to make trades that benefit us.

We may hold the same securities as clients. Generally, there is no material conflict of interest because the securities (usually mutual funds or Exchange Traded Funds) are actively traded in large volume and a transaction would have negligible effect on the market price.

**Conflicts of Interest**

Firm policy does not authorize any associate of the firm to recommend to a client, any security in which the firm or a “related person” has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc. No associate may borrow from or lend to a client.

Because Stephen Madeyski Financial Planning receives no compensation other than a fixed fee or hourly fees for services provided to clients, there are relatively few situations in which the interests of the firm might conflict with those of clients. However, there are at least two:

1. As a firm, we want to be paid for its services. Clients have an interest in minimizing the cost of services. This conflict is self-evident and inherent in the nature of the client-advisor relationship. We attempt to reduce this conflict by only performing work which has been requested by the client.
2. A conflict can arise when we serve multiple parties who may be related through family or a business. These parties may both have interests which are shared and conflict with each other. In those situations, we make all parties aware that it is advising others who are related. While respecting the confidential information of each party, we attempt to assist the parties to reach mutually satisfactory outcomes. Whenever there is a material conflict between the interests of clients, the firm will make the client aware of this conflict and receive consent of the client to proceed with the relationship.

**Privacy Policy (How the Firm Uses and Protects Personal Information)**

Refer to Item 20 for more detail on our privacy policies.

**Item 12: Brokerage Practices**

Stephen Madeyski Financial Planning will generally recommend clients consolidate their investments in retail discount broker-dealer accounts at large mutual fund companies such as Vanguard, Fidelity or Charles Schwab. Clients can implement investment advice through any broker-dealer of their choice.

Whenever we recommend rollovers, transfers or consolidation of taxable or retirement accounts, we perform due diligence on the fees and costs associated with transferring and maintaining their accounts at a broker-dealer recommended by us versus maintaining their accounts with their current broker-dealer. We also apprise the client of non-fee related concerns such as asset protection, tax consequences, and changes in available services. We often advise on client assets held in employer retirement accounts such as a 401(k) or 403(b). While we cannot recommend changing the broker-dealer or selection of available securities in those cases, we attempt to choose securities that minimize overall fees and costs, while best complementing the client’s overall portfolio.

We receive no financial incentives, research, products or services (soft dollar compensation) as a result of recommending a particular broker-dealer. Any research, product or service provided by a broker-dealer is publically available and not tied to recommending their services to clients.

**Item 13: Review of Accounts**

Because Stephen Madeyski Financial Planning, LLC does not have discretionary authority over our clients’ assets, our clients’ investment accounts are not reviewed on a regular basis. Investments and other assets are reviewed from time to time as a part of personal financial planning reviews.

Advice, account reviews, and primary client contact is performed by one reviewer: Stephen Madeyski, owner of Stephen Madeyski Financial Planning, LLC.

Clients receive transaction confirmations and regular account statements directly from the custodians of their assets. Stephen Madeyski Financial Planning, LLC does not provide any regular reports.

**Item 14: Client Referrals and Other Compensation**

Prospective clients have been referred to Stephen Madeyski Financial Planning by brokers, attorneys, accountants, or others with whom the firm has worked on behalf of other clients. Likewise, we may refer a client to a broker, attorney, accountant, or other financial professional with whom we are familiar. In all instances, these referrals are made in good faith and at arm’s length. We do not pay for nor receive compensation from client referrals. The firm does due diligence to ensure these professionals are appropriately authorized to practice in their field and jurisdiction before recommending them to clients. Clients are free to work with anyone of their choosing.

**Item 15: Custody**

Because we do not take custody of our clients’ assets, this item is not applicable.

**Item 16: Investment Discretion**

This item is not applicable.

**Item 17: Voting Client Securities**

We do not vote proxies for client securities and do not advise clients on how to vote their securities.

**Item 18: Financial Information**

Due to the nature of our firm’s services and operational practices, an audited balance sheet is not required.

**Item 19: Requirements for State-Registered Advisors**

Stephen Madeyski Financial Planning, LLC is a state-registered advisor with the New Mexico Securities Division. Information about the Investment Advisor Representative who formulates investment advice for clients is disclosed in the brochure supplement below.

## Item 20: Privacy Policy

### Information which May be Collected

Stephen Madeyski Financial Planning may obtain information, much of which comes directly from you, to provide you with the service you have requested, to determine your eligibility for specific recommendations and services. We may collect non-public personal information about you from the following sources:

- The Questionnaire that you complete prior to meeting with us. This Questionnaire contains your name, address, telephone numbers, email addresses, investment objectives, assets, liabilities, employment information and accounts held at other entities.
- Information provided by you, including statements from banks, brokerage houses, credit card providers, mortgage companies, Social Security Administration and insurance companies. This information also includes copies of wills, powers of attorney, living wills, tax returns, pay stubs, loan documents, divorce decrees and trusts supplied by you.

### Limited Information Disclosure

Stephen Madeyski Financial Planning does not disclose your non-public personal information to any company or organization without your permission. We may disclose some of the personal information we collect, to parties, such as attorneys, insurance brokers, accountants, mortgage brokers or other advisors that provide services to you, only if you give us permission to share this information.

### Mentoring Relationship

Stephen Madeyski is mentoring Gregory Barnes who is studying towards his CFP® certification and a Masters in Financial Planning with the goal of becoming a financial planner. Gregory is present during client meetings, has access to client information, and he has signed a Non-Disclosure agreement with Stephen Madeyski Financial Planning to keep all client information he is exposed to, confidential.

### Disclosures Permitted by Law

We may also disclose all the information we collect as permitted or required by law. For example, we may be required to disclose information to law enforcement agencies or securities regulatory agencies who routinely audit investment advisory firms such as ours.

### How Your Personal Information is Protected

We restrict access to non-public personal information about you. The firm maintains physical, electronic and procedural safeguards that are designed to guard against information being used by unauthorized persons. All personally identifiable information about you is electronically redacted. This includes all Social Security numbers, account numbers, birth dates, driver’s license numbers, credit/debit card numbers, VIN numbers and statement bar codes. Data security is maintained beyond the engagement of services. Client records are maintained for the time period required by regulators after termination (6 years) and then are securely destroyed via electronic shredding. Consumers who may provide non-public personal information but who do not initiate a client relationship also receive privacy protection in that this data is either returned or copies may be kept securely for up to one year, depending upon the likelihood of engagement, before in-house shredding or electronic shredding.



**BROCHURE SUPPLEMENT**

This Brochure Supplement provides information about Stephen Madeyski that supplements the foregoing brochure of Stephen Madeyski Financial Planning, LLC. Additional information about Stephen Madeyski is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Stephen Madeyski, MBA, CFP®****CRD Number: 2205842**

President, Chief Compliance Officer,

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**Item 2 - Educational Background and Business Experience**

- B.S. Mining Engineering, University of the Witwatersrand, Johannesburg, South Africa, 1981
- Masters of Business Administration, University of New Mexico, 1991
- Masters of Engineering, University of New Mexico, 1997
- CERTIFIED FINANCIAL PLANNER™ (CFP®), College for Financial Planning, 2004

The CERTIFIED FINANCIAL PLANNER™ and CFP® marks are earned by successfully completing a personal financial planning certification program, passing a 10-hour comprehensive exam, and completing three years of full-time financial planning experience. The designation also requires an ongoing commitment to ethical behavior. Membership in NAPFA requires 60 hours of continuing professional education every two years.

**Business Experience**

Prior to founding Stephen Madeyski Financial Planning in 2004, Stephen worked for fee-only investment advisors (Rikoon-Carret, 1999 to 2004) and Asset Management Consultant Services (1991 to 1993). He also had a distinguished career as a professional engineer in South Africa, working on large deep level gold mines

and managing 2,000 employees. He also led a design team on a new deep-level gold mine project. In addition, Stephen owned an import-export business, worked for Samsung Austin Semiconductor and did consulting work for high tech companies in the Albuquerque area.

**Item 3 - Disciplinary Information**

Stephen has no legal or disciplinary events to report.

**Item 4 - Other Business Activities**

Stephen is a member of NAPFA (National Association of Personal Financial Advisors). He has been the New Mexico NAPFA Study Group Leader since 2008.

**Item 5 - Additional Compensation**

None to report.

**Item 6 – Supervision**

Stephen serves as the firm’s Chief Compliance Officer.

**Item 7 - Requirements for State-Registered Advisers**

Neither Stephen nor the firm has been found liable in a self-regulatory or administrative proceeding. Neither has been the subject of a bankruptcy petition.