

## **R. Karras Asset Management & Planning, LLC**

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**February 5, 2020**

### **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of R. Karras Asset Management & Planning, LLC. If you have any questions about the contents of this brochure, please contact us at 216.573.3788. 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 R. Karras Asset Management & Planning, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for R. Karras Asset Management & Planning, LLC is 149054.**

**R. Karras Asset Management & Planning, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 13, 2019 there are no material changes to report.

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## Item 4 Advisory Business

### Description of Services and Fees

R. Karras Asset Management & Planning, LLC is a registered investment adviser based in Independence, Ohio. We are organized as a limited liability company under the laws of the State of Ohio. We have been providing investment advisory services since 2009. Robert Karras is our Managing Member, Owner, and sole investment adviser representative. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Financial Planning Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to R. Karras Asset Management & Planning, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. The use of these terms is not intended to imply that there is more than one individual associated with this firm. Robert Karras is currently the only individual providing investment advice on behalf of our firm.

### Portfolio Management Services

We offer portfolio management services where the investment advice provided is custom tailored to meet your individual investment needs and objectives. We offer an initial complimentary consultation in which pertinent information about your personal and financial circumstances and objectives is collected, and the scope of the engagement is determined.

Where we enter into discretionary arrangements with you, we will be granted discretion and authority to manage your account subject to any written guidelines that you may provide. Accordingly, our firm is authorized to perform various investment functions, at your expense, without further approval from you. Such functions may include the determination of securities and the amount of securities to be purchased or sold. Once the portfolio is constructed, we provide ongoing supervision and rebalancing of the portfolio as changes in market conditions and your individual circumstances may require.

### Financial Planning Services

Financial planning services typically involve providing a variety of services, principally advisory in nature, to you regarding the management of your financial resources based upon an analysis of your individual needs. The process typically begins with an Associated Person of our firm conducting an initial complimentary consultation. After the initial consultation, if you decide to engage us for financial planning services, an Associated Person of our firm will conduct follow up meetings as necessary, during which pertinent information about your financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a written/web-based financial plan - designed to achieve your stated financial goals and objectives - may be produced and presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets, and liabilities in meeting your financial goals and objectives.

Financial plans are based on your financial situation at the time the plan is presented and are based on financial information disclosed by you to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future results. Our firm cannot offer any guarantees or promises that your financial goals and objectives will be met. As your financial situation,

goals, objectives, or needs change, you must notify us promptly. In limited circumstances, you may only require advice on a single aspect of the management of your financial resources. If this is the case we offer financial plans in a modular format and/or general consulting services that address only those specific areas of interest or concern.

### **Types of Investments**

We may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2019, we provide continuous management services for approximately \$74,729,000 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our annual fee for portfolio management services is billed monthly in advance based on the asset value of your portfolio on the last day of the preceding month. Our fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar month. The annualized fees for discretionary portfolio management services are based on the following blended fee schedule:

<b>Assets Under Management</b>	<b>Maximum Annual Advisory Rate**</b>
Up to \$100,000	2.00%
\$100,001 - \$250,000	1.55%
\$250,001 - \$500,000	1.30%
\$500,001 - \$1,000,000	1.10%
\$1,000,001 - \$3,000,000	0.90%
Over \$3,000,000	0.75%

\*Generally, we impose a minimum account size of \$100,000 for portfolio management services to open and maintain an account.

\*\*For clients opening managed accounts located outside the State of Ohio, we impose an annual administrative fee of \$300 due in advance of services rendered. In our sole discretion, we may waive or lower this fee.

Portfolio management fees may be negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of your financial circumstances, among others.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Payment of our management fees will be made by the qualified custodian holding your funds and securities provided you grant written authorization permitting the fees to be paid directly from your account. We will not have access to your funds for payment of fees without written consent from you. Further, the qualified custodian agrees to deliver an account statement directly to you, at least quarterly, showing all disbursements from your account. You are encouraged to review all account statements for accuracy. We will receive a duplicate copy of the statement that was delivered to you.

You may terminate the asset management agreement within five business days of entering into the advisory contract without penalty. After five business days of signing the contract, either party may terminate the agreement upon 30-days written notice to the other party. The management fee will be pro-rated for the month in which the cancellation notice was given. All unearned fees will be refunded to you.

### Super Fund Management Services

For certain "qualified clients" having a net worth greater than \$2,000,000 or for whom we manage (or will manage) at least \$1,000,000, we may negotiate a performance-based fee for our portfolio management services. Performance-based fees are fees based on a share of capital gains or capital appreciation of an account. Our firm's performance-based fee structure is determined on the portfolio return for a given month, and our fee is paid at the end of each month. We do not charge an asset based fee in addition to the performance-based fee we charge.

For any return between 0.00% and 0.75%, no management fee will be charged that month. For any return between 0.75% and 1.50%, you as the client would receive 0.75% return and our firm would charge the remainder of the gain as a management fee. If the return exceeds 1.50% in any given month, our management fee would be 0.75% of the month end balance. This fee structure would ensure that our firm never benefits more than you as the client. In the extreme event that the return on the portfolio exceeds 5.00% in any given month, our management fee would be bumped to 1.00% of the account value balance. For purposes of account valuation and fee deduction accounts will be valued at some point during the last week of the month and if applicable fees will be deducted and processed prior to the start of the next beginning month. In addition to the aforementioned fee structure, a 0.25% entrance fee calculated off the starting of the account balance must be paid up front before the first day of the month inception. All terms of this engagement will be evidenced in the client agreement you sign with our firm.

### **Financial Planning Services**

We utilize the following financial planning fee schedules, subject to negotiation, depending on the nature, complexity, and time involved in providing you with the requested services.

*Financial Planning / Fixed Fees:* We charge a fixed fee that ranges between \$1,500 and \$5,000 for financial planning services. *In limited circumstances*, the total cost could potentially exceed \$5,000. In such cases, we will notify you and may request that you pay an additional fee. The services provided under the Financial Planning Services Agreement vary depending on which planning concerns are addressed. The agreed upon annual fee will be divided evenly over 4 calendar quarters payable on the 1st of the month in January, and each April, July, and October following. In the event that you retain services of our firm after January 1, the next billing will occur on the next billing cycle date. For clients engaging us for both financial planning and portfolio management services, we reserve the right to deduct our financial planning fee from the managed account via the account custodian if the financial planning fee has not been paid within sixty (60) days from the invoice date.

*Consulting Services / Hourly Fees:* It has been our experience that clients who engage us for consulting services typically have a "one time" need for some specific service. This need may address "What should I do about this?", "Should I transfer assets into my trust?", "Is my portfolio allocated

correctly?", and/or "What type of life insurance should I purchase?" Clients requiring this type of assistance or direction can choose to pay an hourly rate. For these services where you may only require advice on a single aspect of the management of your financial resources, we offer general consulting services at a negotiable rate of \$200.00 per hour due upon completion of services.

**401K Consulting Services:** You might require recommendation and consulting services where the investment advice provided is custom tailored to meet your needs and investment objectives. Such services may include a risk tolerance assessment, asset allocation recommendations, and/or monitoring your account. We may assist you in identifying categories of mutual funds, government securities, and money managers that are suitable based on your profile. We will not cause any transactions in conjunction with the advice and/or recommendations given. You will be responsible for implementing our investment recommendations. We may receive duplicate account statements from your broker and monitor your account on a periodic basis to ensure the account remains aligned with your stated financial objectives. You are free at all times to accept or reject any of our investment recommendation. Our fee for this service may be a fixed fee ranging from \$1,500 to \$5,000 or a \$200 hourly fee.

When the scope of the financial planning services has been agreed upon, a determination will be made as to the applicable fee. The final fee shall be directly dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or service requested. An estimate of the total cost will be determined at the start of the advisory relationship. Under no circumstance will we require prepayment of a fee more than six months in advance and in excess of \$500.

You may terminate the financial planning agreement within five business days of entering into the financial planning agreement without penalty. After five business days of signing the agreement, you may terminate the agreement upon our receipt of written notice. In the event of termination, any prepaid, unearned fees will be refunded to you on a prorated basis.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

### **Compensation for the Sale of Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

We may charge performance-based fees to "qualified clients" having a net worth greater than \$2,000,000 or for whom we manage at least \$1,000,000. Performance-based fees are fees based on a share of capital gains or capital appreciation of a client's account. The amount of the performance based fee we charge is described under Item 5 (*Fees and Compensation* section) in this Disclosure Brochure.

We manage accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-based fees over clients who are charged asset based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Generally, we impose a minimum account size of \$100,000 for portfolio management services to open and maintain an account; however, in our sole discretion, we may waive or lower this requirement.

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

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **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.

- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that 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.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Custodians will default to the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

## **Item 9 Disciplinary Information**

R. Karras Asset Management & Planning, LLC has been registered and providing investment advisory services since 2009. Neither our firm nor any of our associated persons has any reportable disciplinary information.

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

In addition to being registered as an investment adviser, persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at 216.573.3788.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

### **Item 12 Brokerage Practices**

We utilize the brokerage services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC, among others. TD Ameritrade offers to independent investment advisers, services that include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some benefits from TD Ameritrade through its participation in the program. Our firm or our Associated Persons may receive benefits such as assistance with conferences and educational meetings from product sponsors.

In selecting a broker dealer we will endeavor to select those brokers or dealers that will provide quality services at reasonable fees. The reasonableness of such fees is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to its clients. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our Associated Persons personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through TD Ameritrade. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

### **Block Trades**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

## **Item 13 Review of Accounts**

Individual investments held in your account are monitored on an ongoing basis and reviewed for appropriateness based on your stated objectives and risk level tolerance. Robert Karras, Managing Member & Chief Compliance Officer, is responsible for account reviews. We recommend account reviews on an annual basis. Additional reviews may be performed as needed; upon unusual or active market conditions or corrections; upon your request; upon large account deposits or withdrawals; or, when general or your economic conditions/situations substantially change. We encourage you to contact us with any questions or changes in your financial situation or investment guidelines.

You will receive or have electronic access to trade confirmations and quarterly statements that reflect all transactions in your account directly from the account custodian. We may prepare quarterly performance reports and/or additional reports, which typically contain positions, performance, and characteristics of the portfolio relative to your specific benchmark.

## Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing Investment advice to you, however in some select cases we compensate individuals for client referrals. These individuals would enter into a "Solicitors arrangement". In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm until our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with TD Ameritrade.

As disclosed under the "Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

Non-employee (outside) consultants, individuals and/or entities, who are directly responsible for bringing a client to our firm, may receive compensation from us. Such arrangements will comply with the requirements set forth under the Ohio Administrative Code 1301:6-3-44(C), including a written agreement between our firm and the solicitor. Non-employee solicitors must provide a copy of our ADV Part 2 (Disclosure Brochure) and a separate solicitor's disclosure statement regarding the relationship between the solicitor and our firm to the prospective client at the time of the solicitation or referral. The prospective client will be requested to acknowledge this arrangement prior to acceptance of the account for advisory services. We will conduct a due diligence review of the solicitor pursuant to Ohio Administrative Code 1301:6-3-44(C) (1)(f). We currently maintain a solicitor relationship with Mr. John Jurcago.

## Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Robert Karras, Managing Member & Chief Compliance Officer at 216.573.3788.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

Where we enter into a non-discretionary arrangement with you, we will implement recommended transactions upon obtaining your prior approval.

## Item 17 Voting Client Securities

### Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

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 any electronic solicitation to vote proxies.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$500 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State Registered Advisers

Our firm may be compensated for advisory services with performance-based fees. Please refer to Item 5 (Fees and Compensation) and Item 6 (Performance-Based Fees and Side-By-Side Management) of this Disclosure Brochure for additional information on this topic.

Neither our firm, nor any of our Associated Persons have any reportable arbitration claims, civil, self-regulatory organization proceeding or administrative proceeding.

Neither our firm, nor any of our Associated Persons have a material relationship or arrangement with any issuer of securities.

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Robert Karras, Managing Member & Chief Compliance Officer at 216.573.3788, if you have any questions regarding this policy.

# **Robert Karras**

## **R. Karras Asset Management & Planning, LLC**

**Crown Centre Building  
5005 Rockside Road  
Suite 600  
Independence, Ohio 44131**

**Telephone: 216.573.3788**

**September 5, 2018**

### **FORM ADV PART 2B BROCHURE SUPPLEMENT**

**This brochure supplement provides information about Robert Karras that supplements the R. Karras Asset Management & Planning, LLC brochure. You should have received a copy of that brochure. Please contact us at 216.573.3788 if you did not receive R. Karras Asset Management & Planning, LLC's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Robert Karras is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Educational Background and Business Experience

**Robert Karras**  
**CRD# 1103071**

*Year of Birth:* 1957

*Formal Education After High School:*

- Certified Financial Planner TM, 2001
- Chartered Life Underwriter, 1998
- Chartered Financial Consultant, 1998
- Certified Fund Specialist, 1994

*Business Background Previous Five Years:*

- R Karras Asset Management & Planning, LLC  
06/2008 - Present; Managing Member;  
01/2009 - Present; Investment Adviser Representative
- The Financial Strategies Group, Inc.  
01/1992 - 01/2009, President/CEO/Investment Adviser Representative
- LPL Financial Corporation  
04/1995 - 11/2005, Registered Representative/Investment Advisor Representative

**Certifications:** CFP<sup>®</sup>, CLU, ChFC, CFS

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

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> 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 62,000 individuals have obtained CFP<sup>®</sup> certification in the United States.

To attain the right to use the CFP<sup>®</sup> 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<sup>®</sup> Certification Examination. The examination, administered in 10 hours over a two-day period, 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<sup>®</sup> 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.

**Chartered Life Underwriter ['CLU']:** This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take a series of mandatory courses which include, for example, the following: insurance planning, life insurance law, fundamentals of estate planning, planning for business owners, income taxation, group benefits, planning for retirement needs, and investments. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years.

**Chartered Financial Consultant ['ChFC']:** This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take seven mandatory courses which include the following disciplines: financial, insurance, retirement and estate planning; income taxation, investments and application of financial planning; as well as two elective courses involving the application of the aforementioned disciplines. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years.

Certified Fund Specialist (CFS) - consists of a 12 month program requiring the following for certification:

1. Pass three exams)
2. Complete one open-book study)
3. Fill out a registration form and complete a student questionnaire, and
4. Sign a code of ethics

**Examination Requirements:** Each exam is a 60 minute, 50-question exam. A passing score of 70% is required for each exam.

**Additional Requirements:** To earn this designation, candidates must have at least 2,000 hours of work experience in the financial services industry or a bachelor's degree from an accredited college or university. The designation will not be granted until the required minimum number of hours has been fulfilled or a bachelor's degree has been granted.

**Continuing Education Requirements:** Designees must report 30 hours of CE every 2 years directly to IBF. Designees have a wide range of topics and methods to choose from (e.g., attending seminars, reading books, completing other courses, teaching, writing articles, etc.). Also, each year designees must remit a \$100 annual renewal fee.

### **Item 3 Disciplinary Information**

Mr. Karras does not have, nor has he ever had, any disciplinary disclosure.

### **Item 4 Other Business Activities**

Mr. Karras is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by him for insurance related activities. This presents a conflict of interest because Mr. Karras may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **Item 5 Additional Compensation**

Please refer to the *Other Business Activities* section above for disclosures on Mr. Karras' receipt of additional compensation as a licensed insurance agent.

Also, please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of R. Karras Asset Management & Planning, LLC's firm brochure for additional disclosures on this topic.

### **Item 6 Supervision**

As Managing Member and Chief Compliance Officer of R. Karras Asset Management & Planning, LLC, Mr. Karras is not supervised by other persons. Mr. Karras can be reached at 216.573.3788

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

Mr. Karras does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization proceeding or administrative proceeding, and has not been the subject of a bankruptcy petition.