

# Coastal Wealth Planners LLC Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Coastal Wealth Planners LLC. If you have any questions about the contents of this brochure, please contact us at (732) 554-1099 or by email at: [kyle.hart@coastal-wp.com](mailto:kyle.hart@coastal-wp.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 Coastal Wealth Planners LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Coastal Wealth Planners LLC's CRD number is: 305603.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 6/25/2020

## **Item 2: Material Changes**

Update to section 12A: Brokerage Practices, Coastal WP recommends Charles Schwab.

Updated Address to 3 Maplewood Ct. Barnegat, NJ 08005 as of 7/1/20

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Coastal Wealth Planners LLC (hereinafter "Coastal WP") is a Limited Liability Company organized in the State of New Jersey. The firm was formed in August 2019, and the principal owner is Kyle Hart.

### B. Types of Advisory Services

#### *Portfolio Management Services*

Coastal WP offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Coastal WP creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Coastal WP evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Coastal WP will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Coastal WP seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Coastal WP's economic, investment or other financial interests. To meet its fiduciary obligations, Coastal WP attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Coastal WP's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Coastal WP's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

## *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

## *On-going Financial Planning*

On-going financial planning services may include:

1. Initial Consultation (Free)
  - a. Assess current financial situation and discuss the financial planning process and my services
2. Detailed meeting to go through Clients financial situation in depth and better understanding of client's financial goals and concerns
3. Client Recommendation Meeting
  - a. Delivery of a financial plan including current net worth (Balance Sheet), goals, action items and more.
  - b. Recommendations
  - c. Client walkthrough of plan and any questions

Included in the ongoing plan:

1. Biannual check ins with clients to assess financial plan, implementation of the plan, limitations, adjustments needed, and assess new variables in a client's financial picture.
2. End of Year meeting to discuss financial plan
3. A new/updated financial plan annually

## *Services Limited to Specific Types of Investments*

Coastal WP generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors) and treasury inflation protected/inflation linked bonds. Coastal WP may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

Coastal WP will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by Coastal WP on behalf of the client. Coastal WP may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

## D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. Coastal WP does not participate in wrap fee programs.

## E. Assets Under Management

Coastal WP has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	August 2019

# Item 5: Fees and Compensation

## A. Fee Schedule

### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$0 - \$500,000	1.25%
\$500,001 - \$2,000,000	1.00%
\$2,000,001 - \$5,000,000	0.75%
\$5,000,001 – And Up	0.50%

Coastal WP uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of Coastal WP's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice. Note that Coastal WP mentioned above are for the actively managed portfolios, Coastal WP also offers Schwab Institutional Intelligent Portfolios for a flat 0.5% rate.

### *Financial Planning Fees*

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$2,500 and \$10,000.

### **Hourly Fees**

The negotiated hourly fee for these services is between \$250 and \$500.

### ***On-going Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for on-going financial planning services is \$200. Fees are paid monthly arrears.

Clients may terminate the agreement without penalty, for full refund of Coastal WP's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in arrears.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check and wire.

Fixed financial planning fees are paid 40% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly financial planning fees are paid 40% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

### ***Payment of On-going Financial Planning Fees***

#### **Fixed Fees**

On- going Financial planning fees are paid via check. Fees are paid monthly in arrears.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Coastal WP. Please see Item 12 of this brochure regarding broker-dealer/custodian.

#### **D. Prepayment of Fees**

Coastal WP collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check, or return deposit back into the client's account.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

#### **E. Outside Compensation For the Sale of Securities to Clients**

Neither Coastal WP nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Coastal WP does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

Coastal WP generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Insurance Companies

There is no account minimum for any of Coastal WP's services.



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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

Coastal WP's methods of analysis include Modern portfolio theory.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### *Investment Strategies*

Coastal WP uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

#### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** Coastal WP's selection process cannot ensure that money managers will perform as desired and Coastal WP will have no control over the day-to-

day operations of any of its selected money managers. Coastal WP would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official

sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Coastal WP nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Coastal WP nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Kyle John Hart is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Coastal WP always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Coastal WP in connection with such individual's activities outside of Coastal WP.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Coastal WP does not utilize nor select third-party investment advisers.

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

### **A. Code of Ethics**

Coastal WP has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Coastal WP's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

Coastal WP does not recommend that clients buy or sell any security in which a related person to Coastal WP or Coastal WP has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Coastal WP may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Coastal WP to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Coastal WP will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

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

### **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on Coastal WP's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Coastal WP may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Coastal WP's research efforts. Coastal WP will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Coastal WP recommends Charles Schwab.

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

While Coastal WP has no formal soft dollars program in which soft dollars are used to pay for third party services, Coastal WP may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Coastal WP may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section

28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Coastal WP does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Coastal WP benefits by not having to produce or pay for the research, products or services, and Coastal WP will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Coastal WP's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

Coastal WP receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

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

Coastal WP may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to Coastal WP to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

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

Coastal WP does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for Coastal WP's advisory services provided on an ongoing basis are reviewed at least Monthly by Kyle Hart, Founder/Financial Planner, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Coastal WP are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Kyle Hart, Founder/Financial Planner. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, Coastal WP's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Coastal WP's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Coastal WP may receive compensation in connection with its use of third-party advisers.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

Coastal WP does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Coastal WP will be deemed to have limited custody of client's assets and must have written authorization

from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

Coastal WP provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Coastal WP generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, Coastal WP's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Coastal WP).

### **Item 17: Voting Client Securities (Proxy Voting)**

Coastal WP will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

Coastal WP neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Coastal WP nor its management has any financial condition that is likely to reasonably impair Coastal WP's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

Coastal WP has not been the subject of a bankruptcy petition in the last ten years.



## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

Coastal WP currently has only one management person: Kyle John Hart. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

Coastal WP does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

See Item 10.C and 11.B.