



QSI

Financial Planning: A Process Not a Product

Quantum Solutions, Inc.
Registered Investment Advisor
CRD #118309

Lacey, Washington
www.qsifinancialplanning.com

The Firm

Quantum Solutions, Inc. is a registered investment advisor in the State of Washington and was founded in 1995 on the principle that clients are seeking objective planning advice and not merely financial products to achieve financial solutions.

In a world that is becoming increasingly more complicated and where the consumer is in constant search of immediate gratification and simple solutions that will uncomplicate their financial and personal lives, the professionals at Quantum Solutions, Inc. offer unbiased and objective financial analysis and solutions. As an independent firm, QSI offers a bridge between the client and a myriad of financial professionals, services and products. Through its network of corporate alliances and professional relationships, the client has ready access to financial solutions for virtually every aspect of their personal and economic lives.

Why People Plan

QSI employs a financial planning process, based upon the education of its clients, where:

‘The goal is to create a perception consistent with reality that maximizes the client’s desires by taking advantage of all the possibilities.’

Through education, QSI helps the client balance their perception of what they think will happen based upon the planning that has already been completed with the reality of what in fact can happen based upon that prior planning. By increasing the client’s awareness, the professionals at QSI are able to assist the client in determining whether a gap exists between the client’s perception of what the client would like to happen (*their desires*), and what could happen if the client were to take advantage of all their possibilities. Additional planning is required whenever the gap between client’s perception and their desire is wide enough to make the client uncomfortable.

Quantum Solutions, Inc. provides ongoing objective financial planning, providing the client with pragmatic solutions in an ever more complicated world.

The Assessment Process

Data collection, organization and analysis

During this phase of the process, we will review and analyze the client's financial and legal documents, to better understand the factual nature of their current situation.

Understanding objectives

The next phase of the process will entail gaining a clear understanding of client objectives. This involves a personal interview with the client with respect to their desires regarding themselves, their family and their employment and business interests.

Identification of problems and opportunities

Once we understand the client's current situation and their desires, we can begin to identify any problems or opportunities that may presently exist. In this phase, we will superimpose the client's desires onto their current situation. This exercise makes apparent any conflicts between what they have and what they want.

Viable options and strategies

The final product of the process will be a detailed report or current assessment.

All three phases will be covered:

- 1) A summary of the client's current situation,
- 2) A detail of key objectives or desires and all significant problems; and
- 3) Opportunities will be identified.

Finally, strategies will be identified that, if employed should mitigate any exposures confronting the client and allow them to take advantage of untapped opportunities.

'The goal is to create a perception consistent with reality that maximizes the client's desires by taking advantage of all the possibilities.'

Ongoing Financial Planning

Planning is an ongoing process. While clients are not obligated to continue a financial planning relationship with Quantum Solutions, Inc. most clients find that a regular financial checkup makes sense.

Three Factors That Make Ongoing Planning a Necessity

- Assets seldom stay the same. Generally they are either increasing or decreasing.
- Client's desires are constantly changing. For instance, what was important to you when you were raising your family may not be as critical as you approach retirement.
- The government is constantly changing the rules. Changes to the tax code have become an annual event.

Whom do you rely upon?

Most clients have attorneys, accountants, bankers, investment brokers, insurance agents, etc. However, the ultimate responsibility for tying all this advice together generally falls upon the client. Quantum Solutions, Inc. provides ongoing objective financial planning, assisting the client with a coordinated platform of services and providing pragmatic solutions in an ever more complicated world.

'QSI helps the client balance their perception of what they think will happen based upon the planning that has already been completed with the reality of what in fact can happen based upon that prior planning

Financial Services

Asset Management
Business Succession Planning
Compensation & Benefits Planning
Cash Flow Modeling & Management
Charitable Planning
Education Planning
Estate Planning ¹
Life, Long Term Care & Health Insurance
Qualified/ Non-Qualified Retirement Planning
Tax & Investment Planning ²

Corporate Relationships

Art Jetter & Co., Inc
Nationwide Life Insurance Company
Northwest Investment Advisors, Inc.
Pacific Advisors/Truluma
Pacific Life Insurance Co.
SEI Investments, Inc.
Transamerica Retirement Services
Voya
Washington Brokerage (Fixed Insurance Products)

Fees

Hourly rate \$175 per hour with a 10-hour minimum. All clerical, administrative and support time is contained in hourly billing rate.

Product Commissions and Management Fees

All product commissions and management fees are charged separately and are not part of the planning process.

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QSI Email: gsi123@msn.com

^{1/2} These services are provided in collaboration with the client's legal and accounting advisors or with other competent legal and accounting professionals.

Form ADV

Part 2



QSI

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January 1, 2019

This Brochure provides information about the qualifications and business practices of Quantum Solutions, Inc. If you have any questions about the contents of this Brochure, please contact us at (360) 491-0757. 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.

Quantum Solutions, Inc is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Quantum Solutions, Inc also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated April 1, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Carl P Eshelman at (360) 491-0757. Our Brochure is also available on our web site qsifinancialplanning.com.

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

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Item 4 – Advisory Business

Carl P. Eshelman, is the sole owner of Quantum Solutions, Inc. Carl has been an active practicing financial advisor since 1982. QSI provides advice and solutions in the areas of investment, employee benefits, employer sponsored retirement plans, business succession and estate planning. The emphasis is on coordinated and comprehensive business and personal planning. A written plan is an integral part of the planning effort. With regard to investment planning, the applicant's process allows a client to define their investment objectives, risk tolerance and their income tax situation prior to making investment recommendations. A diversified investment portfolio model is developed utilizing various asset allocations designed to achieve the client's investment goals and to help mitigate risk. The investment model is then compared with client's existing investment portfolio and changes are recommended when there appears to be opportunities to help the client achieve their investment goals

Item 5 – Fees and Compensation

Fees are charged to the client based upon an hourly rate of \$175.00 per hour, with a minimum of ten billable hours, for the creation of a financial plan and are determined subsequent to the collection of client information and prior to the actual work product. Relevant considerations include: (1) an estimate of the amount of time that Quantum Solutions, Inc. and its associates will spend preparing the financial plan, and (2) the size and scope of the work to be performed for the client. All financial planning fees are considered to be fully earned at the time of contracting. The client may terminate the contract term at any time and refunds may be made upon written request. Investment advisory fees are determined at a maximum of 75 basis points and calculated on AUM (assets under management).

Quantum Solutions, Inc. fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Quantum Solutions, Inc. fee, and Quantum Solutions, Inc. shall not receive any portion of these commissions, fees, and costs.

Item 12, further describes the factors that Quantum Solutions, Inc. considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Quantum Solutions, Inc. does not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client).

Item 7 – Types of Clients

Quantum Solutions, Inc. provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, and endowments.

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

“Investing in securities involves risk of loss that clients should be prepared to bear.”

A diversified investment portfolio model is developed utilizing various asset allocations designed to achieve the client's investment goals and objectives and to help mitigate risk. The investment model is then compared with client's existing investment portfolio and changes are recommended when there appears to be opportunities to help the client achieve their investment goals.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Quantum Solutions, Inc. or the integrity of Quantum Solutions, Inc. management. Quantum Solutions, Inc. has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Relationships

Quantum Solutions, Inc. and its associates also provide advice to businesses and individuals with respect to employee benefits, compensation programs, business succession and estate planning.

- 30% of time as a life insurance agent, Quantum Solutions, Inc. and its associates offer life and medical insurance products to its clients.
- 10% of time associates of Quantum Solutions, Inc. acting as representatives for Northwest Investment Advisors, Inc. and sell investment company securities, variable annuities and variable life products.
- 60% of time the principle business of Quantum Solutions, Inc. is to provide coordinated and comprehensive planning services and solutions in the areas of investment advice, employee benefits, employer sponsored retirement plans, business succession and estate planning. Clients are not required to purchase any products from the applicant.

Quantum Solutions, Inc. and/or its associated person(s) "associates" may also be Registered Representatives of Northwest Investment Advisors, Inc. Securities are offered through Northwest Investment Advisors, Inc. Member FINRA, SIPC. Quantum Solutions, Inc. and its Investment Advisory Services are offered independent of Northwest Investment Advisors, Inc.

Item 11 – Code of Ethics

Quantum Solutions, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Quantum Solutions, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Quantum Solutions, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Quantum Solutions, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Quantum Solutions, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Quantum Solutions, Inc. employees and persons associated with Quantum Solutions, Inc. are required to follow Quantum Solutions, Inc. Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Quantum Solutions, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Quantum Solutions, Inc. clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Quantum Solutions, Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Quantum Solutions, Inc. clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Quantum Solutions, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Quantum Solutions, Inc. obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Quantum Solutions, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Quantum Solutions, Inc. clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Carl P Eshelman, CLU, ChFC.

Item 12 – Brokerage Practices

It is Quantum Solutions, Inc. policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Quantum Solutions, Inc. will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

Item 13 – Review of Accounts

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

Item 14 – *Client* Referrals and Other Compensation

Clients may from time to time be asked to refer others that they know that would benefit from the services provided by Quantum Solutions, Inc. however, QSI does not compensate clients for said referrals.

Item 15 – Custody

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

Item 16 – Investment Discretion

Quantum Solutions, Inc. does not exercise discretion in any form over client investments. When selecting securities and determining amounts, Quantum Solutions, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Quantum Solutions, Inc. in writing.

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, Quantum Solutions, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Quantum Solutions, Inc. may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Quantum Solutions, Inc. financial condition. Quantum Solutions, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Adviser

Principle: Carl P Eshelman, CLU, ChFC

Year of birth: 1948

Education: Univ. of Washington, BA Business Administration, 1970

Business Experience: President, Quantum Solutions, Inc. 1995 to Present

The principle has not had any violations or experience with the following:

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following investment or an *investment-related* business or activity;

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

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following investment or an *investment-related* business or activity;

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

3. In addition to any relationship or arrangement described in response to Item 10. Part 2A, describe any relationship or arrangement that you or any of your *management persons* have with any issuer of securities that is not listed in Item 10. Part 2A. NONE