

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Name of Investment Adviser:						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

Applicant:

SEC File Number:

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801-

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | |
|------------------------------|---|---------|
| <input type="checkbox"/> (1) | Provides investment supervisory services | _____ % |
| <input type="checkbox"/> (2) | Manages investment advisory accounts not involving investment supervisory services..... | _____ % |
| <input type="checkbox"/> (3) | Furnishes investment advice through consultations not included in either service described above... | _____ % |
| <input type="checkbox"/> (4) | Issues periodicals about securities by subscription | _____ % |
| <input type="checkbox"/> (5) | Issues special reports about securities not included in any service described above..... | _____ % |
| <input type="checkbox"/> (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices
which clients may use to evaluate securities..... | _____ % |
| <input type="checkbox"/> (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities... | _____ % |
| <input type="checkbox"/> (8) | Provides a timing service | _____ % |
| <input type="checkbox"/> (9) | Furnishes advice about securities in any manner not described above..... | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

		Yes	No
B.	Does applicant call any of the services it checked above financial planning or some similar term?	<input type="checkbox"/>	<input type="checkbox"/>

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|---|
| <input type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|---|
| <input type="checkbox"/> A. Equity securities | <input type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input type="checkbox"/> (3) Foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|--|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|--|---|
| (1) <input type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input type="checkbox"/> Research materials prepared by others | Securities and Exchange Commission |
| (4) <input type="checkbox"/> Corporate rating services | (7) <input type="checkbox"/> Company press releases |
| | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
☐ ☐

(If yes, please describe these standards on Schedule F)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. Yes No
☐ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No
☐ ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.
- B. Describe below the nature and frequency of regular reports to clients on their accounts.

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12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... ☐ Yes ☐ No

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**Applicant:
Prosperity Financial Group, Inc.

SEC File Number:

801- 71536

Date:

06/11/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:
Prosperity Financial Group, Inc.

IRS Empl. Ident. No.:

Item of Form
(identify)

Answer

Item 1.D.

ADVISORY SERVICES AND FEES

Prosperity Financial Group, Inc. (hereinafter "PFG" or "Adviser") offers personalized investment advisory services to individuals, trusts, estates, charitable organizations, pension and profit sharing plans, corporations and other business entities.

PFG is a corporation formed under the laws of the Securities and Exchange Commission. This Schedule F narrative provides Clients with information regarding PFG and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory Client of PFG.

Please contact Charles Ballweg, Chief Compliance Officer/Secretary/Treasurer if you have any questions about this Schedule F narrative. Additional information about PFG is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as an IARD number. Adviser's IARD number for PFG is 145540.

Individuals associated with PFG will provide its investment advisory services. These individuals are appropriately licensed, qualified, and/or authorized to provide advisory services on behalf of PFG. Such individuals are known as Investment Adviser Representatives (IARs).

Persons associated with PFG are also registered representatives of Financial Telesis Inc. ("FTI"), a licensed full service securities broker/dealer and investment adviser under federal and state securities laws. In this capacity, such individuals will earn commissions on the sale of securities and insurance related products. Adviser will offset any of its advisory fees against the 12b-1 commissions received. FTI is a member of the Financial Industry Regulatory Authority, ("FINRA") and the Securities Investors Protection Corporation ("SIPC").

WRAP FEE PORTFOLIO MANAGEMENT SERVICES**DYNAMIC WEALTH MANAGEMENT WRAP FEE PROGRAM**

PFG offers its portfolio management services on a discretionary or non-discretionary basis. PFG's wrap fee equity portfolio management and fixed income portfolio management services are designed to assist clients in meeting their financial goals through the use of financial investments. For each wrap fee client, PFG will conduct one or more meetings (in person if possible, otherwise via telephone conference) with the client in order to understand the client's current financial situation, existing resources, financial goals, and tolerance for risk. Based on the foregoing, PFG will propose an investment approach to the client. PFG may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, PFG will work with the client to establish or transfer investment accounts so that

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Answer

PFG is able to manage the client's portfolio. Once the relevant accounts are under PFG's management, PFG will review such accounts no less frequently than annually. PFG may periodically rebalance or adjust client accounts under its management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify PFG so that PFG can consider such information in managing the client's investments.

Wrap Fee Equity Portfolio Management – Fee Schedule

Assets Under Management	Annual Advisory Fee
Up to \$250,000	1.50%
\$250,00 - \$500,000	1.35%
\$500,000 - \$1,000,000	1.20%
\$1,000,000 +	1.00%

Wrap Fee Fixed Income Portfolio Management – Fee Schedule

Assets Under Management	Annual Advisory Fee
Up to \$250,000	1.00%
\$250,00 - \$500,000	0.90%
\$500,000 - \$1,000,000	0.80%
\$1,000,000 +	0.75%

Fees will be calculated quarterly based on the fee schedule above. Clients are invoiced quarterly in advance at the beginning of each calendar quarter based on the month-end values (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account during the previous quarter. Exceptions may be made to the fee schedule under certain circumstances pursuant to a negotiated agreement with the client.

Unless the client requests direct billing, fees will be automatically deducted from the account. If fees are automatically deducted from the client's account, the client adheres and acknowledges the following:

- The custodian sends statements at least quarterly to the client showing all disbursements for the custodian account, including the amount of the advisory fees;
- The client provides authorization permitting Adviser to be directly paid by these terms;
- If Adviser sends a copy of its invoice to the client, Adviser sends a copy

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Answer

of its invoice to the custodian at the same time it sends its invoice to the client;

- d) If Adviser sends a copy of its invoice to the client, Adviser's invoice includes a legend as required by paragraph (a)(2) of rule 206(4)-2 under the Investment Advisers Act of 1940.*

*The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

This account is a wrap account, the client will not incur transaction charges imposed by unaffiliated third parties. However, the client may pay the following separately incurred expenses, of which PFG does not receive any part: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). Upon agreement with its clients, these fees may be inclusive or separately charged by the relevant parties and may be borne by the client.

Either party may terminate the wrap fee program agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the wrap fee program agreement. After five (5) business days, clients will receive a pro-rata refund, which takes into account work completed by PFG on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the client.

PFG's advisory fee shall be negotiable in certain cases. No increase in the fee schedule shall be effective without prior written notification to the client.

No portion of PFG's compensation shall be based on capital gains or capital appreciation of assets under management except as provided for under the Investment Advisers Act of 1940.

**PORTFOLIO MANAGEMENT SERVICES UNDER THIRD PARTY
ADVISORY SERVICES**

Advisor may refer clients to other Third Party Asset Managers, where one of the third party money manager investment advisory representatives will design an investment portfolio and provide ongoing corresponding investment management services on a fee-only basis for a percentage of assets, as described in third party money managers' documents.

The third party money managers' annual investment advisory fee shall be pro-rated and paid quarterly, in advance or arrears. The percentage (%) portion of the fee shall

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be based upon the market value of the assets on the last day of the previous quarter. These third party money managers may, in their sole discretion, charge a lesser annual advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc).

Advisor shall generally recommend that investment management accounts be maintained at the third party money manager's place of business or another unaffiliated service provider. Factors which Advisor considers in recommending a third party money manager (or any other investment adviser or other broker-dealer/custodian) to clients include their respective financial strength, reputation, execution, pricing, reporting, research, and service. Prior to Advisor referring clients to third party money managers for investment management services, the client will be required to sign a Solicitation Disclosure Statement setting forth the percentage of the client's overall advisory fee to be paid to Advisor, that they understand Advisor is being paid a fee to refer the client to third party money managers and whether the client's fee will be increased as a result of the solicitation fee paid to Advisor.

FINANCIAL PLANNING SERVICES

PFG engages in broad-based financial planning services. Advice will typically involve providing a variety of services, principally advisory in nature, to Clients regarding the management of their financial resources based upon an analysis of their individual needs. The process typically begins with an initial complimentary consultation. During or after the initial consultation, if the Client decides to engage PFG for financial planning services, pertinent information about the Client's personal and financial circumstances and objectives is collected. As required, PFG will conduct follow up interviews for the purpose of reviewing and/or collecting financial data. Once such information has been studied and analyzed, a written financial plan – designed to achieve the Client's expressed financial goals and objectives – will be produced and presented to the Client.

Financial plans are based on the Client's financial situation at the time the plan is presented and on the financial information disclosed by the Client to PFG. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. PFG cannot offer any guarantees or promises that the Client's financial goals and objectives will be met. As the Client's financial situation, goals, objectives, or needs change, the Client must notify PFG promptly.

Generally, Adviser's fee for financial planning and consulting is based on an estimate of the hours necessary to complete the engaged services and/or written financial plan. Adviser's nonnegotiable hourly rate is \$250. The time required to perform the

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engaged services may vary depending on the complexity and scope of the engagement and the Client's individual circumstances.

Adviser may, in limited circumstances, charge a fixed fee. Fixed fees range between \$1,200 and \$10,000, depending on the scope and complexity of the Client's financial situation. Clients who request business planning services would typically be charged a higher fee.

An estimate of the total time/cost will be determined at the start of the advisory relationship and disclosed to the Client at that time. In limited circumstances, the time/cost could potentially exceed the initial estimate. In such cases, Adviser will notify the Client and may request that the Client approve the additional fee. Typically, the total estimated fee will be due upon completion of the services rendered. In limited circumstances, other fee payment arrangements may be negotiated, for example, interim payments may be requested for lengthy engagements.

Applicable fees, fee payment arrangements, and the terms of the engagement will be clearly set forth in the Client agreement executed between PFG and the Client prior to services being rendered. In no circumstance will Adviser require prepayment of a fee more than six months in advance and in excess of \$500.

PFG hereby makes the following statement: a conflict exists between the interest of PFG and the interests of the Client. Further, the Client is under no obligation to act upon PFG's recommendations, and if the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transactions through PFG.

PFG or the Client may terminate the financial planning agreement within five business days of the date of acceptance without penalty to the Client. After the five-day period, either party may terminate the investment advisory agreement by providing written notice to the other party. The Client may incur a charge for services rendered prior to such termination. Refunds are generally not applicable, since fees are payable upon completion of the plan.

PENSION CONSULTING SERVICES

PFG will provide pension consulting services to employee benefit plans, the plan sponsors and fiduciaries (collectively, the "Sponsor") based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, asset selection and allocation advice, investment performance monitoring, non-discretionary management of plan assets, risk management education, and/or ongoing consulting. Additionally, PFG will offer the Sponsor assistance in setting up a relationship with a third party administrator and processing enrollment forms. PFG will also provide communication and education services/seminars to provide meaningful information regarding the retirement plan to its Participants.

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Continuation Sheet for Form ADV Part II

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Pension Consulting services will be provided either on a retainer basis or on a non-retainer basis. Where the Sponsor chooses to engage Adviser on a retainer basis, individual participants will have the opportunity to meet with IARs of PFG on an individual basis regarding fund selection and asset allocation of plan assets pursuant to the agreement with the plan Sponsor.

Plan Participants who wish to engage PFG for individualized financial planning outside the scope of the employee benefit plan may do so by executing a separate agreement, including separate fees and fee payment arrangements, with PFG.

For Sponsors that enter into a non-retainer pension consulting agreement, PFG will conduct annual training seminars for the plan participants whereby the information provided will be limited to general, impersonal advice.

The scope of these services, the fees, and the terms of the agreement for these services will be negotiated on a case-by-case basis with each Sponsor. Adviser may be compensated based on an hourly fee of \$250 based on the complexity of the plan and the agreement with the Sponsor. In any case, PFG will not have access to plan funds for payment of fees. The terms regarding payment of fees, termination, and refunds will be clearly set forth in the agreement executed between Adviser and the Sponsor. Adviser will not receive additional compensation beyond the consulting fees for its pension consulting services.

All accounts are regulated under ERISA. PFG will provide consulting services to the Sponsor and the Participants as described above. The named Sponsor must make the ultimate decision as to retaining PFG for pension consulting services. The Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

Termination

PFG or the Sponsor may terminate the pension consulting agreement for any of the within five business days of the date of acceptance without penalty to the Client. After the five-day period, either party may terminate the pension consulting agreement by providing written notice to the other party. The Sponsor may incur a charge for services rendered prior to such termination. If applicable, any unearned fees will be refunded on a pro rata basis.

GENERAL INFORMATION ON ADVISORY SERVICES AND FEES

PFG shall never have custody of any Client funds or securities, as the services of a qualified and independent custodian will be used for these services.

The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory Client (15 U.S.C. §80b-5(a)(1)).

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**Applicant:
Prosperity Financial Group, Inc.

SEC File Number:

801- 71536

Date:

06/11/2010

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PFG does not represent, warrant, or imply that the services or methods of analysis employed by Adviser can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.

Advice offered by PFG may involve investment in mutual funds. Clients are hereby advised that all fees paid to PFG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (as described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, these transaction charges may be incurred when purchasing or selling securities. PFG does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities. The Client should review all fees charged by mutual funds, brokers, custodians, PFG, and others to fully understand the total amount of fees to be paid by the Client.

While PFG endeavors at all times to offer Clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by PFG.

Item 3L

TYPES OF INVESTMENTS

PFG reserves the right to advise Clients on any other type of investment that it deems appropriate based on the Client's stated goals and objectives. PFG may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or any investment on which the Client requests advice.

Item 5

EDUCATION AND BUSINESS STANDARDS

Associated persons of PFG, who are involved in determining or giving investment advice to Clients must meet all examination or experience requirements of the states and/or jurisdictions in which the individual provides advisory services.

Item 6

EDUCATION AND BUSINESS BACKGROUND**Charles A. Ballweg, CLU, ChFC, CFP®, MSFS, AEP**

Year of Birth: 1949

Formal Education After High School:

- ❖ University of Wisconsin-Madison, B.S./B.A. Education/Wildlife Sciences, 1971.
- ❖ American College, M.S. Financial Services, 2002.

Business Background for Previous Five Years:

- ❖ Prosperity Financial Group, Inc., Secretary/ Treasurer, 03/2000 to Present.
- ❖ Financial Telesis Inc., Investment Adviser Representative and Registered Representative, 06/2010 to Present.
- ❖ Raymond James Financial Services, Inc., Registered Representative, 04/2000 to 06/2010.

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Licenses:

- ❖ Series 65
- ❖ Series 63
- ❖ Series 51
- ❖ Series 24
- ❖ Series 7

Elliot H. Kallen

Year of Birth: 1958

Formal Education After High School:

- ❖ Rutgers University, B.S. Accounting, 1980.

Business Background for Previous Five Years:

- ❖ Prosperity Financial Group, Inc., President, 03/2000 to Present.
- ❖ Financial Telesis Inc., Investment Adviser Representative and Registered Representative, 06/2010 to Present.
- ❖ Raymond James Financial Services, Inc., Registered Representative, 04/2000 to 06/2010.

Licenses:

- ❖ Series 65
- ❖ Series 63
- ❖ Series 51
- ❖ Series 24
- ❖ Series 7

Henry A. Fanger, ChFC®, CLU

Year of Birth: 1942

Formal Education After High School:

- ❖ Washington University, B.A., 1964.
- ❖ University of California, Berkeley, MBA, 1970.

Business Background for Previous Five Years:

- ❖ Prosperity Financial Group, Inc., Investment Adviser Representative, 06/2010 to Present.
- ❖ Financial Telesis Inc., Investment Adviser Representative and Registered Representative, 06/2010 to Present.
- ❖ Raymond James Financial Services, Inc., Registered Representative, 01/2009 to 06/2010.

Licenses:

- ❖ Series 7
- ❖ Series 63
- ❖ Series 24

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Item 7A.B

OTHER BUSINESS ACTIVITIES

Investment Adviser Representatives of PFG are licensed insurance agents/brokers with various insurance companies/agencies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance related products. They may receive the normal commissions for securities or insurance sales in his separate role insurance agent/broker. They devote approximately thirty-four percent of their professional time on this other business.

Mr. Ballweg and Mr. Kallen are registered representatives with Financial Telesis Inc. ("FTI"), a registered broker-dealer and Member FINRA/SIPC and a registered investment adviser with the Securities and Exchange Commission. In order to comply with FINRA Conduct Rule 3040, FTI, as an unaffiliated broker-dealer, may periodically review the investment advisory transactions of Adviser. This information will be viewed by FTI's compliance department personnel for supervisory purposes only. No information viewed will be utilized for purposes of solicitation or shared with any affiliation outside the scope of regulatory compliance.

Item 9(B)(E)

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

PFG or individuals associated with Adviser, as brokers or agents of a broker-dealer may effect securities transactions for compensation from any client, and may buy or sell – for their personal account(s) - investment products identical to those recommended to Clients. It is the expressed policy of PFG that employees shall not have priority in any purchase or sale over Clients' accounts. ⁽¹⁾⁽²⁾

Footnotes:

(1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of PFG's Clients trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances,

exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with PFG's records in the manner set forth above.

(2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.

PFG has adopted a Code of Ethics, the full text of which is available to Clients and prospective Clients upon request. PFG has several goals in adopting this Code. First, Adviser desires to comply with all applicable laws and regulations governing its practice, and the management of PFG has determined to set forth guidelines for professional standards, under which all associated persons of Adviser are to conduct themselves. Adviser has set high standards, the intention of which is to protect Client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients. All associated persons are expected

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to adhere strictly to these guidelines, as well as any procedures established in the Code of Ethics primarily related to violations of the Code. In addition, PFG maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by PFG or any person associated with Adviser.

Item 10

CONDITIONS FOR MANAGING ACCOUNTS

Adviser typically requires that Clients have at least \$100, 000 in assets for investment advisory services and/or financial plans to be most effective. In its sole discretion, PFG may waive or lower this minimum.

Item 11

REVIEW OF ACCOUNTS/REPORTS TO CLIENTS

Financial plans will be reviewed and updated at the Client's request or as required based on the executed agreement for services. Reviews may be subject to PFG's then current hourly rate. Charles Ballweg and Elliot Kallen and/or the assigned IAR on the account will conduct all reviews. Adviser recommends a Client meeting and formal account review at least annually. Additional reviews and/or meetings may be conducted upon the Client's or Adviser's request. Triggering factors that may stimulate additional reviews of a Client's account include, but are not limited to, changes in market conditions, changes in the Client's financial situation or investment objectives, and/or the Client's request for an additional review of the account. Clients will receive a quarterly statement from the custodian.

In addition, PFG will provide performance reports during account reviews for purposes of ensuring alignment with stated goals and objectives.

Items 12.A.(1), (2)

INVESTMENT OR BROKERAGE DISCRETION

Advisor may have discretionary authority to determine the securities to be bought or sold and the amount of securities to be bought or sold, for a Client's account/securities transactions.

Item 12B

SUGGESTION OF BROKERS

Adviser participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. ("TD AMERITRADE") member FINRA/SIPC. TD AMERITRADE is an unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisers' services which include custody of securities, trade execution, clearance and settlement of transactions. Adviser receives some benefits from TD AMERITRADE through its participation in the program.

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Adviser considers a number of factors in selecting and/or recommending brokers and custodians for its Clients' accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. Please see the disclosure under Item 13A below.

Item 13A

ADDITIONAL COMPENSATION

As disclosed under Item 12B above, Adviser participates in TD AMERITRADE's institutional customer program and Adviser may recommend TD AMERITRADE to Clients for custody and brokerage services. There is no direct link between Adviser's participation in the program and the investment advice it gives to its Clients, although Adviser receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. 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; consulting services; 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 Adviser by third party vendors.

TD AMERITRADE may also have paid for business consulting and professional services received by Adviser's related persons. Some of the products and services made available by TD AMERITRADE through the program may benefit Adviser but may not benefit its Client accounts. These products or services may assist Adviser in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Adviser manage and further develop its business enterprise. The benefits received by Adviser or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, Adviser endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's choice of TD AMERITRADE for custody and brokerage services.

Adviser may also refer clients to third party money managers and receive a portion of the advisory fee charged to the client by money managers within their programs. The amount of the Adviser's portion of the fee will be disclosed to clients at the time of the referral.

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Miscellaneous

MISCELLANEOUS***Proxy Voting***

PFG will not be required to take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which Client's assets may be invested. Although PFG may, on rare occasions and only at the Client's request, offer Clients advice regarding corporate actions and the exercise of proxy voting rights.

Class Action Lawsuits

From time to time, securities held in the accounts of Clients will be the subject of class action lawsuits. Adviser has no obligation to determine if securities held by the Client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a Client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict.

Furthermore, Adviser has no obligation or responsibility to initiate litigation to recover damages on behalf of Clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by Clients.

PFG reasonably believes that all material conflicts of interest that could potentially impair the rendering of unbiased and objective advice have been adequately disclosed in this ADV disclosure brochure.

Privacy Policies

Adviser views protecting its customers' private information as a top priority and, pursuant to the requirements of the federal Gramm-Leach-Bliley Act, Adviser has instituted policies and procedures to ensure that customer information is kept private and secure.

PFG does not disclose any nonpublic personal information about its Clients or former Clients to any nonaffiliated third parties, except as permitted by law. In the course of servicing a Client's account, PFG may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

PFG restricts internal access to nonpublic personal information about the Client to those associated persons of Adviser who need access to that information in order to provide services to the Client. As emphasized above, it has always been and will always be Adviser's policy never to sell information about current or former customers or their accounts to anyone. It is also Adviser's policy not to share information unless required to process a transaction, at the request of a customer, or as required by law.

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How We Protect Information

Adviser maintains the confidentiality of the information that its clients provide. Adviser protects client's information by meeting all laws setting forth procedures for providing physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. All people who work for the Adviser are trained to handle client's information properly in order to maintain its security. Adviser also restricts access to personal information about clients to only those employees who need such information to provide service(s) to the client. Adviser maintains physical, electronic, and procedural safeguards that comply with industry standards to guard clients' personal information. Adviser does not sell or market clients' or prospective clients' personal information to third parties. Adviser does not disclose any information about its clients or former clients to anyone, except as needed by our service providers (e.g., broker, accountants, attorneys and auditors) or as required by law.

Changes in Privacy Policy

Adviser may modify the policy at any time. Adviser will notify its current clients of any modifications.

Questions

Please contact Charles Ballweg, Chief Compliance Officer/Secretary/Treasurer, if you have any questions about this Schedule F narrative at (925) 314-8506.

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Item 1.D.

ADVISORY SERVICES AND FEES

Prosperity Financial Group, Inc. (hereinafter "PFG" or "Adviser") offers personalized investment advisory services to individuals, trusts, estates, charitable organizations, pension and profit sharing plans, corporations and other business entities.

PFG is a corporation formed under the laws of the State of California. This Schedule F narrative provides Clients with information regarding PFG and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory Client of PFG.

Please contact Charles Ballweg, Chief Compliance Officer/Secretary/Treasurer if you have any questions about this Schedule F narrative. Additional information about PFG is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as an IARD number. Adviser's IARD number for PFG is 145540.

Individuals associated with PFG will provide its investment advisory services. These individuals are appropriately licensed, qualified, and/or authorized to provide advisory services on behalf of PFG. Such individuals are known as Investment Adviser Representatives (IARs).

Persons associated with PFG are also registered representatives of Financial Telesis Inc. ("FTI"), a licensed full service securities broker/dealer and investment adviser under federal and state securities laws. In this capacity, such individuals will earn commissions on the sale of securities and insurance related products. Adviser will offset any of its advisory fees against the 12b-1 commissions received. FTI is a member of the Financial Industry Regulatory Authority, ("FINRA") and the Securities Investors Protection Corporation ("SIPC").

WRAP FEE PORTFOLIO MANAGEMENT SERVICES**DYNAMIC WEALTH MANAGEMENT WRAP FEE PROGRAM**

PFG offers its portfolio management services on a discretionary or non-discretionary basis. PFG's wrap fee equity portfolio management and fixed income portfolio management services are designed to assist clients in meeting their financial goals through the use of financial investments. For each wrap fee client, PFG will conduct one or more meetings (in person if possible, otherwise via telephone conference) with the client in order to understand the client's current financial situation, existing resources, financial goals, and tolerance for risk. Based on the foregoing, PFG will propose an investment approach to the client. PFG may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, PFG will work with the client to establish or transfer investment accounts so that

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PFG is able to manage the client's portfolio. Once the relevant accounts are under PFG's management, PFG will review such accounts no less frequently than annually. PFG may periodically rebalance or adjust client accounts under its management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify PFG so that PFG can consider such information in managing the client's investments.

Wrap Fee Equity Portfolio Management – Fee Schedule

Assets Under Management	Annual Advisory Fee
Up to \$250,000	1.50%
\$250,00 - \$500,000	1.35%
\$500,000 - \$1,000,000	1.20%
\$1,000,000 +	1.00%

Wrap Fee Fixed Income Portfolio Management – Fee Schedule

Assets Under Management	Annual Advisory Fee
Up to \$250,000	1.00%
\$250,00 - \$500,000	0.90%
\$500,000 - \$1,000,000	0.80%
\$1,000,000 +	0.75%

Fees will be calculated quarterly based on the fee schedule above. Clients are invoiced quarterly in advance at the beginning of each calendar quarter based on the month-end values (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account during the previous quarter. Exceptions may be made to the fee schedule under certain circumstances pursuant to a negotiated agreement with the client.

Unless the client requests direct billing, fees will be automatically deducted from the account. If fees are automatically deducted from the client's account, the client adheres and acknowledges the following:

- The custodian sends statements at least quarterly to the client showing all disbursements for the custodian account, including the amount of the advisory fees;
- The client provides authorization permitting Adviser to be directly paid by these terms;
- If Adviser sends a copy of its invoice to the client, Adviser sends a copy

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of its invoice to the custodian at the same time it sends its invoice to the client;

- d) If Adviser sends a copy of its invoice to the client, Adviser's invoice includes a legend as required by paragraph (a)(2) of rule 206(4)-2 under the Investment Advisers Act of 1940.*

*The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

This account is a wrap account, the client will not incur transaction charges imposed by unaffiliated third parties. However, the client may pay the following separately incurred expenses, of which PFG does not receive any part: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). Upon agreement with its clients, these fees may be inclusive or separately charged by the relevant parties and may be borne by the client.

Either party may terminate the wrap fee program agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the wrap fee program agreement. After five (5) business days, clients will receive a pro-rata refund, which takes into account work completed by PFG on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the client.

PFG's advisory fee shall be negotiable in certain cases. No increase in the fee schedule shall be effective without prior written notification to the client.

No portion of PFG's compensation shall be based on capital gains or capital appreciation of assets under management except as provided for under the Investment Advisers Act of 1940.

**PORTFOLIO MANAGEMENT SERVICES UNDER THIRD PARTY
ADVISORY SERVICES**

Advisor may refer clients to other Third Party Asset Managers, where one of the third party money manager investment advisory representatives will design an investment portfolio and provide ongoing corresponding investment management services on a fee-only basis for a percentage of assets, as described in third party money managers' documents.

The third party money managers' annual investment advisory fee shall be pro-rated and paid quarterly, in advance or arrears. The percentage (%) portion of the fee shall

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be based upon the market value of the assets on the last day of the previous quarter. These third party money managers may, in their sole discretion, charge a lesser annual advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc).

Advisor shall generally recommend that investment management accounts be maintained at the third party money manager's place of business or another unaffiliated service provider. Factors which Advisor considers in recommending a third party money manager (or any other investment adviser or other broker-dealer/custodian) to clients include their respective financial strength, reputation, execution, pricing, reporting, research, and service. Prior to Advisor referring clients to third party money managers for investment management services, the client will be required to sign a Solicitation Disclosure Statement setting forth the percentage of the client's overall advisory fee to be paid to Advisor, that they understand Advisor is being paid a fee to refer the client to third party money managers and whether the client's fee will be increased as a result of the solicitation fee paid to Advisor.

FINANCIAL PLANNING SERVICES

PFG engages in broad-based financial planning services. Advice will typically involve providing a variety of services, principally advisory in nature, to Clients regarding the management of their financial resources based upon an analysis of their individual needs. The process typically begins with an initial complimentary consultation. During or after the initial consultation, if the Client decides to engage PFG for financial planning services, pertinent information about the Client's personal and financial circumstances and objectives is collected. As required, PFG will conduct follow up interviews for the purpose of reviewing and/or collecting financial data. Once such information has been studied and analyzed, a written financial plan – designed to achieve the Client's expressed financial goals and objectives – will be produced and presented to the Client.

Financial plans are based on the Client's financial situation at the time the plan is presented and on the financial information disclosed by the Client to PFG. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. PFG cannot offer any guarantees or promises that the Client's financial goals and objectives will be met. As the Client's financial situation, goals, objectives, or needs change, the Client must notify PFG promptly.

Generally, Adviser's fee for financial planning and consulting is based on an estimate of the hours necessary to complete the engaged services and/or written financial plan. Adviser's nonnegotiable hourly rate is \$250. The time required to perform the

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engaged services may vary depending on the complexity and scope of the engagement and the Client's individual circumstances.

Adviser may, in limited circumstances, charge a fixed fee. Fixed fees range between \$1,200 and \$10,000, depending on the scope and complexity of the Client's financial situation. Clients who request business planning services would typically be charged a higher fee.

An estimate of the total time/cost will be determined at the start of the advisory relationship and disclosed to the Client at that time. In limited circumstances, the time/cost could potentially exceed the initial estimate. In such cases, Adviser will notify the Client and may request that the Client approve the additional fee. Typically, the total estimated fee will be due upon completion of the services rendered. In limited circumstances, other fee payment arrangements may be negotiated, for example, interim payments may be requested for lengthy engagements.

Applicable fees, fee payment arrangements, and the terms of the engagement will be clearly set forth in the Client agreement executed between PFG and the Client prior to services being rendered. In no circumstance will Adviser require prepayment of a fee more than six months in advance and in excess of \$500.

PFG hereby makes the following statement: a conflict exists between the interest of PFG and the interests of the Client. Further, the Client is under no obligation to act upon PFG's recommendations, and if the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transactions through PFG.

PFG or the Client may terminate the financial planning agreement within five business days of the date of acceptance without penalty to the Client. After the five-day period, either party may terminate the investment advisory agreement by providing written notice to the other party. The Client may incur a charge for services rendered prior to such termination. Refunds are generally not applicable, since fees are payable upon completion of the plan.

PENSION CONSULTING SERVICES

PFG will provide pension consulting services to employee benefit plans, the plan sponsors and fiduciaries (collectively, the "Sponsor") based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, asset selection and allocation advice, investment performance monitoring, non-discretionary management of plan assets, risk management education, and/or ongoing consulting. Additionally, PFG will offer the Sponsor assistance in setting up a relationship with a third party administrator and processing enrollment forms. PFG will also provide communication and education services/seminars to provide meaningful information regarding the retirement plan to its Participants.

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Continuation Sheet for Form ADV Part II

Applicant:
Prosperity Financial Group, Inc.

SEC File Number:

801- 71536

Date:

06/11/2010

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Pension Consulting services will be provided either on a retainer basis or on a non-retainer basis. Where the Sponsor chooses to engage Adviser on a retainer basis, individual participants will have the opportunity to meet with IARs of PFG on an individual basis regarding fund selection and asset allocation of plan assets pursuant to the agreement with the plan Sponsor.

Plan Participants who wish to engage PFG for individualized financial planning outside the scope of the employee benefit plan may do so by executing a separate agreement, including separate fees and fee payment arrangements, with PFG.

For Sponsors that enter into a non-retainer pension consulting agreement, PFG will conduct annual training seminars for the plan participants whereby the information provided will be limited to general, impersonal advice.

The scope of these services, the fees, and the terms of the agreement for these services will be negotiated on a case-by-case basis with each Sponsor. Adviser may be compensated based on an hourly fee of \$250 based on the complexity of the plan and the agreement with the Sponsor. In any case, PFG will not have access to plan funds for payment of fees. The terms regarding payment of fees, termination, and refunds will be clearly set forth in the agreement executed between Adviser and the Sponsor. Adviser will not receive additional compensation beyond the consulting fees for its pension consulting services.

All accounts are regulated under ERISA. PFG will provide consulting services to the Sponsor and the Participants as described above. The named Sponsor must make the ultimate decision as to retaining PFG for pension consulting services. The Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

Termination

PFG or the Sponsor may terminate the pension consulting agreement for any of the within five business days of the date of acceptance without penalty to the Client. After the five-day period, either party may terminate the pension consulting agreement by providing written notice to the other party. The Sponsor may incur a charge for services rendered prior to such termination. If applicable, any unearned fees will be refunded on a pro rata basis.

GENERAL INFORMATION ON ADVISORY SERVICES AND FEES

PFG shall never have custody of any Client funds or securities, as the services of a qualified and independent custodian will be used for these services.

The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory Client (15 U.S.C. §80b-5(a)(1)).

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PFG does not represent, warrant, or imply that the services or methods of analysis employed by Adviser can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.

Advice offered by PFG may involve investment in mutual funds. Clients are hereby advised that all fees paid to PFG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (as described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, these transaction charges may be incurred when purchasing or selling securities. PFG does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities. The Client should review all fees charged by mutual funds, brokers, custodians, PFG, and others to fully understand the total amount of fees to be paid by the Client.

While PFG endeavors at all times to offer Clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by PFG.

Item 3L

TYPES OF INVESTMENTS

PFG reserves the right to advise Clients on any other type of investment that it deems appropriate based on the Client's stated goals and objectives. PFG may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or any investment on which the Client requests advice.

Item 5

EDUCATION AND BUSINESS STANDARDS

Associated persons of PFG, who are involved in determining or giving investment advice to Clients must meet all examination or experience requirements of the states and/or jurisdictions in which the individual provides advisory services.

Item 6

EDUCATION AND BUSINESS BACKGROUND**Charles A. Ballweg, CLU, ChFC, CFP®, MSFS, AEP**

Year of Birth: 1949

Formal Education After High School:

- ❖ University of Wisconsin-Madison, B.S./B.A. Education/Wildlife Sciences, 1971.
- ❖ American College, M.S. Financial Services, 2002.

Business Background for Previous Five Years:

- ❖ Prosperity Financial Group, Inc., Secretary/ Treasurer, 03/2000 to Present.
- ❖ Financial Telesis Inc., Investment Adviser Representative and Registered Representative, 06/2010 to Present.
- ❖ Raymond James Financial Services, Inc., Registered Representative, 04/2000 to 06/2010.

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Licenses:

- ❖ Series 65
- ❖ Series 63
- ❖ Series 51
- ❖ Series 24
- ❖ Series 7

Elliot H. Kallen

Year of Birth: 1958

Formal Education After High School:

- ❖ Rutgers University, B.S. Accounting, 1980.

Business Background for Previous Five Years:

- ❖ Prosperity Financial Group, Inc., President, 03/2000 to Present.
- ❖ Financial Telesis Inc., Investment Adviser Representative and Registered Representative, 06/2010 to Present.
- ❖ Raymond James Financial Services, Inc., Registered Representative, 04/2000 to 06/2010.

Licenses:

- ❖ Series 65
- ❖ Series 63
- ❖ Series 51
- ❖ Series 24
- ❖ Series 7

Henry A. Fanger, ChFC®, CLU

Year of Birth: 1942

Formal Education After High School:

- ❖ Washington University, B.A., 1964.
- ❖ University of California, Berkeley, MBA, 1970.

Business Background for Previous Five Years:

- ❖ Prosperity Financial Group, Inc., Investment Adviser Representative, 06/2010 to Present.
- ❖ Financial Telesis Inc., Investment Adviser Representative and Registered Representative, 06/2010 to Present.
- ❖ Raymond James Financial Services, Inc., Registered Representative, 01/2009 to 06/2010.

Licenses:

- ❖ Series 7
- ❖ Series 63
- ❖ Series 24

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Item 7A.B

OTHER BUSINESS ACTIVITIES

Investment Adviser Representatives of PFG are licensed insurance agents/brokers with various insurance companies/agencies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance related products. They may receive the normal commissions for securities or insurance sales in his separate role insurance agent/broker. They devote approximately thirty-four percent of their professional time on this other business.

Mr. Ballweg and Mr. Kallen are registered representatives with Financial Telesis Inc. ("FTI"), a registered broker-dealer and Member FINRA/SIPC and a registered investment adviser with the Securities and Exchange Commission. In order to comply with FINRA Conduct Rule 3040, FTI, as an unaffiliated broker-dealer, may periodically review the investment advisory transactions of Adviser. This information will be viewed by FTI's compliance department personnel for supervisory purposes only. No information viewed will be utilized for purposes of solicitation or shared with any affiliation outside the scope of regulatory compliance.

Item 9(B)(E)

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

PFG or individuals associated with Adviser, as brokers or agents of a broker-dealer may effect securities transactions for compensation from any client, and may buy or sell – for their personal account(s) - investment products identical to those recommended to Clients. It is the expressed policy of PFG that employees shall not have priority in any purchase or sale over Clients' accounts. ⁽¹⁾⁽²⁾

Footnotes:

(1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of PFG's Clients trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances,

exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with PFG's records in the manner set forth above.

(2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.

PFG has adopted a Code of Ethics, the full text of which is available to Clients and prospective Clients upon request. PFG has several goals in adopting this Code. First, Adviser desires to comply with all applicable laws and regulations governing its practice, and the management of PFG has determined to set forth guidelines for professional standards, under which all associated persons of Adviser are to conduct themselves. Adviser has set high standards, the intention of which is to protect Client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients. All associated persons are expected

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to adhere strictly to these guidelines, as well as any procedures established in the Code of Ethics primarily related to violations of the Code. In addition, PFG maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by PFG or any person associated with Adviser.

Item 10

CONDITIONS FOR MANAGING ACCOUNTS

Adviser typically requires that Clients have at least \$100, 000 in assets for investment advisory services and/or financial plans to be most effective. In its sole discretion, PFG may waive or lower this minimum.

Item 11

REVIEW OF ACCOUNTS/REPORTS TO CLIENTS

Financial plans will be reviewed and updated at the Client's request or as required based on the executed agreement for services. Reviews may be subject to PFG's then current hourly rate. Charles Ballweg and Elliot Kallen and/or the assigned IAR on the account will conduct all reviews. Adviser recommends a Client meeting and formal account review at least annually. Additional reviews and/or meetings may be conducted upon the Client's or Adviser's request. Triggering factors that may stimulate additional reviews of a Client's account include, but are not limited to, changes in market conditions, changes in the Client's financial situation or investment objectives, and/or the Client's request for an additional review of the account. Clients will receive a quarterly statement from the custodian.

In addition, PFG will provide performance reports during account reviews for purposes of ensuring alignment with stated goals and objectives.

Items 12.A.(1), (2)

INVESTMENT OR BROKERAGE DISCRETION

Advisor may have discretionary authority to determine the securities to be bought or sold and the amount of securities to be bought or sold, for a Client's account/securities transactions.

Item 12B

SUGGESTION OF BROKERS

Adviser participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. ("TD AMERITRADE") member FINRA/SIPC. TD AMERITRADE is an unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisers' services which include custody of securities, trade execution, clearance and settlement of transactions. Adviser receives some benefits from TD AMERITRADE through its participation in the program.

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Adviser considers a number of factors in selecting and/or recommending brokers and custodians for its Clients' accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. Please see the disclosure under Item 13A below.

Item 13A

ADDITIONAL COMPENSATION

As disclosed under Item 12B above, Adviser participates in TD AMERITRADE's institutional customer program and Adviser may recommend TD AMERITRADE to Clients for custody and brokerage services. There is no direct link between Adviser's participation in the program and the investment advice it gives to its Clients, although Adviser receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. 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; consulting services; 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 Adviser by third party vendors.

TD AMERITRADE may also have paid for business consulting and professional services received by Adviser's related persons. Some of the products and services made available by TD AMERITRADE through the program may benefit Adviser but may not benefit its Client accounts. These products or services may assist Adviser in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Adviser manage and further develop its business enterprise. The benefits received by Adviser or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, Adviser endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's choice of TD AMERITRADE for custody and brokerage services.

Adviser may also refer clients to third party money managers and receive a portion of the advisory fee charged to the client by money managers within their programs. The amount of the Adviser's portion of the fee will be disclosed to clients at the time of the referral.

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Miscellaneous

MISCELLANEOUS***Proxy Voting***

PFG will not be required to take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which Client's assets may be invested. Although PFG may, on rare occasions and only at the Client's request, offer Clients advice regarding corporate actions and the exercise of proxy voting rights.

Class Action Lawsuits

From time to time, securities held in the accounts of Clients will be the subject of class action lawsuits. Adviser has no obligation to determine if securities held by the Client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a Client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict.

Furthermore, Adviser has no obligation or responsibility to initiate litigation to recover damages on behalf of Clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by Clients.

PFG reasonably believes that all material conflicts of interest that could potentially impair the rendering of unbiased and objective advice have been adequately disclosed in this ADV disclosure brochure.

Privacy Policies

Adviser views protecting its customers' private information as a top priority and, pursuant to the requirements of the federal Gramm-Leach-Bliley Act, Adviser has instituted policies and procedures to ensure that customer information is kept private and secure.

PFG does not disclose any nonpublic personal information about its Clients or former Clients to any nonaffiliated third parties, except as permitted by law. In the course of servicing a Client's account, PFG may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

PFG restricts internal access to nonpublic personal information about the Client to those associated persons of Adviser who need access to that information in order to provide services to the Client. As emphasized above, it has always been and will always be Adviser's policy never to sell information about current or former customers or their accounts to anyone. It is also Adviser's policy not to share information unless required to process a transaction, at the request of a customer, or as required by law.

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How We Protect Information

Adviser maintains the confidentiality of the information that its clients provide. Adviser protects client's information by meeting all laws setting forth procedures for providing physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. All people who work for the Adviser are trained to handle client's information properly in order to maintain its security. Adviser also restricts access to personal information about clients to only those employees who need such information to provide service(s) to the client. Adviser maintains physical, electronic, and procedural safeguards that comply with industry standards to guard clients' personal information. Adviser does not sell or market clients' or prospective clients' personal information to third parties. Adviser does not disclose any information about its clients or former clients to anyone, except as needed by our service providers (e.g., broker, accountants, attorneys and auditors) or as required by law.

Changes in Privacy Policy

Adviser may modify the policy at any time. Adviser will notify its current clients of any modifications.

Questions

Please contact Charles Ballweg, Chief Compliance Officer/Secretary/Treasurer, if you have any questions about this Schedule F narrative at (925) 314-8506.

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