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**Wrap Account Program Sponsored By  
Family Office Group LLC  
5 Brookhaven Road  
Pinehurst, NC 28374-7086  
(877) 784-4367**

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This brochure provides information about Family Office Group LLC and the Investment Advisory Wrap Fee Program that should be considered before becoming a Client of Family Office Group LLC and their sponsored Wrap Fee Program. This information has not been approved or verified by the United States Securities and Exchange Commission or any State Securities Regulatory Authority. While the firm is an investment adviser registered with the SEC, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

### General Information

LPB Capital, LLC d/b/a Family Office Group LLC ("Family Office Group") is a limited liability company domiciled in the State of North Carolina and a SEC registered investment adviser. The firm provides financial planning and investment management services to its Clients. Family Office Group is controlled by three members; Gary Pappas CEO/CCO, Andrew Bekoff CIO, and William J. Lahr, IV. Speramus LLC serves as an indirect owner of the firm. The owners of Speramus LLC are John J. Rose and Patricia M. Rose.

### Investment Advisory Services

Family Office is the Sponsor of a Wrap Fee Program ("Program"), an investment advisory program offered to individual Clients. The Program allows Clients to access the investment advisory services of professional portfolio management personnel affiliated with Family Office Group for the individual management of Client accounts. These individuals or portfolio managers are appropriately licensed, registered, qualified, and authorized to provide advisory services on behalf of Family Office Group.

Through written agreements with Family Office Group, each Client is provided a financial plan and an investment strategy tailored by the firm's portfolio managers based on the Client's individual financial circumstances, investment needs, goals, and level risk of tolerance. The Client's financial information is solicited through an Investor Profile Questionnaire, or other similarly named document. Pursuant to the Client services agreement, the Client agrees to provide information regarding material changes in the Client's financial circumstances and/or investment objectives. Upon receipt of this information, the appropriate portfolio manager will reevaluate the Client's investments. Family Office Group will solicit this information and any changes thereof, on a yearly basis.

Once the initial planning phase has been completed, the portfolio manager will then direct the investment and reinvestment of Client's investment goals and objectives. Similar to a limited power of attorney, this authority allows a firm to implement investment decisions on behalf of the account without prior Client authorization in order to meet the account objectives. The Client may impose reasonable restrictions on the portfolio manager's discretionary authority. Any restriction and/or limitation must be in writing.

The firm provides advice on a variety of investments, including; exchange listed securities, over-the-counter securities, foreign securities, corporate debt securities, commercial paper, CDs, municipal securities, variable life insurance & variable annuities, mutual funds, US Government securities, and options contracts on securities and commodities to accomplish this objective.

Where the Client has requested the firm's more comprehensive planning and investment management services, the firm may employ its proprietary strategies which may include, but are not limited to: Aggressive, Global Macro, Growth, Growth and Income, Income, Sharia Growth, and Sharia Aggressive Growth strategies.

All Family Office Group wrap accounts are held at Fidelity Investments, Inc ("Fidelity"). Fidelity will also provide execution and clearing services.

In performing its services the firm may, but is not required to, verify any information received from the Client or from the Client's agents.

While the firm will use its best judgment and good faith effort in rendering its services to Clients, it cannot, however, warrant or guarantee any particular level of account performance or that an account

will be profitable over time. The Client assumes all market risk involved in the investment of account assets and understands that investment decisions are subject to various risks, which may include market, currency, operational or political risk, among others. Except as may otherwise be provided by law, the firm will not be liable to the Client, heirs, or assigns for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the Client or their legal agent's direction; or any act or failure to act by a custodian or other similar service provider in maintaining an account.

### **Selection of Portfolio Managers**

Family Office Group determines which portfolio managers remain eligible to participate in the Program after a review process which generally includes the following: examination of investment philosophy and process and a review of trading practices and portfolio performance.

All portfolio managers and their accounts are reviewed periodically by Family Office Group. In addition, Family Office Group will continually monitor the performance of each Client's account in the Program on a continuing basis.

Family Office Group retains the authority to remove any portfolio manager from any of its investment programs. There is no guarantee that a particular manager will be retained within the program. Please note; where managers remain salaried employees of the firm, said managers will not receive any portion of Client fees paid to Family Office Group.

### **Financial Planning and Investment Advisory Fees**

Pursuant to an investment advisory contract signed by each Client, the Client will pay Family Office a quarterly Fee, payable in advance, based on the services to be provided and the assets to be managed by the firm.

A fee of 1.25% of the Client's assets under management will be charged to those Clients enrolled in the firm's investment management program which includes a base level of financial planning. This fee is paid quarterly in advance based upon the value of the Account of the close of the prior period. An additionally 0.75% fee will be charged for those Clients that elect to have more extensive financial planning. For those that elect the additional planning, the fee is also paid quarterly in advance based upon the value of the Account of the close of the prior period. The Fee for the program will be determined and agreed to between Family Office and the Client at the time the Client signs an Investment Advisory Agreement.

0.80% of the Client's assets under management is paid by Family Office Group to the portfolio manager.

These fees may be negotiated by Family Office Group under unusual circumstances, at the sole discretion of Family Office Group. The fee will be automatically deducted from the Client account on a quarterly basis by the custodian (Fidelity Investments, Inc.).

Any SEC or exchange fees arising from account activity are absorbed by Family Office Group. Custodial and/or maintenance fees normally applicable to retirement accounts and qualified retirement plans for which are charged to the custodian are included in the investment program. The level of the management fee is unaffected by the number of transactions effected for the Account. Fees are

assessed on all assets in the account, including securities, cash and money market balances. Margin debit balances do not reduce the value of the assets in the account.

However, these fees do not include certain odd-lot differentials; national securities exchange fees; postage and handling; annual, maintenance and/or termination fees for retirement accounts, ACAT transfer fees; interest on debit account balances; electronic fund transfer fees; and transfer taxes and other costs or charges associated with securities transactions mandated by law.

All fees and charges, including the above, may be charged to the Account. Client understands that Family Office Investment Advisor Representatives receive compensation for providing advisory and Client-related services in connection with the investment programs based on the value of the assets under their management.

Client should be aware that, depending on the Account's turnover rate, advisory fee, nature of securities comprising the portfolio, and the size of the Account, the fee charged may be higher or lower than Client might otherwise realize by paying investment advisory fees and negotiating transactions charges on a per transaction basis.

Family Office Wrap Fee Program may cost the Client more or less than purchasing such wrap account services separately, assuming that similar services could be purchased directly from the various providers thereof. Therefore, the firm may have a financial incentive to recommend this wrap-fee program over other programs or services.

#### **Portfolio Manager Reviews and Client Reports**

Family Office accounts are reviewed by Andrew Bekoff, the firm's Chief Investment Officer, John Tardif Managing Director of Asset Management, and Matt Teevan Vice President of Retirement Planning. Reviews are made to determine whether the account is being managed in accordance with the Client's investment objectives. Additional reviews may take place at the Client's request or as the result of significant market or economic developments. All reviews will consider account performance in light of industry standards.

Clients will be contacted quarterly in writing to schedule meetings with their investment adviser to review any life changes in financial circumstances and objectives, and the status of their updated financial plan. Clients are encouraged to notify the firm and/or representative if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.

Clients will receive a quarterly statement from the custodian detailing their holdings and market prices, transactions and interest and dividends or capital gain payments, fee deductions, and account performance. Clients may also receive periodic reports summarizing their account holdings, activity, and performance, and are urged to compare their account statements received from the Custodian with these reports. Family Office Group does not assume responsibility for the accuracy of information furnished to the Client by Custodian or other companies. Year-end tax summaries including IRS Schedule D information, IRS 1099-INT and IRA 1099-DIV, if applicable are provided to Clients.

#### **Education and Business Background**

Representatives offering financial advice to Clients on behalf of Family Office Group are required to be registered as investment adviser representatives. Said representatives must meet the requirements of each state where the firm has registered.

Employees who render investment advice on behalf of Family Office Group are generally required to have a post-secondary education, possess an appropriate level of business acumen, and maintain examination or exemption requirements required by those jurisdictions in which firm operates or investment adviser representatives provide advisory services.

### Investment Committee

The following individual(s) are responsible for determining the types of investment advice given to Clients.

Name: Gary Pappas

Date of Birth: 1961

Education: BS Accounting/Finance, Rider University (1984)

Licenses/Designations: CPA

Industry Experience:

(2007 to Present) LPB Capital LLC, Member/CEO/CCO

(2003 to Present) Pappas Business Services LLC, Managing Partner/Principal Consultant

(2000 to 2003) Merrill Lynch & Company, Director, Corporate Technology & Business Strategy

Name: Andrew Bekoff

Date of Birth: 1958

Education: BA Temple University

Licenses/Designations: None

Industry Experience:

(2007 to Present) LPB Capital LLC, Member/CIO

(2000 to 2007) VDM Specialists USA, Chief Investment Strategist & Research Analyst

(1992 to 2000) Bloomberg Financial Markets, Director of Equity Research

Name: Matt Teevan

Date of Birth: 1974

Education: BS/BA in Finance from West Virginia University

Licenses/Designations: CFP®, CRPC, CRPS, ARPC

Industry Experience:

(2008 to Present) LPB Capital LLC, VP of Retirement Planning

(1997 to 2008) Merrill Lynch, various positions including: Plan Administrator, Client Service Manager, and Internal Retirement Plan Specialist.

(1997 to 1997) CIBC Oppenheimer and Company, as a Financial Advisor

Name: John Tardif

Date of Birth: 1968

Education: B.S. Business Administration, University of Maine, 1991

Licenses/Designations: Series 7, 55, 63

Industry Experience:

(2008 to Present) Family Office Group, Head Trader

(1993 to 2008) Fidelity Investments, Vice President



### General Program Information

It is understood that Family Office Group renders investment advisory services for Clients other than Client. Nothing in the investment advisory agreement shall be deemed to impose upon Family Office Group any obligation to purchase or sell, or to recommend for purchase or sale by or for the Client any security which the officers or employees of Family Office Group may purchase or sell for their own Client or customer. Client recognizes that similar transactions in a specific security may not be accomplished for all Clients at the same time or price. Neither Family Office Group's acceptance of investment objectives, nor any provisions of the investment advisory agreement shall be considered a guarantee that any specific result will be achieved.

### Other Industry Activities or Affiliations

Investment advisor representatives for Family Office Group may also be licensed and registered as insurance agents to sell life/health/variable insurance products or other lines of insurance for various insurance companies. Therefore, they will be able to purchase insurance products for any Client in need of such services and will receive compensation in the form of commissions for the purchase of insurance products. Clients are not obligated to use Family Office Group and/or its representatives for the purchase of such products. In such instances where the Clients opt for such services, no advisory fee shall be applied. Investment adviser representatives of Family Office Group will spend approximately 1% of their time on insurance related business.

Investment adviser representatives of Family Office Group are also registered representatives with Purshe, Kaplan & Sterling Investments, a FINRA member broker/dealer. Purshe, Kaplan & Sterling Investments and Family Office Group are not affiliated entities.

### Participation or Interest in Client Transactions

Where acting as registered representatives of a broker-dealer, investment adviser representatives of Family Office Group may, as broker or agent, effect annuity transactions for additional compensation. However, Clients are under no obligation to utilize these services.

Family Office or individuals associated with Family Office may buy or sell securities identical to those recommended to Clients for their personal account. It is an expressed policy of Family Office Group that no person registered with Family Office Group may purchase or sell any security prior to a transaction(s) being implemented for his/her advisory account, thereby preventing such investment adviser representatives from benefiting from transactions placed on behalf of his/her accounts. In addition, neither Family Office Group nor individuals associated with Family Office Group will take a position opposite from a Client position.

The firm maintains the required personal securities transaction records for its employees and related persons per regulation.

### Code of Ethics

Family Office Group has adopted a Code of Ethics that sets forth the policies of ethical conduct for its personnel. This Code of Ethics not only governs employee personal trading but is also intended to ensure that their securities transactions and business activities are conducted in a manner that avoids actual or potential conflicts of interest between such persons and Clients of the firm, or that may otherwise be contrary to law. The firm enforces applicable securities law including prohibitions against insider trading, certain political contributions, among others.

The firm will provide disclosure to the Client prior to and throughout the term of the engagement of any conflicts of interest which will or may reasonably compromise its impartiality or independence. The firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

Due to the size and scope of the firm and its services, not all organizational duties are segregated. The firm employs policies and procedures to ensure timely, accurate record keeping and supervision. Certain functions may be outsourced to assist in these efforts when deemed necessary.

### **Privacy Policy**

Family Office Group is committed to protecting the privacy of its Clients and former Clients. In order to issue and service high quality financial products and services, Family Office Group may collect personal information about its Clients. Family Office Group does not sell the information the Clients has entrusted to them to third parties, and will disclose your personal information only as necessary to provide the products and services the Client expects Family Office Group to provide. In addition, all information and recommendations furnished by either party to the other shall be treated in strictest confidence, and shall not be disclosed to third persons except as required by law, any self-regulatory organization, or upon the prior written approval of the other party to the investment Advisory Agreement.

Since keeping their Client's information secure is of paramount importance to Family Office Group, they will physically, electronically and procedurally put in place safeguards, to protect your information. Employees are authorized to access Client's information only as needed to provide Clients with products and services or to maintain Client's account.

Identifiable information about a Client or prospective Client will be maintained during the span of the engagement, and for the period thereafter as required by both securities and privacy laws. After that time, information will be properly destroyed.

The firm will notify its Clients annually and in advance if its privacy policy is expected to change.

### **Information We May Collect and Use**

Family Office Group will collect information about its Clients by requiring them to complete an Investor Questionnaire (or other similar document) which will enable the investment adviser representative to assist the Client in developing and clarifying his or her investment objectives. In making investment determinations with respect to the Client, the investment advisor representative will rely on Client's investment objectives as stated in the Investor Questionnaire (or otherwise stated in writing to Family Office Group), a written policy (if any), the securities held, tax considerations, and the overall climate of the financial markets. By processing the responses provided by the Client, the investment adviser representative will present various management strategies for Client consideration. The investment adviser representative will then assist the Client in selecting the appropriate investment options.

Client agrees to inform Family Office Group promptly in writing of any material change in Client's investment objectives or other circumstances which might affect the manner in which Client's assets should be invested and to provide the firm with such additional information as it shall reasonably request.

If the Client believes than any of Family Office Group's records are inaccurate, Client may notify the firm in writing if any corrections, amendments or deletions are to be made. Questions or changes in information may be directed to Gary Pappas, Family Office Group, LLC, 5 Brookhaven Road, Pinehurst, NC 28374.

### **Proxy Voting**

Family Office Group 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 assets may be invested. In addition, Family Office Group will not offer Clients advice regarding corporate actions and the exercise of proxy voting rights.

### **Termination of Agreement**

The Client Agreement provides that either Family Office Group or the Client may terminate the Agreement at any time by thirty (30) days advance notice to the other. Fees for services rendered shall be accrued to the effective date of termination and become due and payable at that time. Any unearned portion of the investment program fee is refundable upon termination. No fee adjustment will be made during any fee period for appreciation or depreciation in Account asset value during that period, nor shall any adjustment or refund be made with respect to partial withdrawals by Client during any fee period.