

**Part 2A of Form ADV: *Firm Brochure***



**AMDG Financial Advisory Services, LLC**

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This brochure provides information about the qualifications and business practices of AMDG Financial. If you have any questions about the contents of this brochure, please contact us at 734-737-0866 or [wbt@amdgservices.com](mailto:wbt@amdgservices.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about AMDG Financial also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 119569.

## **Item 2    Material Changes**

Since our last Brochure update on March 25, 2011, we have moved our principal place of business to 218 South Main Street, Suite A, Plymouth, MI 48170. Our telephone number remains the same. Please see the cover page of this Brochure for our current address and contact information.

<b>Item 3</b>	<b>Table of Contents</b>	<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	8
Item 6	Performance-Based Fees and Side-By-Side Management	10
Item 7	Types of Clients	11
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9	Disciplinary Information	15
Item 10	Other Financial Industry Activities and Affiliations	15
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12	Brokerage Practices	17
Item 13	Review of Accounts	17
Item 14	Client Referrals and Other Compensation	18
Item 15	Custody	19
Item 16	Investment Discretion	19
Item 17	Voting Client Securities	19
Item 18	Financial Information	20

## Item 4    Advisory Business

### Our Advisory Business

AMDG Financial Advisory Services, LLC ("AMDG Financial") is an SEC-registered investment adviser, owned by Wayne Brown Titus III, the firm's sole shareholder. AMDG Financial maintains its principal place of business located in Michigan. AMDG Financial began offering clients comprehensive wealth management and advisory services in April 2002.

As with any investment made in life—a family, a home, a college education—the best results are achieved by carefully constructing a plan and then following that plan consistently over time. A well-crafted Investment Plan and Investment Policy Statement provides a broad context for making important financial decisions and then prescribes a prudent investment philosophy, a supporting process and a set of investment management procedures for achieving long-term financial goals.

AMDG Financial's comprehensive and prudent wealth management process identifies a range of critical factors that affect financial decisions, including investment goals and time horizons, tolerance for risk (as measured by returns in bear markets and historic volatility), combined with appropriate prudence and diversification standards. Considering these critical factors, AMDG Financial develops an Investment Plan and Investment Policy Statement that sets forth an investment structure that details permitted asset classes and the desired allocation among those asset classes.

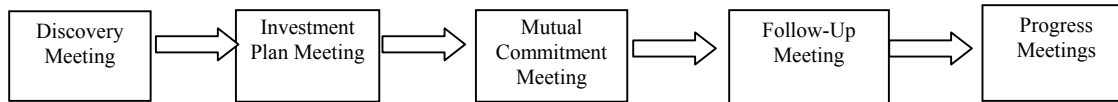
Clearly identifying critical factors and recommendations for achieving financial goals in an Investment Plan and an Investment Policy Statement has a number of important benefits:

1. **Helps provide long-term discipline to investment decision-making.** A well-conceived plan helps assure that rational analysis is the basis for investment decisions, making it less likely to act on emotional responses to short-term or one-time events.
2. **Encourages our effective communication** by clarifying both the issues that are most important and the investment approach and strategy that will be used. This minimizes misunderstandings that may arise.
3. **Allows AMDG Financial and our clients to accurately review critical factors as they change over time.** Such evaluations may suggest corresponding changes to the investment plan.

In addition, the Investment Plan and Investment Policy Statement provide the foundation for *wealth management*—our ability to address the range of financial challenges beyond investments. With a comprehensive wealth management plan in place, AMDG Financial can systematically identify and manage major financial issues, which helps to achieve important financial goals.

## Our Wealth Management Consulting Process

At AMDG Financial, we follow a specific consulting process for uncovering important financial goals and for designing and implementing appropriate wealth management solutions.



- **Discovery Meeting.** At our initial meeting, AMDG Financial conducts a discovery interview, which begins to identify and diagnose potential challenges for achieving important client goals and objectives. After this meeting, AMDG Financial examines the current situation, the goals and objectives outlined, and formulates a draft Investment Plan and Investment Policy Statement to review with the client which supports movement toward achieving those goals.
- **Investment Plan Meeting.** At this meeting, we present our diagnostic of the current situation and make recommendations for how we can assist in bridging the gaps in order to reach client goals and objectives. The Investment Plan and Investment Policy Statement form the foundation of our work together. Clients are able to take these documents home and review them at their leisure. Should clients wish to move forward with the outlined recommendations, a mutual commitment meeting is scheduled.
- **Mutual Commitment Meeting.** At this meeting, AMDG Financial and the client are ready to make a mutual decision about working together. We commit to each other to work toward achieving everything that is important to the client and their family. We execute the documents necessary to put your investment plan into motion, including the adoption of the Investment Plan and Investment Policy Statement and the Letter of Arrangement.
- **Follow-Up Meeting.** At this meeting, AMDG Financial assists client in organizing account paperwork. We answer any questions that will help a client to clarify and understand how to read custodial statements and quarterly performance reports. We review exactly what is happening with investments and investment strategy, including any required investment transition plans.
- **Progress Meetings** are scheduled at intervals convenient for the client. They provide AMDG Financial an opportunity to review any major changes in a client's personal or financial situation since the last meeting. If these changes indicate that adjustments to a client's investment plan are needed, we do so. We review overall progress toward long-term financial goals. This meeting is also an opportunity to implement wealth management solutions appropriate for the client's situation. We present a Wealth Management Plan at our first Regular Progress meeting so that we can prioritize those areas of greatest importance to our client and then begin to address them systematically.

With the client's Wealth Management Plan to guide us, we focus our consulting on four broad areas of financial life:

1. **Wealth enhancement** to produce the best possible investment returns consistent with your level of risk tolerance and to minimize the tax impact on those returns.

2. **Wealth transfer** to find and facilitate the most tax-efficient way to pass assets to succeeding generations, and to do so in a way that meets client wishes.
3. **Asset protection** to protect wealth against potential creditors, litigants and others.
4. **Charitable gifting** toward identified charitable goals. Gifting is most effective when coordinated with the three areas above.

In accordance with a client's stated priorities, we raise these issues and make our recommendations during our Regular Progress Meetings.

### **Our Investment Supervisory Services**

AMDG Financial provides continuous advice to a client through individual portfolio management. The investment of client funds is based on the personal discussions with the client as identified in the Discovery Meeting process and subsequent Progress Meetings and as documented in the client's personal Investment Plan and Investment Policy Statement. During information-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations, all of which are documented in the Investment Plan and Investment Policy Statement.

Clients may impose reasonable restrictions on investing in certain securities.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **Our Pension Consulting Services**

We also provide several advisory services separately or in combination. The primary clients for these services will be pension, profit sharing and 401(k) plans. We also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. AMDG Financial Pension Consulting Services comprise two distinct services. Clients may choose to use one or both of these

services.

*Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with the client (in person or over the telephone) to determine an appropriate Investment Strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

*ERISA Section 3:38 Investment Managers:*

We assist plan sponsors in constructing appropriate asset allocation models. We then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS. We can also be engaged to monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Our firm may supervise the client's portfolio and make recommendations to the client as market factors and the client's needs dictate.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities

Because some types of investments involve certain additional degrees of risk, investments will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

**Our Financial Planning Services**

We provide financial planning services through our comprehensive wealth management process and evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client and are integral in our Wealth Management Consulting Process. We do not provide this service separately from provision of our comprehensive wealth management process and any investment advice or written report is provided within this context.

**Our Consulting Services**

Clients can also elect to receive investment advice on a more focused basis. This may include advice on

an area(s) of concern identified through Wealth Management Plan developed through our Progress Meetings. As noted further above, these advanced planning areas may include:

1. **Wealth enhancement** aims to produce the best possible investment returns consistent with your level of risk tolerance and to minimize the tax impact on those returns.
2. **Wealth transfer** intends to find and facilitate the most tax-efficient way to pass assets to succeeding generations, and to do so in a way that meets client wishes.
3. **Asset protection** is aimed at protecting wealth against potential creditors, litigants and others.
4. **Charitable gifting** helps fulfill identified charitable goals. It is most effective when coordinated with the three areas above: estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

#### **Amount of Managed Assets**

As of 12/31/2010, AMDG Financial was actively managing \$37,414,627 of clients' assets on a discretionary basis. AMDG Financial does not manage clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Our Wealth Management and Investment Supervisory Services Fees**

AMDG Financial Wealth Management and Investment Supervisory Services are provided on a FEE-ONLY basis. AMDG Financial does not sell financial products or accept commissions or remunerations from outside sources. AMDG Financial processes mutual fund and equity trades through an agreed upon Directed Broker / Custodian.

On a billing cycle basis, AMDG Financial presents clients with an invoice showing all AMDG Financial fees charged against client accounts and provides billing account totals to the Custodian. The client is responsible for verifying the accuracy of AMDG Financial's fee calculation as Custodian does not perform this function.

Billing on newly established accounts may begin after AMDG Financial has received a signed Investment Plan, Investment Policy Statement and Letter of Arrangement from Client.

Fees are calculated on a billing cycle of four months, in advance, beginning each calendar year, based on the values (market value or latest client communicated fair market value in the absence of actual fair market value), plus any credit balance or minus any debit balance), of the client account at the end of the previous four month period. New accounts are charged a prorated fee for the remainder of the four month period in which the account is opened. Fees shall be paid by Custodian directly to AMDG Financial, or its designated agent, subject to preauthorization to Custodian by the client. Any fees billed directly to a client will be paid within 30 days of the billing date.

The following are the fees charged by AMDG Financial for wealth management and investment supervisory services. The following fee schedule is subject to change:

<u>Account Balance</u>	<u>Annual Fee</u>
------------------------	-------------------



Up to \$199,999	1.95%
\$200,000 - \$399,999	1.80%
\$400,000 - \$599,999	1.65%
\$600,000 - \$799,999	1.50%
\$800,000 - \$999,999	1.25%
\$1,000,000 - \$1,499,999	1.00%
\$1,500,000 - or greater	0.75%

***Limited Negotiability of Advisory Fees:*** Although AMDG Financial has established fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining that client's fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between adviser and client and noted in the respective Investment Plan and Letter of Arrangement.

We may group certain related family client accounts to reduce fees for family member accounts. The total value of assets under management of these grouped accounts determines the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

### **Our Pension Consulting Fees**

We charge an annual fee for Pension Consulting Services which is 0.75% of plan assets, on a billing cycle of four months, in advance, beginning each calendar year, based on fair market value (plus any credit balance or minus any debit balance) of the client's account at the end of the previous four month period. New accounts are charged a prorated fee for the remainder of the four month period in which the account is incepted. Fees shall be paid by Custodian directly to AMDG Financial, or its designated agent, subject to preauthorization to Custodian by the client. For any fees billed directly to a client, it is expected that such fees are paid within 30 days of the date of each such bill.

On a billing cycle basis, AMDG Financial furnishes clients an invoice showing all AMDG Financial fees charged against client accounts and provides billing account totals to the Custodian. The client is responsible for verifying the accuracy of AMDG Financial's fee calculation as Custodian does not perform this function.

### **Our Financial Planning Fees**

Financial Planning services are inclusive in the provision of Wealth Management and Investment Supervisory Fees. These services are provided only to clients that have engaged AMDG Financial for Wealth Management Services.

### **Our Consulting Services Fees**

AMDG Financial's Consulting Services are inclusive in the provision of Wealth Management and Investment Supervisory Fees. These services are provided only to clients that have engaged AMDG Financial for Wealth Management Services.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in

advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to AMDG Financial for wealth management and investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client may invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***ERISA Accounts:*** AMDG Financial is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, in part among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, AMDG Financial may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees. AMDG Financial is a FEE-ONLY registered investment advisory firm. We do not accept commissions or 12b-1 fees on any products that we recommend or implement in a client portfolio.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** We do not require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

AMDG Financial does not charge performance-based fees.

## Item 7 Types of Clients

### Our Clients

AMDG Financial provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations

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

### Our Investing Process and Investment Analysis

Our investing process and investment analysis centers around five steps:

**1. Assess client goals and circumstances.** The investment plan process begins during the Discovery Meeting with a discussion of financial values and goals, as well as key relationships, existing assets, other professional advisors, preferred process and important interests.

**2. Set long-term investment objectives.** Taking into account the long-term nature of successful investing, AMDG Financial sets objectives for your portfolio that are appropriate for client need, ability and desire to take risk, and the investment horizon(s) identified.

**3. Plan asset allocation.** AMDG Financial attempts to identify an appropriate ratio of asset classes, including stocks, bonds and short-term investments, both domestic and foreign, rather than focusing primarily on securities selection. Asset allocation is the first investment decision.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. This risk is mitigated through the discipline of rebalancing the portfolio.

**4. Select your investment approach.** With an asset allocation in place, AMDG Financial selects the investment vehicles used to implement client portfolio strategy. Two key investing principles guide these decisions: 1) the importance of diversification and 2) the value of remaining invested.

**5. Build client portfolio.** After the first four steps, we construct a portfolio suited to client needs, goals, investment horizon and risk attitude. The building blocks for the portfolio are institutional asset class funds, which provide an excellent way to implement a diversified portfolio investment to maximize the probability of achieving client goals.

The result of this process is documentation of current client situation with our recommendations for repositioning client portfolio to maximize probability for success (the Investment Plan). These recommendations also take into account portfolio costs as well as the potential tax impact of the

restructuring. Our securities analysis methods assume that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are accurate and impartial. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Step One: Assess Client Goals and Circumstances**

Long-term investment success means different things to different people. The best investment plans for clients depend on each client's specific circumstances and objectives. That is why AMDG Financial begins the investment planning process with a discussion during the Discovery Meeting of client values, goals, relationships, assets, advisors, preferred process and interests.

While everyone's situation is unique, certain factors matter in creating any investment plan. These factors include the purpose of the investment, its size, the sources and planned uses of the funds, and the amount of uncertainty a client is comfortable with. By thinking clearly about client goals and circumstances, AMDG Financial can build the foundation of an investment plan that best matches client needs and the realities of current financial markets.

### **Step Two: Set Client Long-Term Investment Objectives**

Investors should invest for the long-term. This long-term horizon should be as far into the future as possible. Having a long horizon is a powerful advantage. We work with our client to identify their horizon.

For many investors, the most important long-term goal is to achieve financial freedom in order to be able to do what they want. But many investors also have intermediate-term goals—funding college educations for their children, buying vacation homes and founding charitable foundations .e.g. Investors may also have goals that reach far into the future—for example, to leave legacies to their children, grandchildren and even great-grandchildren .e.g.

Regardless of the time horizon of client goals, the more time clients have, the more likely they will succeed as an investor. Why? The miracle of compound growth, and the phenomenon of risk reduction over time.

### **Step Three: Plan Client Asset Allocation**

Carefully setting long-term investment objectives, determining client time horizon and risk attitude, and considering rate-of-return objectives that will meet client needs allows AMDG Financial to begin the task of building a client investment portfolio. The first step: asset allocation.

Asset allocation is the process of deciding how much of a client portfolio to invest in each of the different investment types, or asset classes—stocks, bonds and short-term investments (both domestic and foreign), as well as hard assets such as real estate. AMDG Financial believes that asset allocation is the first investment decision because it is the most important.

### **Step Four: Select Client Investment Approach**

The most important factor determining a client's investment outcome will be client asset allocation. Once a client asset allocation is determined, the next step is to select the investment vehicles to implement the client portfolio strategy. Two important principles of Modern Portfolio Theory guide this selection: (1) Diversify and (2) Stay invested.

### **Elements of Modern Portfolio Theory**

The basis for the principles of client investment plans developed by AMDG Financial is a collection of the best evidence from the academic disciplines of economics and finance. Investment experts usually summarize this evidence as a body of knowledge called “Modern Portfolio Theory.”

The foundation of Modern Portfolio Theory was a 1952 paper, “Portfolio Selection,” by Dr. Harry Markowitz, in which he established a theory explaining the best way for an investor to choose a portfolio. His basic theory was that investors should choose a portfolio that offers the best return for a given level of risk—the efficient portfolio mentioned previously. Later work by contributors such as Dr. William Sharpe added to our understanding of how to choose the best portfolio from among a specific set of securities.

Modern Portfolio Theory is of such fundamental importance in investing that the economists who formulated the theory received the Nobel Prize in Economic Science in 1990. In addition, most states have adopted Modern Portfolio Theory as the foundation for the prudent-investor rules that govern standards for trustees.

Modern Portfolio Theory has four basic premises. **1) Investors are inherently risk averse.** Investors are not willing to accept risk, except where the level of returns generated will compensate them for that risk. Investors are often more concerned with risk than they are with reward.

**2) Securities markets are efficient.** Most studies support this idea. In fact, advancing information technology and increased sophistication on the part of investors are causing the markets to become even more efficient.

**3) The focus of attention should be shifted away from individual securities analysis to consideration of a portfolio as a whole,** predicated on the explicit risk/reward parameters and on the total portfolio objectives. The efficient allocation of capital in your portfolio to specific asset classes will be far more important than selecting the individual investments.

**4) For every risk level there is an optimal combination of asset classes that will maximize returns.** Quantitative methods can be used to measure risk and to diversify effectively among asset classes. Portfolio diversification is not so much a function of how many individual stocks or bonds are involved as it is of the relationship of each asset to every other asset. The percentage and the proportionality of these assets in the portfolio are of paramount importance.

### **1. Diversify**

One reason why many investors are reluctant to invest much in the stock market is that they know many stories of companies and stocks that have suddenly fallen on hard times. Some investors imagine an investment in the stock market to be like that—when a stock has gone very high, it may be just the time that it is about to fall sharply. The mistake they make when they think this way is that they forget that while a single stock may rise or fall dramatically, the movements of the overall market are generally much more subdued.

Modern Portfolio Theory provides the reason. It explains that two effects govern the movements of every stock market and stock-specific events. It is primarily the stock-specific events that cause individual stocks to move up or down wildly relative to the overall market. A client may think that the best protection against stock-specific risk is to have portfolio managers that know all the companies in your portfolio well. The trouble is, the events that cause the most damage to stocks usually come as a complete surprise. A company may have a sudden product liability problem, or the chairman may die or come under a cloud. On the upside, the company may make a surprise new product announcement, or land a major contract. These events are often unanticipated, and so they cause price movements that not even the best portfolio managers can expect. In fact, Modern Portfolio Theory tells us that if the market can anticipate an event, then the effect of the event is already evident in the stock's price, and no further profit from knowledge of the event is possible.

If it is surprising that portfolio managers cannot anticipate a stock's movement, then how can an investor protect a portfolio against them? Diversify. The stock-specific movements of individual stocks may not be predictable, but over a diversified portfolio, they tend to cancel one another out.

Modern Portfolio Theory tells us that we can build diversified portfolios to greatly reduce stock-specific risk, but that market events, which affect all stocks, are not diversifiable. That is, even a diversified portfolio of stocks is subject to the overall movements of the market. Fortunately, the theory predicts that the market rewards us for taking this risk by giving us generous long-term growth potential. The asset allocation decision is where we decide how aggressively to pursue this long-term growth.

## **2. Stay Invested**

Investors often ask when is the right time to enter the market. For a long-term investor, AMDG Financial believes that the answer is today. There is no short-term investment opinion behind that statement. No one can predict the movements of the market for the next month or year. Just as with unanticipated events, if portfolio managers could somehow predict the future movement of the market, then prices in the market would already reflect that knowledge, and so it would be impossible to profit from it. Even though there is always a danger that the market will go down tomorrow, today is the right day to start investing.

### **Step Five: Build Your Portfolio**

For most people, building a truly diversified portfolio is difficult. Imagine that you wanted to build a diversified portfolio of 500 stocks worldwide. To do a good job, you may need to have a significant amount of money to invest. Many investors do not have this much.

Even if a client had enough money to build a diversified portfolio, there may not be enough time to do so. Choosing 500 stocks that an investor can buy with confidence is difficult enough. Once the investor had bought the stocks, they would still have a lot of work ahead of them. They would receive masses of

information on a large number of companies, and they would have to review the portfolio regularly to decide whether it still suits investor objectives. It would be a lot of work to even calculate the performance of this portfolio and decide whether it was good or bad.

An easier way to implement a diversified portfolio is through the use of institutional asset class funds. By buying an institutional asset class fund, in a single transaction you invest in a broad diversified portfolio in a specific asset class. These institutional asset class funds combine a client's investment with those of other investors to build up a pool of money large enough to buy a diversified portfolio. The portfolio manager's full-time job is making sure that the securities in the portfolio continue to be suitable for the fund's investment objective.

## **Rebalancing and Reporting Progress**

During our Regular Progress Meetings, we meet with our clients and ask about any specific events in their lives that may call for a change in portfolio allocation. These events might include, for example, the birth of a child or grandchild, the death of a parent or a change in marital status. When changes in client situations indicate that changes and rebalancing in a client portfolio are warranted, we make these as needed. We also monitor portfolios and periodically rebalance portfolios, absent any input from a client, we use our discretion on whether it is necessary or appropriate to do so.

## **Item 9 Disciplinary Information**

### **Our Disciplinary Information**

AMDG Financial is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

### **Our Other Financial Industry Activities and Affiliations**

Clients should be aware that the receipt of additional compensation by AMDG Financial and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations.

Wayne B. Titus III is sole member of AMDG Financial, and is also the sole member of AMDG Business Advisory Services, P.L.C., a CPA practice that provides tax and accounting services to families and small businesses. Clients of AMDG Financial are not required to utilize services of AMDG Business Advisory Services, P.L.C. and vice versa. There are no material arrangements to refer or compensate these businesses should a client engage either firm.

AMDG Financial endeavors at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest,
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;

- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

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

AMDG Financial has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

AMDG Financial and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

AMDG Financial's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [wbt@amdgservices.com](mailto:wbt@amdgservices.com), or by calling us at 734-737-0866.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.



## **Item 12 Brokerage Practices**

### **Our Brokerage Practices**

AMDG Financial arranges for execution of securities transactions with the assistance of TD Ameritrade. AMDG Financial participates in the services program offered to independent investment advisors and TD Ameritrade. TD Ameritrade is a FINRA registered broker-dealer. AMDG Financial endeavors to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help test in providing investment management services to clients. AMDG Financial may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected. Periodically, as part of the fiduciary practices implemented, AMDG Financial may recommend to clients that a change in broker-dealer is appropriate.

AMDG Financial requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of policy and practice, AMDG Financial does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

## **Item 13 Review of Accounts**

### **Our Review of Accounts**

#### **Wealth Management and Investment Supervisory Services**

**Reviews:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by Wayne B. Titus III, Investment Advisor Representative.

**Reports:** In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance, balances and holdings.

#### **Pension Consulting Services**

**Reviews:** AMDG Financial will perform reviews as indicated in our Letters of Arrangement or

minimally when the client advises us of a change in circumstances regarding the needs of the plan which may impact the client's Investment Policy Statement. AMDG Financial will also review the investment options of the plan according to the agreed upon time intervals established in the IPS or during periodic rebalancing. Such reviews will generally occur quarterly. These accounts are reviewed by Wayne B. Titus III, Investment Advisor Representative.

**Reports:** These client accounts will receive reports as contracted for at the inception of the advisory relationship.

### **Financial Planning Services**

**Reviews:** Financial Planning Services reviews occur in the context of AMDG Financial's Wealth Management Process. Typically these services produce a baseline financial projection which is initiated during the preparation of the Investment Plan and Investment Policy Statement and these reviews are accomplished in advance or during the process of Progress Meetings.

**Reports:** Wealth Management clients receive financial projections which are based on assumptions of market performance, inflation, tax impact, cash flow and other factors. Additional reports will not typically be provided unless specifically requested.

### **Consulting Services**

**Reviews:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically these reviews will be conducted for Consulting Services and documented during the Progress Meetings.

**Reports:** Wealth Management clients may receive Advance Planning reports which address objectives associated to Wealth Enhancement, Wealth Transfer, Asset Protection and Charitable Gifting, depending upon the need of the client or the stage in the planning and consulting process.

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

### **Client Referrals and Other Compensation**

It is AMDG Financial's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm. It is also our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

### **Custody of Assets**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account, and the client is sent an invoice, including the calculation of the billing, in advance of the deduction. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

### **Our Investment Discretion**

Clients hire us to provide discretionary asset management services, in which case we are authorized to place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm. AMDG Financial does not manage client accounts on a non-discretionary basis.

## **Item 17 Voting Client Securities**

### **Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18 Financial Information**

### **Our Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. AMDG Financial has no additional financial circumstances to report.

AMDG Financial has not been the subject of a bankruptcy petition at any time during the past ten years.