



# PART 2A OF FORM ADV: FIRM BROCHURE

*Dated: 01/01/2011*



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This brochure provides information about the qualifications and business practices of LifePlan Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at 937-449-0345 or [typhillippi@lifeplanfg.com](mailto:typhillippi@lifeplanfg.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 LifePlan Financial Group, Inc. 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 121376.

## **ITEM 2 MATERIAL CHANGES**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 01/01/2011 (amended 4/25/2011), is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## ITEM 4 ADVISORY BUSINESS

LifePlan Financial Group, Inc. is a SEC-registered investment adviser with its principal place of business located in Ohio. LifePlan Financial Group, Inc. began conducting business in 1989.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Dana Lee Hypes, CEO
- Tyrone Conway Phillippi, President

LifePlan Financial Group, Inc. offers the following advisory services to our clients:

	Strategic Planning	Portfolio Navigation	Wealth Accumulator	Kersh Managed	Sudden Money
<b>Investments</b>					
Detailed Portfolio Analysis	Enhanced	Enhanced	Enhanced	Dynamic	Included
Asset Allocation Design	Enhanced	Enhanced	Enhanced	Dynamic	Basic
Fee-Only Implementation	Included	Included	Included	Included	N/A
Fee-Only Selection & Mgt.	Included	Included	Included	Included	N/A
Investment Policy Statement	Enhanced	Enhanced	Enhanced	By Manager	N/A
Investment Co. Statements	Monthly	Monthly	Monthly	Monthly	N/A
Reporting & Monitoring	Quarterly	Quarterly	Quarterly	Quarterly	N/A
Portfolio Web Access	Custodian & LPFG Report	Custodian & LPFG Report	Custodian	Custodian & LPFG Report	N/A
<b>Financial Planning</b>					
Goals & Objectives Review	Included	Included	Included	Included	Included
Financial Foundation Assess.	Included	Included	Included	N/A	Included
Current Reality Base Plan	Enhanced	Enhanced	Enhanced	N/A	N/A
Financial Plan Type	Scenarios	Goals	Goals	N/A	Scenarios
Financial Plan Update	As Needed	Annual	Annual	N/A	As Needed
Action Plan Monitoring	Interactive	Quarterly	Annually	N/A	Interactive
Family Meeting Sessions	Included	\$250/hr.	\$250/hr.	\$250/hr.	Included
<b>Meetings</b>					
Meetings at LifePlan/yr.	2	1	1	1	As Needed
Teleconferences/yr.	2	3	0	0	As Needed
Outside Advisors Meeting	Included	\$250/hr.	\$250/hr.	\$250/hr.	As Needed
<b>Fees</b>					
Scenario Planning Fee	Retainer	\$250/hr.	\$250/hr.	N/A	Retainer
Goal Planning Fee	N/A	Included	Included	Included	N/A
Portfolio Management Fee	% of Portfolio	% of Portfolio	% of Portfolio	% of Portfolio	N/A
Billing Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Scheduled

## INVESTMENT SUPERVISORY SERVICES ("ISS") PORTFOLIO MANAGEMENT

### *STRATEGIC PLANNING SERVICE*

### *PORTFOLIO NAVIGATION SERVICE*

### *WEALTH ACCUMULATOR SERVICE*

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-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.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

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
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other

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. Not all types of investments are available in a fee-only implementation and other advisors who can offer these types of investments may be utilized for implementation. Our firm does not participate in commissions with any other advisors that they may charge for their implementation.

## FINANCIAL PLANNING

### STRATEGIC PLANNING SERVICE

### SUDDEN MONEY/LIFE TRANSITION SERVICE

### FINANCIAL GREEN ZONE SERVICE

We provide financial planning services. Financial planning is an 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. Through 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. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law. However, we do not draft legal documents and recommend that clients use the services of a qualified estate planning or elder law attorney for implementation.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan,

we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning 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.

## **TACTICAL PORTFOLIO SERVICES**

### *KERSH PORTFOLIO MANAGEMENT SERVICE*

LifePlan Financial Group, Inc. provides the management of individual clients' portfolios, rendering advice as to the advisability of moving from one security to a defensive security position in an attempt to capture gains during rising market periods and to preserve the client's capital during falling market periods. Our tactical portfolio service is of a continuous nature, evaluating holdings and market positions on a daily basis. We will attempt to move to a money market position when the capital improvement potentiality is in question. The portfolio will be switched back to the same type of securities only when qualified factors indicate growth possibilities.

In order to effectively manage client funds, we request that each client provide the firm with discretionary authority to effect conversions between securities on the client's behalf. In this way, we will be able to execute trades quickly in a dynamic market without the need to contact each client to approve trade recommendations. This service can utilize a large number of trades and is not considered a tax efficient investment management service. This service could include wash sales, short term gains and losses and at times could be moved to a large cash position.

All trading is completed in an institutional brokerage account held at TD Ameritrade. All accounts under this service are managed in the same fashion and block trades are used to quickly respond to changing markets.

Our primary objective for this service is to preserve and increase the aggregate capital funds of any client. The objective of this service cannot be guaranteed to prevent a portfolio loss of capital.

## **CONSULTING SERVICES**

Clients can also receive advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as 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.

### *PORTFOLIO 2<sup>ND</sup> OPINION SERVICE*

The Portfolio 2<sup>nd</sup> Opinion Service is a detailed analysis of your investment portfolio that will provide you with answers to address your investment portfolio concerns.

Our firm provides advice to a client regarding their investment portfolio based on the information obtained from the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's asset allocation, implementation plan and a detailed fiduciary review of their accounts. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, current and past advisors, as well as, family composition and background.

Implementation of any recommendations is not included in this service. This service is informational in nature and does not constitute an ongoing relationship with LifePlan.

### **AMOUNT OF MANAGED ASSETS**

***As of 12/31/2010***, we were actively managing ***\$176,022,000*** of clients' assets on a discretionary basis plus ***\$6,658,000*** of clients' assets on a non-discretionary basis.

## ITEM 5 FEES AND COMPENSATION

### INITIAL CONSULTATION

An initial consultation is provided for potential clients who desire to:

- Inquire about LifePlan's services
- Have a preliminary discussion about their current financial status and goals

The initial consultation is provided at no charge. The client is under no obligation to continue with any service following the initial consultation meeting. LifePlan and the client will agree to an engagement of service before fees will be charged.

### INVESTMENT SUPERVISORY SERVICES

#### STRATEGIC PLANNING SERVICE

The Strategic Planning Service fee consists of a portfolio management fee and a fixed financial planning retainer fee. The minimum annual fee for this service is **\$5,000.00**.

#### PORTFOLIO MANAGEMENT FEES

The annualized fee for this service will be charged as a percentage of assets under management. This includes assets held outside of LifePlan that are being reported and advised on, according to the following schedule:

Assets From	Assets To	Annual Fee %
\$1	\$1,000,000	1.00%
\$1,000,001	\$3,000,000	0.75%
\$3,000,001	\$5,000,000	0.50%
\$5,000,000	>	0.25%

A minimum of **\$500,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. LifePlan Financial Group, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

#### FINANCIAL PLANNING FEES

Our Financial Planning fee is a fixed retainer fee of \$5,000.00. This fee is due each year and will cover all planning meetings necessary for the client relationship and special life transition events. The service also covers limited meetings with other client professional advisors. If the client's needs exceed or continue to exceed normal meeting criteria, LifePlan reserves the right to inform the client that any additional meeting time for the year will be billed at the hourly rate of \$250.00. This will be agreed upon by both LifePlan and the client before additional fees are billed.

**Example:** A Strategic Planning client with a \$2,000,000 portfolio will be billed a quarterly fee of **\$5,625**.

Portfolio management fee ( $\$1,000,000 \times 1.00\%$ ) + ( $\$1,000,000 \times 0.75\%$ ) =  $\$10,000 + \$7,500 = \$17,500$

Financial Planning fee = \$5,000

Total annual fee =  $\$22,500 / 4 = \$5,625$ .

The service fees listed above for the Strategic Planning Service begin on the date of the Client Service Agreement and are billed quarterly (calendar quarter basis), in advance, based upon the percentage of the total market value of the client's investable assets under management at the end of each quarter. The first quarter fee will be pro-rated and based upon the remaining days in the calendar quarter from the date of the Client Service Agreement to the end of the quarter. The first quarter fee calculation will be based on investable asset values retrieved either through initial discovery or the values listed in the initial asset allocation analysis.

### **PORTFOLIO NAVIGATION SERVICE**

The Portfolio Navigation Service fee consists of a portfolio management fee. The minimum annual fee for this service is **\$2,500.00**.

#### **PORTFOLIO MANAGEMENT FEES**

The annualized fee for this service will be charged as a percentage of assets under management. This includes assets held outside of LifePlan that are being reported and advised on, according to the following schedule:

<b>Assets From</b>	<b>Assets To</b>	<b>Fee %</b>
\$1	\$1,000,000	1.00%
\$1,000,001	\$3,000,000	0.75%
\$3,000,001	\$5,000,000	0.50%
\$5,000,000	>	0.25%

A minimum of **\$250,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. LifePlan Financial Group, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

#### **FINANCIAL PLANNING FEES**

There is no Financial Planning fee for this service. A goal based financial plan assessment is included in the portfolio management fee, but detailed reports and scenario planning are covered under a more detailed financial plan engagement. The service does not cover limited meetings with other client professional advisors. If the client needs additional meeting time for the year it will be billed at the hourly rate of \$250.00. This will be agreed upon by both LifePlan and the client before additional fees are billed.

**Example:** A Portfolio Navigation client with a \$2,000,000 portfolio will be billed a quarterly fee of **\$4,375**.

Portfolio management fee  $(\$1,000,000 \times 1.00\%) + (\$1,000,000 \times 0.75\%) = \$10,000 + \$7,500 = \$17,500$   
Total annual fee =  $\$17,500 / 4 = \$4,375$ .

The service fees listed above for the Portfolio Navigation Service begin on the date of the Client Service Agreement and are billed quarterly (calendar quarter basis), in advance, based upon the percentage of the total market value of the client's investable assets under management at the end of each quarter. The first quarter fee will be pro-rated and based upon the remaining days in the calendar quarter from the date of the Client Service Agreement to the end of the quarter. The first quarter fee calculation will be based on investable asset values retrieved either through initial discovery or the values listed in the initial asset allocation analysis.

## WEALTH ACCUMULATOR SERVICE

The Wealth Accumulator Service fee consists of a portfolio management fee. The minimum annual fee for this service is **\$1,000.00**.

### PORTFOLIO MANAGEMENT FEES

The annualized fee for this service will be charged as a percentage of assets under management. This includes assets held outside of LifePlan that are being reported and advised on, according to the following schedule:

Assets From	Assets To	Fee %
\$1	\$250,000	1.00%

A minimum of **\$10,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances.

This service is only offered to clients with portfolios under \$250,000. After reaching this threshold the client will be upgraded to the Portfolio Navigation Service automatically.

### FINANCIAL PLANNING FEES

There is no Financial Planning fee for this service. A goal based financial plan assessment is included in the portfolio management fee, but detailed reports and scenario planning are covered under a more detailed financial plan engagement. The service does not cover limited meetings with other client professional advisors. If the client needs additional meeting time for the year it will be billed at the hourly rate of \$250.00. This will be agreed upon by both LifePlan and the client before additional fees are billed.

**Example:** A Wealth Accumulator client with a \$150,000 portfolio will be billed a quarterly fee of **\$375**.

Portfolio management fee ( $\$150,000 \times 1.00\%$ ) = \$1,500

Total annual fee =  $\$1,500 / 4 = \$375$ .

The service fees listed above for the Wealth Accumulator Service begin on the date of the Client Service Agreement and are billed quarterly (calendar quarter basis), in advance, based upon the percentage of the total market value of the client's investable assets under management at the end of each quarter. The first quarter fee will be pro-rated and based upon the remaining days in the calendar quarter from the date of the Client Service Agreement to the end of the quarter. The first quarter fee calculation will be based on investable asset values retrieved either through initial discovery or the values listed in the initial asset allocation analysis.

## KERSH PORTFOLIO MANAGEMENT SERVICE

The Kersh Portfolio Management Service fee consists of a portfolio management fee. The minimum annual fee for this service is **\$5,250.00**.

### PORTFOLIO MANAGEMENT FEES

The annualized fee for this service will be charged as a percentage of assets under management according to the following schedule:

Assets From	Assets To	Fee %
\$1	\$1,000,000	1.7500%
\$1,000,001	\$3,000,000	1.3125%
\$3,000,001	\$5,000,000	0.8750%
\$5,000,000	>	0.4375%

A minimum of **\$300,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. LifePlan Financial Group, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**Example:** A Kersh Portfolio Management client with a \$2,000,000 portfolio will be billed a quarterly fee of **\$7,656.25**.

Portfolio management fee  $(\$1,000,000 \times 1.75\%) + (\$1,000,000 \times 1.3125\%) = \$17,500 + \$13,125 = \$30,625$   
Total annual fee =  $\$30,625 / 4 = \$7,656.25$ .

The service fees listed above for the Kersh Portfolio Management Service begin on the date of the Client Service Agreement and are billed quarterly (calendar quarter basis), in advance, based upon the percentage of the total market value of the client's investable assets under management at the end of each quarter. The first quarter fee will be pro-rated and based upon the remaining days in the calendar quarter from the date of the Client Service Agreement to the end of the quarter. The first quarter fee calculation will be based on deposits made into the institutional brokerage account(s) that is (are) being managed.

### CONSULTING SERVICES FEES

LifePlan Financial Group, Inc.'s Consulting Services fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

## PORTFOLIO 2<sup>ND</sup> OPINION SERVICE

The Portfolio 2<sup>nd</sup> Opinion Service fee consists of an analysis fee. The minimum fee is \$2,000.00 and is billed at 0.25% of the portfolio based on assets reviewed in the analysis. This includes all portfolio assets regardless of where they are held or managed. An initial fee of \$1,000.00 is due with engagement letter signing, and the remainder will be due upon completion of the analysis.

**Example:** A Portfolio 2<sup>nd</sup> Opinion Service client with a \$1,000,000 portfolio will be billed a fee of **\$2,500**.

Analysis fee \$1,000 up front ,  $(\$1,000,000 \times 0.25\%) = \$2,500$  less up front (1,000) = \$1,500 due at completion

The client may be offered an option to continue with LifePlan after the analysis is complete and join one of the investment supervisory services listed above. If the client chooses to implement and have LifePlan monitor their investments and/or financial planning, their 2<sup>nd</sup> Opinion fee will be credited toward the new service they have chosen.

### *SUDDEN MONEY/LIFE TRANSITION SERVICE*

The Sudden Money/ Life Transition Service fee consists of an annual retainer fee. The fee is \$5,000.00 per year and does not include investment management services. An initial amount of \$2,500.00 is due to start the process and the remainder will be billed in equal installments of \$1,250.00 on days 60 and 120 following the start date. Quarterly installments of \$1,250.00 will continue on the one year anniversary until the client has successfully transitioned and agrees that the service is no longer necessary.

**Example:** A Sudden Money/ Life Transition Service client will be billed a fee of **\$5,000**.

Analysis fee  $(\$5,000 \times 50\%) = \$2,500$  up front, \$1,250 on day 60, \$1,250 on day 120

If the client requires management of their portfolio during the transition service they can elect any of the investment management programs listed above, which includes:

- Portfolio Navigation Service
- Wealth Accumulator Service
- Kersh Portfolio Management Service

If the client's needs exceed or continue to exceed normal meeting criteria, LifePlan reserves the right to inform the client that any additional meeting time for the year will be billed at the hourly rate of \$250.00. This will be agreed upon by both LifePlan and the client before additional fees are billed.

### *FINANCIAL GREEN ZONE SERVICE*

The Financial Green Zone Service fee consists of an annual retainer fee. The fee is \$5,000.00 per year and does not include investment management services. An initial amount of \$2,500.00 is due to start the process and the remainder will be billed in equal installments of \$1,250.00 on days 60 and 120 following the start date. Quarterly installments of \$1,250.00 will continue on the one year anniversary until the service is terminated or is transitioned to an ongoing new service option.

**Example:** A Financial Green Zone Service client will be billed a fee of **\$5,000**.

Analysis fee (\$5,000 x 50%) = \$2,500 up front, \$1,250 on day 60, \$1,250 on day 120

If the client requires management of their portfolio during the transition service they can elect any of the investment management programs listed above, which includes:

- Portfolio Navigation Service
- Wealth Accumulator Service
- Kersh Portfolio Management Service

If the client's needs exceed or continue to exceed normal meeting criteria, LifePlan reserves the right to inform the client that any additional meeting time for the year will be billed at the hourly rate of \$250.00. This will be agreed upon by both LifePlan and the client before additional fees are billed.

### *OTHER CONSULTING*

LifePlan's hourly consulting services are provided to potential clients who desire an evaluation and a recommendation that exceeds the discovery process conducted in our initial consultations. This service is utilized when a client desires assistance with a specific issue or problem and they require assistance from a professional to help them solve.

This consulting only service is provided at an hourly rate that is in effect at the time of the engagement. A written estimate will be provided to the client. The hourly estimate includes the time needed to evaluate, to create a recommendation or recommendations, if applicable, and to present the findings to the client. The current hourly rate in effect as of 1/1/2011 is \$250.

## **GENERAL INFORMATION**

**Limited Negotiability of Advisory Fees:** Although LifePlan Financial Group, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the 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 will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining 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.

**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 service, fee instructions for all accounts will be terminated. The final report due for period of termination will be prepared and the client's final report will be sent out after the current report period is complete or funds are removed from managed accounts.

**Mutual Fund Fees:** All fees paid to LifePlan Financial Group, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs 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 could 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.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to LifePlan Financial Group, Inc.'s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**ERISA Accounts:** LifePlan Financial Group, Inc. 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"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, LifePlan Financial Group, Inc. 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.

**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:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered. As state-registered advisers are subject to the rules and regulations of their home state (i.e., the state in which the firm maintains its principal place of business) these firms should review home state requirements which may limit prepayment of fees in excess of \$500.

## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

LifePlan Financial Group, Inc. does not charge performance-based fees.

## ITEM 7 TYPES OF CLIENTS

LifePlan Financial Group, Inc. 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)
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided for each applicable service.

## ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or management of client assets. We may not use all methods of analysis in each service offered, as some methods are more applicable to different types of management.

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** Fundamental analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors -- including the overall economy, industry conditions, and the financial condition of a specific company or underlying market (e.g., a specific currency or commodity). This analysis is aimed at determining if a company or market is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). We supplement this analysis with qualitative analysis, as described below.

We use fundamental analysis to select the markets in which we invest (e.g., stocks, bonds, currencies, commodities, real estate) and to select the specific securities within each market to purchase. Since fundamental analysis does not attempt to anticipate market movements, the timing of purchases and sales is determined primarily through the use of technical and cyclical analysis, as described below.

The potential risk inherent in fundamental analysis is that the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security. While this risk is reduced somewhat by the use of technical and cyclical analysis, such risk cannot be entirely eliminated.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company or market. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market

movement. This risk is reduced somewhat by our use of fundamental and qualitative analysis to select stocks or other markets in which to invest, but this risk cannot be entirely eliminated.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk of using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

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. We address the market movement issues through the use of regular interval rebalance actions.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption 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 providing accurate and unbiased data. 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.

## INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. We may not use all strategies listed in each service offered, as some strategies are more appropriate for different types of management.

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

**Short sales.** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

**Margin transactions.** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **ITEM 9 DISCIPLINARY INFORMATION**

We are 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 firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Our firm 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.

LifePlan Financial Group, Inc. 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.

LifePlan Financial Group, Inc.'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 [typhillippi@lifeplanfg.com](mailto:typhillippi@lifeplanfg.com), or by calling us at 937-449-0345.

LifePlan Financial Group, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions.

LifePlan Financial Group, Inc. and individuals associated with our firm are prohibited from engaging in agency cross transactions.

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.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. 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. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.

5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## **ITEM 12    BROKERAGE PRACTICES**

For discretionary clients, LifePlan Financial Group, Inc. requires these clients to provide us with written authority to determine the broker dealer to use and the transaction fees that will be charged to these clients for these transactions.

LifePlan Financial Group, Inc. may block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. LifePlan Financial Group, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. LifePlan Financial Group, Inc.'s block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with LifePlan Financial Group, Inc., or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable LifePlan Financial Group, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

- 4) Prior to entry of an aggregated order, an electronic order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the transaction fees on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) LifePlan Financial Group, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 8) Funds and securities for aggregated orders are clearly identified on LifePlan Financial Group, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 9) No client or account will be favored over another.

LifePlan Financial Group, Inc. participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. LifePlan Financial Group, Inc. receives some benefits from TD Ameritrade through our participation in the program.

LifePlan Financial Group, Inc. participates in TD Ameritrade's Institutional customer program and we may recommend TD Ameritrade to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our 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): 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 LifePlan Financial Group, Inc. by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by LifePlan Financial Group, Inc.'s related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for LifePlan Financial Group, Inc.'s personnel to attend conferences or meetings relating to the program.

Some of the products and services made available by TD Ameritrade through the program may benefit LifePlan Financial Group, Inc. but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by LifePlan Financial Group, Inc. or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by LifePlan Financial Group, Inc. or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

## **ITEM 13 REVIEW OF ACCOUNTS**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT**

#### *STRATEGIC PLANNING SERVICE*

#### *PORTFOLIO NAVIGATION SERVICE*

#### *WEALTH ACCUMULATOR SERVICE*

**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:

- Dan L. Hypes, CFP® - CEO
- Tyrone C. Phillippi, CFP® - President
- Christopher J. Buck, CFP® - Vice President
- Joshua M. Johnson, CFP® - Relationship Manager
- Nicholas M. Stebner, CFP® - Financial Planner
- Joshua L. Styracula, CFP® - Financial Planner
- E. Mike Kersh, CPA - Sr. Portfolio Manager

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly/ annual reports summarizing account performance, balances and holdings, based on service selected by each client.

## **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically full update plans or assessment reviews will be conducted for clients annually.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for or agreed to from time to time.

## **MARKET TIMING SERVICES**

### *KERSH PORTFOLIO MANAGEMENT SERVICE*

**REVIEWS:** Due to the nature of this service, in which we evaluate and monitor the holdings on a daily basis, our account reviews are frequent and regular. In addition, these accounts are comprehensively reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines.

These accounts are reviewed by:

- E. Mike Kersh, CPA - Sr. Portfolio Manager

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

## **CONSULTING SERVICES**

### *PORTFOLIO 2<sup>ND</sup> OPINION SERVICE*

### *SUDDEN MONEY/LIFE TRANSITION SERVICE*

### *FINANCIAL GREEN ZONE SERVICE*

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

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

## ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

### CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is LifePlan Financial Group, Inc.'s 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

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. 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**

Clients may hire us to provide discretionary asset management services, in which case we 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, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **ITEM 17 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 may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **ITEM 18 FINANCIAL INFORMATION**

LifePlan Financial Group, Inc. has no additional no financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

LifePlan Financial Group, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.