



Sonas Financial Group, Inc.

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Chief Compliance Officer

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This brochure provides information about the qualifications and business practices of Sonas Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at 816-753-2210 and/or info@sonasfinancial.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 Sonas Financial Group, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Because much of the information in this Part 2A of Form ADV is additional information not previously provided in our Part II of Form ADV, we recommend that you read this Part 2A of Form ADV in its entirety. However, there have been no material changes to our business since we updated our Part II Form ADV in 2010.

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ADVISORY BUSINESS

Advisory Firm Description

Sonas Financial Group, Inc. ("Sonas" or the "Firm") has been in business since August 2002. The principal owner is James D. Meysenburg.

Types of Advisory Services

Sonas provides fee-based Investment Management Services, Financial Planning Services and General Investment Advisory Consultation Services.

The Firm may offer an initial complimentary consultation to review the client's needs and objectives and the services offered by the Firm. Investment Advisory Services to be provided are determined by the client and are initiated after the execution of an engagement letter or client agreement.

Investment Management Services

The Firm provides Investment Management Services, which are ongoing in nature. An initial data-gathering interview is completed in an effort to determine the client's individual needs, goals, objectives, time horizon and risk tolerance based upon information provided by the client.

Sonas may recommend a variety of investment products to help clients reach their stated investment objectives. These investments may include, but are not limited to, mutual funds, individual stocks, individual bonds (municipal, agency, corporate), closed-end funds, exchange-traded funds, real estate, real estate investment trusts, variable annuities, treasury bills, certificates of deposit and cash/cash equivalents.

All portfolios are invested according to the investment objectives as outlined in either meetings and/or phone conversations with client, written communications, risk tolerance questionnaire and/or investment policy statement. Clients will have a direct and beneficial interest in his/her securities, rather than an undivided interest in a pool of securities.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), Sonas acknowledges that the Firm is a fiduciary within the meaning of the Act and the ERISA client is a named fiduciary with respect to the control or management of the assets in the account. If the account assets for which the Firm provides services represent only a portion of the assets of an employee benefit plan, the client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan.

The Investment Management Services performed by the Firm may include a review and analysis of a client's variable annuity. Recommendations may include retaining the contract and rebalancing the investments or initiating a 1035 exchange to a no-load variable annuity. In all cases, the Firm does not receive a commission on variable annuity transactions. The current market value of the variable annuity may be included

in the client's "assets under management" and billed a quarterly fee as set forth in the contract.

Clients may call the office at any time during normal business hours to discuss the client's account, financial situation or investment needs directly with an advisory representative of the Firm. Clients are obligated to promptly notify the Firm of any changes in the client's financial status to ensure the Firm's investment strategies continue to meet the client's changing needs or to determine if there needs to be a change in investment objectives and strategies.

Financial Planning Services

The Firm can be available to provide Financial Planning Services to individuals. The services provided include, but are not limited to, financial statement accumulation, cash flow and tax planning, education savings analysis, retirement planning, estate planning, insurance analysis and investment analysis. The services provided to clients are based on the client's need for a comprehensive financial plan or a focused review of a specific item, such as an education savings analysis and/or retirement planning. The scope of the project is agreed to at the time of engagement. Where the advice is focused on certain components of financial planning, the client understands that the scope of the project and the advice is limited and may not address all areas of need.

The client's personal financial planning data is obtained from personal interviews with the client and an analysis of financial data provided by the client, including tax returns, insurance policies, brokerage and mutual fund records, retirement plan statements and a completed client data questionnaire. Upon completion of the analysis, a written financial plan or segments of the financial plan along with supporting schedules or recommendations are presented to the client.

The financial planning recommendations are typically presented to the client within two months of receiving the appropriate financial data. Clients are responsible for implementation of the plan. Clients may request that the Firm help implement the plan. In such cases, additional time and fees may apply. The advice may include recommendations for annual reviews or updates, and such follow-up services will be initiated by the client, if desired.

General Investment Advisory Consultation Services

Clients who do not desire intensive Investment Management Services can secure Investment Advisory Consultation Services. The Firm may provide investment or financial planning consulting on a client's stated topic of interest. An example would be the review of a client's employer-sponsored retirement plan.

In the case of employer-sponsored retirement plans, a review might include an analysis detailing the overall asset allocation, an analysis of investment styles (i.e., growth vs. value) and an analysis of country and sector weightings. The analysis would also include investment recommendations made from a list of available investments. If no list is available, then the advice may be general in nature and depend on the client's individual circumstances.

It is the client's ultimate decision to follow advice in whole or in part. The client or the Firm may execute trades, depending on whether or not the Firm was granted trading authority on the 401(k). Consultation clients are welcome to utilize the financial service providers of their choice.

Tailored Advisory Services

Clients may place restrictions on the Firm's discretion in writing. Clients have the ability to leave standing instructions with Sonas to refrain from investing in particular industries, invest in limited amounts of securities, request third-party checks (sent from the custodian directly to the client's address of record) and re-balance portfolios.

Client Assets Under Management

At December 31, 2010, the Firm had \$61,372,900 of discretionary assets and \$5,100,439 of non-discretionary assets under management.

FEES AND COMPENSATION

Investment Management Services

The fees for investment management are charged as a percentage of assets under management according to the fee schedule listed below. The Firm reserves the right to modify the fee to be charged, based upon individual circumstances, pre-existing relationships, or other variables and at the sole discretion of the Firm. The exact fee is negotiated on a client-by-client basis. Advisory fees are determined at the time of engagement.

<u>Amount of Assets under Management</u>	<u>Annual Fee</u>
\$0 - \$1,000,000	1.0%
\$1,000,000 - \$2,000,000	0.75%
\$2,000,000 - \$5,000,000	0.50%
Over \$5,000,000	Determined at Engagement

The Firm's fee is calculated on a tiered basis. For each portion that falls within the tier, the respective fee percentage applies. Fees are billed quarterly, in advance. Billings are based on the assets under management, including accrued interest, as of the last business or trading day of the calendar quarter multiplied by $\frac{1}{4}$ of the annual fee percentage. The market value of the account will be as determined by the custodian. Accounts opened during a calendar quarter will have the advisory fee prorated for the period and the initial fee will be charged in arrears when the transfer is completed. In some cases it may be determined by the Firm and client that a flat quarterly management fee is more appropriate.

Factors that determine the level of fees include the size of account, types of investments to be used and the estimated amount of time to service the client's needs. A minimum annual portfolio management fee of \$1,000 applies for each client relationship. The minimum fee is negotiable. The Firm may waive management fees for certain clients, such as for family members.

Clients have the option of paying fees by check or by authorizing the Firm to debit an investment account through a qualified custodian. Clients provide written authorization permitting the direct debiting of an advisory fee from their account. The custodian will receive notice of the Firm's limited access to deduct fees as authorized by the client. The deduction of the fees from the client's account will be reported by the custodian on the client's monthly or quarterly statements. The custodian does not verify the advisory fees deducted. Clients are welcome to terminate fee deduction at any time. If there is ever any question relating to fee deductions, clients may contact the Firm at any time.

When Sonas recommends a mutual fund for a client's account, three separate fees may be charged to the client, either directly or indirectly. The first fee is the Firm's investment management fee where the fund is included in the asset base for the quarterly fee calculation. (This set of fees also applies to any money market fund purchased in the client's account.) The second is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus which is available to any client by request. The third fee may be a transaction fee which is assessed by the custodian for its service of providing access to a universe of mutual fund families through one account. To avoid such fees a client would be required to open a separate account with each individual mutual fund company instead of using the custodian recommended by Sonas, which would also negatively affect the Firm's ability to deliver its services efficiently. Not all mutual fund trades enacted by Sonas incur this transaction fee. When recommending mutual funds for client portfolios, Sonas only recommends no-load or load-waived funds available to advisors.

Investment Advisory fees will not be based upon a share of capital gains or capital appreciation of the funds of any portion of funds of an advisory contract (known as "performance fees"). Advisory fees are not collected for services to be performed more than six (6) months in advance and in excess of \$500. Investment advisory fees charged by Sonas represent fees for advisory services of the Firm only. Clients pay transaction fees to broker/dealers and fees to other service providers, as may be applicable (e.g., retirement plan fees, etc.).

Financial Planning Services

Financial planning fees are charged either on an hourly basis or as a fixed fee. The hourly rate for James D. Meysenburg, CPA, CFP® is \$150; Eric Clark, CFP® is \$125. The hourly rate for staff and paraprofessionals involved in the planning may range from \$50 - \$100 based on the knowledge and experience of the individuals involved. Fixed fees are determined by estimating the total number of hours to complete the work and multiplying by the corresponding hourly rate of the individuals involved.

The Firm may request an initial deposit for financial planning in the amount of the lesser of \$500 or ½ the lower end of the estimated fee range. The balance of the fees is due immediately upon the presentation of the plan or advice to the client. At no time are fees prepaid more than six (6) months in advance. If during the engagement, the client should experience a material change in financial conditions, additional fees may apply for the re-review or reformulation of the advice and/or recommendations.

General Investment Advisory Consultation Services

Consultation Services are offered on an hourly or flat-fee project basis and do not include ongoing services or ongoing reviews of the client's portfolio although the Firm may recommend a review be performed at least annually. It is the client's responsibility to update his or her financial goals, review recommendations and advice, and/or secure additional services offered by the Firm.

If advisory services requested and provided are outside the scope of the engagement, the Firm's hourly fee will apply. Additional efforts that will result in fees will not be undertaken without the client's authorization. If the course of the project deviates substantially, the Firm may request a new or amended engagement letter or client agreement.

Termination

Investment Management Services

The Firm or the client may terminate the Investment Management Agreement at any time. The investment management fees will be prorated and any unearned fees will be refunded to the client within thirty (30) days.

Financial Planning Services

The Firm or the client may terminate the Financial Planning Agreement at any time. The client will be invoiced for any time charges incurred by Sonas in preparation of the plan. Any prepaid but unearned fees will be refunded to the client within thirty (30) days. Financial Planning Services terminate upon delivery of advice or the written Plan as outlined in the agreement for services.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

This section does not apply to Sonas, as it does not charge performance-based fees.

TYPES OF CLIENTS

Sonas provides investment supervisory services and manages investment advisory accounts for:

- individuals
- high net worth individuals
- pension and profit sharing plans (other than plan participants)
- 401(k)s
- trusts
- corporations or other businesses not listed above

Sonas may charge a minimum annual portfolio management fee of \$1,000 for each client relationship. The minimum fee is negotiable.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Firm attempts to measure an investor's goals, risk tolerance and time horizon through an interview process in an effort to determine a plan/portfolio to best fit the investor's profile. Investment strategies may be based upon a number of concepts and determined by the type of investor. Portfolios, advice and recommendations are based upon a client's stated goals, objectives, investment time horizon and risk tolerance using the information provided to the Firm. Typically, investment strategies used to implement investment advice are long-term (greater than a year) in nature. Investment strategies may include short-term (less than a year) purchases depending upon the individual needs and objectives of the client and/or conditions in the global financial markets.

The Firm's investment strategy focuses first on the concept of asset allocation of the overall portfolio (the percentage of a portfolio invested in common stocks, bonds and cash) and then diversifying the investments within an asset class (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities; domestic bonds vs. international bonds). Additional asset classes including real estate, precious metals and commodities may be used for clients with a longer time horizon or a higher risk tolerance. At its heart, asset allocation seeks to achieve the most efficient diversification of assets to help lessen risk, while not sacrificing the effectiveness of the portfolio in an effort to meet the client's objectives. While the Firm generally does not attempt to time the market, rebalancing techniques used are often tactical vs. simply strategic. The Firm's portfolios are highly customized for each unique client relationship. As a result, the specific funds and securities owned, percentage allocation, investment style and sectors will vary from client to client, as will the timing of any rebalancing trades.

Recommendations for or purchases of investments will be based on publicly available reports and analyses. In the case of mutual funds and exchange traded funds, the Firm's recommendations will be based on factors such as the manager's experience, tenure, investment philosophy, depth of research team and their decision-making procedures. Performance (both short-term and long-term) against peer groups and appropriate benchmarks is reviewed and analyzed. The Firm considers the expense ratios, transaction fees and the tax efficiency of various investment vehicles in making client investment decisions. The Firm also relies on nonpublic information such as advisor-only conference calls with investment managers, advisor-only newsletters and institutional investment research.

Clients should be aware that sales of investments can result in taxable gain(s) or loss(es) to the client. Also, the sale of investments to maintain the client's asset allocation policy may cause taxable gain(s) or loss(es) to the client. Messrs. Meysenburg and Clark offer tax advice related to investments, IRA eligibility and cash flow planning. While the Firm makes every effort to take these matters into consideration in the delivery of its services, the client understands that the Firm does not offer tax compliance and is not responsible for the tax consequences to the client as a result of account transactions. Clients are encouraged to consult their personal tax adviser about tax consequences as a result of transactions or any particular investment held in their account.

Sonas does not guarantee the future performance of the account or any specific level of performance, the performance of any investment decision or strategy that the Firm may use, or the performance of the Firm's overall management of the account. The client is reminded that investment decisions made for the account by the Firm are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. Clients must understand that investing in securities involves risk of loss which the client should be prepared to bear.

DISCIPLINARY INFORMATION

There have been no disciplinary actions against Sonas or Mr. Meysenburg.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Sonas is not affiliated with a broker/dealer and does not have any other financial industry activities or affiliations beyond its role as investment advisor.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Sonas has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- Misuse of confidential information
- Personal securities trading
- Outside business activities

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm's Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm's business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients' interests come before employees' personal interests and before the Firm's interests.
- The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- Employees must operate on the Firm's behalf and on their own behalf consistently with the Firm's disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.

- The Firm and its employees must always comply with all applicable securities laws.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal securities trades.

Personal Securities Trading

The staff of Sonas may, from time to time, have similar investment holdings as the Firm's clients. The staff may trade in their personal accounts in the same issues as clients on the same day as clients as long as the client receives the same price or better. Otherwise, all such personal trades must occur at least the next trade day after trades are placed on behalf of clients. At no time will Sonas or its associated persons receive preferential treatment over client trades. The personal trading of Sonas's staff is monitored as required by the SEC and records are maintained by Mr. Meysenburg, the Chief Compliance Officer of Sonas.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

Outside Business Activities

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed and if required, the outside business activity will cease.

BROKERAGE PRACTICES

The Firm recommends qualified custodians for clients' accounts, with each client signing a separate agreement with the custodian. The Firm recognizes its responsibility to attain best execution and recognizes that limiting its custodial relationships may affect its ability to provide best execution on a trade-by-trade basis. However, the Firm evaluates its entire custodial relationship in assessing best execution on a client-by-client basis.

Sonas utilizes Fidelity Institutional Wealth Services ("Fidelity") for its advisory transactions. Fidelity's services include brokerage and custody. Sonas is independently owned and operated and is not affiliated with Fidelity. While it is possible that clients may pay higher commission or transaction fees through Fidelity, Sonas has determined that the company currently offers the best overall value to the Firm and its clients for the brokerage and technology it provides. In selecting a custodial broker/dealer, the Firm considers the following criteria: reputation, financial stability, reasonableness of commissions, services provided, availability of mutual funds with no transaction fee, customer service and technology.

Sonas periodically reviews other alternatives that are available to the investment advisor market. However, the Firm believes that Fidelity's excellent customer service, reasonable trading fees and technology are superior to other alternatives. Fidelity features a broad line of products and services that are available to every investor, regardless of the amount of investable assets.

The Firm may trade away from their current custodian. In this case, Sonas may also use different brokerage firms to increase their access to various fixed income investments such as municipal bonds and taxable corporate or agency bonds. The selection of such firms to execute trades is based on their expertise in a specific type of securities. These firms receive a commission as payment for their expertise in fixed income investments. Fidelity charges a \$15 fee per account for transactions that are traded away.

Research and Other Soft-Dollar Benefits

Sonas may have the opportunity to receive traditional "non-cash benefits" from Fidelity such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing adviser participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; and perhaps discounts on business-related products. Fidelity may offer full price or discounted research products or materials and industry subscriptions. Advisory representatives are not registered representatives of Fidelity. The Firm has no written or verbal arrangements whereby it receives soft dollars.

The Firm deems receipt of any of the items mentioned above not to be of material value and do not, either individually or collectively, impair the Firm's independence.

Brokerage for Client Referrals

The Firm does not receive referrals from a broker/dealer or third party.

Directed Brokerage

Sonas shall select broker/dealers to effect transactions unless the client directs Sonas to use a particular broker/dealer. In the event the client elects a service provider other than Fidelity, Sonas cannot generate portfolio performance reports, nor can Sonas fulfill its fiduciary duty to manage commission costs.

Order Aggregation

To the extent that trades are enacted on the same day in the same security across several client accounts, the Firm makes every effort to aggregate trades in order for clients to receive the same price. However, the custodian still charges commissions on a per-account basis, which are paid directly by the client's account.

REVIEW OF ACCOUNTS

Reviews are performed by James Meysenburg, CPA, CFP®, President and Chief Compliance Officer, and Eric Clark, CFP®. Portfolios are generally reviewed quarterly, but at least annually; however, reviews could also occur at the time of new deposits, material changes in client's financial information, life changes, changes in the financial markets, at the Firm's discretion, or according to the client's written or verbal directions. Clients are obligated to promptly notify the Firm of any changes in the client's financial status to ensure the investment strategies continue to meet the client's changing needs. Reviews entail analyzing client portfolios, securities, sensitivity to overall markets, economic changes, investment results and asset allocation, etc., to help ensure the investment strategy and expectations are structured to continue to meet clients' stated needs and objectives. In monitoring mutual funds and exchange-traded funds, the Firm globally reviews the fund's performance in the current economic climate, the performance against its peer group and appropriate market indices, and its adherence to style. The Firm will also review client files (at the time of engagement and quarterly thereafter) to consider possible conflicts of interest the Firm may have in doing business with any particular client and will ensure policies and procedures are instituted for dealing with such conflicts.

Clients receive transactional and routine reports from custodians and/or investment sponsors. Clients who have engaged the Firm for Investment Management Services will receive performance reports for their invested assets, generally quarterly but annually at a minimum. The performance reports detail the Internal Rate of Return or other method of determining performance.

Consultation and/or Financial Planning clients may receive post-meeting communications or written financial plans, as may be agreed to at the time of engagement. The Firm may, at its discretion, generate additional reports or communications, depending upon the nature of services.

CLIENT REFERRALS AND OTHER COMPENSATION

Sonas does not pay outside parties for referring clients. The Firm receives no cash benefit, including commissions, from any party in connection with client accounts. The Firm may receive access to Fidelity's proprietary account management and data transmission services to enable the Firm to trade clients' accounts electronically. Fidelity may also provide the Firm with educational and compliance material, such as newsletters and seminars.

CUSTODY

Because Sonas generally has the authority to instruct the account custodian to deduct the investment management fee directly from the client's account, Sonas is considered to have "custody" of client assets. Custody is defined as having any access to client funds or securities. This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements all show the deduction of the management fee from the account. Otherwise, Sonas may only direct

the movement of funds from one account in the client's name to another such titled account, but has no other access to funds.

When clients receive their account statements from the qualified custodian, they should carefully review those statements and take the time to compare them with those they receive from Sonas. If the client finds significant discrepancies, the custodian and Sonas should be notified.

INVESTMENT DISCRETION

Sonas manages investment accounts on a limited discretionary basis as evidenced by the client agreement. As such, the Firm determines the securities to be bought or sold, the amount of securities bought or sold, the broker/dealer to be used and the commission rates to be paid. All investment decisions are made in accordance with the investment policy statement, risk tolerance questionnaire, notes to file, client conversations and/or client correspondence. Clients may place restrictions on the Firm's discretion in writing.

VOTING CLIENT SECURITIES

The Firm votes proxies for its clients and joins class action shareholder suits on behalf of its clients, and maintains proxy voting records for the Firm. When voting any proxy, James Meysenburg and Eric Clark will carefully review whether the vote at issue affects the compensation received by the Firm and/or its associated persons. Any client may request a copy of the Firm's Proxy Policy and see or receive records showing how the Firm has voted on the client's behalf.

Sonas does not vote proxies for privately held companies for which the Firm or its advisory representatives may have an interest.

FINANCIAL INFORMATION

There is no financial condition that is reasonably likely to impair Sonas's ability to continue to provide services to its clients.