



RESPONSIVE FINANCIAL GROUP INC.

A REGISTERED INVESTMENT ADVISORY FIRM

Part 2A of Form ADV: Firm Disclosure Brochure

Revised: November 8, 2011

This brochure provides information about the qualifications and business practices of Responsive Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at (847) 670-8000 or ben@rfgweb.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 Responsive Financial Group, Inc. also is available on the SEC's website at 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 126718.

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ITEM 2 MATERIAL CHANGES.

The SEC adopted "Amendments to Form ADV" in July 2010. This Firm Brochure, dated November 8, 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 new information that was not required to be disclosed previously.

After our initial filing of this Brochure, this document will 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.

As of the date of this Firm Brochure, there are no material changes to disclose about our firm.

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ITEM 4 ADVISORY BUSINESS

Responsive Financial Group, Inc. (hereinafter "RFG") is an SEC-registered investment adviser with its principal place of business located in Illinois. RFG began conducting business in 2003.

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

- Benjamin G. Baldwin III, CFP®, ChFC, President

RFG offers the following investment advisory services to our clients:

- Responsive Portfolio Management
 - Custom Portfolio Management
- Responsive Investment Consulting & Supervisory Services
 - Wealth Management
 - Institutional Portfolio Management
 - Portfolio Advisement & Reporting
- Responsive Pension Consulting Services

RESPONSIVE PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients generally using model based, security allocation portfolios referred to as "Risk-Adjusted Portfolios" or RAPs. Each RAP follows a particular investment management policy supportive of particular investment goals.

Risk-Adjusted Portfolios – RAPs.

We manage advisory accounts on a discretionary basis. Account supervision is guided by client's stated objectives (i.e., various expressions of desire or need for stability of principal, growth, or income from portfolio assets), coupled with client preferences for, or need to accept various forms of investment risk), and appropriate tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine which of the eight model portfolios is best for the client's circumstances. Once we determine the appropriate portfolio(s), each account is managed based on the model portfolio's investment policy. Clients, may request or we may suggest, restrictions on the types of investments to be held in their account or that a custom portfolio be developed to meet client requirements. Income investment

objectives are met with portfolios specifically designed for each client, or client account. Clients retain individual ownership of all accounts and securities.

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

- Open-ended mutual funds
- Exchange-traded funds (ETFs)
- Real Estate Investment Trusts (REITs)
- Individual Equity or Fixed Income Instruments

Different investment vehicles involve different elements and degrees of risk, each will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for and/or requirement for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

- Quarterly, send written reminders to each Model Portfolio Management Services client requesting any new or updated information regarding changes in the client's financial situation and investment objectives;
- Annually contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions; and
- Make Senior Advisor available to client for meetings twice per year under an RPM Engagement Agreement, four times per year under RWM, Institutional and Pension engagement agreements. Once per year under previous engagement agreements unless otherwise specified in the agreement.
- Maintain data in our records for clients, appropriate for a fiduciary and discretionary investment advisory relationship.

INVESTMENT SUPERVISORY SERVICES

Custom Portfolio Management:

Our firm provides continuous advice to client regarding the investment of 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 determine a

client's personal investment requirements and create and manage a portfolio based on that policy. The specific investment policy will be that of one of our model portfolios even if the actual client portfolio is specific only to one client. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We also review and discuss a client's prior investment history, as well as family composition and background, employment or business interests and any other information we can gather to ensure our fullest understanding of a client.

We manage advisory accounts on a discretionary basis. Account supervision is guided by client's stated objectives (i.e., various expressions of desire or need for stability of principal, growth, or income from portfolio assets), coupled with client preferences for, or need to accept various forms of investment risk), as well as appropriate 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 may include advice regarding the following securities:

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

Different investment vehicles involve different elements and degrees of risk, each will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for and/or requirement for risk, liquidity and suitability.

Upon request made by appropriate and qualified clients, and with RFG's Compliance Officer approval, RFG will review and assist in providing access to private placement and limited partnership debt or equity investment opportunities. Any such opportunities are unaffiliated private limited investment partnerships or other private placement securities from which RFG or its affiliated persons would receive no financial

benefit. **We are generally reluctant to utilize private (non-market) investment vehicles for clients due to the increased potential for fraud or mismanagement within such entities.**

PORTFOLIO MONITORING

Responsive Advisement & Reporting

This service is available to portfolio management clients who have accounts at custodians with whom RFG is not the investment adviser. We can provide annual portfolio recommendations for your non-RFG accounts such as:

- Employer Retirement Plans
- 529 Plans
- Annuities and Life Insurance policies
- Self-Managed accounts or assets
- Accounts managed by other investment advisory firms, specialty brokerage or wirehouse
- All included assets of Responsive Wealth Management clients.

This service provides the continuous monitoring of the client's overall asset allocation for timely and appropriate adjustment of non-RFG managed accounts at the client's discretion. This service requires the use of third-party data aggregation systems to provide reconciled position and transaction data to our portfolio management system. This service is only available to clients whose custodian or product provider has the technological capability to provide reconciled position and transaction data to our portfolio management system and where the client provides appropriate account access information. RFG has the right to decline to provide this service in cases where gaining reporting access would create the ability for RFG to direct withdrawals from a client account, to accounts other than those with identical title, to client's account, for other than agreed-upon fees.

Responsive Wealth Management and Institutional client assets to be included and valuation methods to be utilized will be specified in their engagement agreement. RWM and Institutional clients will be offered a minimum of four meetings with their Senior Advisor per year. Their Senior Advisor will also coordinate joint meetings as necessary with other professional advisors, counselors, brokers, or agents.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current financial state, with projections of possible future states(s) by using currently known or assumed variables to predict cash flows, asset values and withdrawal plans. Through the financial planning process, questions,

information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client as we are informed of and understand it.

Typically, an initial 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. 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, investment advisor and/or broker. Implementation of financial plan recommendations is entirely at the client's discretion.

We offer four levels of financial planning services and financial plan implementation services. To access any of these services client must first have access to their own:

Personal Wealth Management Website

This will assist us in monitoring financial data and preparing reports which provide client with detailed financial information designed to enable client to monitor his or her progress towards established financial goals and objectives. Our online Wealth Monitoring and Management Platform provides clients with a secure portal designed to aggregate all of their financial data and related information into one constantly-updated and interactive location.

Via our:

Personal Wealth Management Site Services,

We gather required information through in-depth personal, telephone, or web-based interviews. Information gathered includes the client's current financial status, personal legal documents, tax information, goals, investment objectives, and attitudes towards risk. We carefully review documents supplied by the client, including any questionnaire completed by the client, and prepare a web based or written report.

Under this service, we will, quarterly ensure that all data possible is successfully aggregating into your site, and make any manual updates necessary to ensure data is as accurate as possible in support of client's financial planning requirements.

A subscription to the Personal Wealth Management Web Site, complete personal data entered and all financial asset accounts aggregated on the site are required before the following services may be requested by the client.

Financial Planning Services Offered Are:

- Financial Planning Modules – *for discrete goals or defensive questions, “Goals based planning”*

- Multi-Disciplinary Financial Planning Foundations – *Put a firm foundation under your financial aspirations to create a sense of well-being about your present & future. “Balance sheet and income/expense based planning”*
- Retirement Security Planning – *Match your assets and income to your goals, expenses and liabilities. “Balance sheet and income/expense based planning”*
- Wealth Management Engagement - *Clients receive full access to any/all of these services with additional planning and reporting support centered on the client’s requirements for coordination among other independent investment advisory, accounting, legal, insurance and estate planning relationships.*

1. “I Just Want to Know” Financial Planning Modules

Our “I Just Want to Know” Financial Planning Modules are available with our Wealth Monitoring and Management Platform subscription. The list below provides a brief description of each financial planning module which may be selected on an a la carte basis:

- **Accumulation Analysis:** The Accumulation module compares Client's current funding projections against an expected capital expenditure. Options to consider if the analysis reveals a shortfall are then presented.
- **Annuity Income Analysis:** The Annuity Income module examines the use of guaranteed annuity income for covering expenses during retirement. The analysis looks at existing guaranteed retirement income, such as Social Security and pensions, and compares them to expected retirement expenses. In the case of a shortfall, it determines the amount of assets that would have to be converted to an annuity to cover the desired expenses.
- **Asset Allocation Analysis:** The Asset Allocation module presents the client's current assets broken down by asset class and asset type. The module provides a risk tolerance questionnaire, and the answers provided help us to produce a recommended asset allocation for the client.
- **Asset Protection Analysis:** The Asset Protection module examines a client's available personal insurance, and the impact of unforeseen events. Death and disability are analyzed through the resulting loss of income. Homeowner’s insurance needs are examined. Finally, the need for an umbrella policy to protect the client across multiple policies is analyzed.
- **Business Insurance Needs Analysis:** The Business Insurance module examines business partners' needs for liquidity through life insurance. It examines several

techniques that can ensure the dual purposes of ensuring the business remains intact while providing the value of a partner's ownership interest to their heirs.

- **Education Needs Analysis:** The Education module compares the client's current funding projections against the expected costs of higher education. The module then provides options for consideration if the analysis results in a shortfall.
- **Estate Planning Financial Analysis:** The Estate Planning module illustrates the distribution of assets to heirs and the payment of taxes and fees that occur at the client's and spouse's deaths. The module supports analysis of the scenario where death occurs today, as well as a selected scenario of future death. The effect of plan changes may then be presented.
- **Financial Statements Analysis:** The Financial Statements module examines the client's basic financial condition, including net worth, income, expenses, and current cash flow. The module also provides an analysis of the client's available reserves in the event of an emergency.
- **Life Insurance Needs Analysis:** The Life Insurance module examines the financial impact of a premature death. The analysis determines the survivor's ability to maintain their desired standard of living and how much life insurance is needed to cover any shortfall.
 - **Human Life Value Analysis:** The Human Life Value module examines the impact of a premature death. The analysis determines the total financial impact of the loss of income as well as other factors, and solves for the amount of life insurance benefits needed to replace those losses.
- **Long Term Care Insurance Needs Analysis:** The Long Term Care module examines the impact of a long term care health event. The analysis projects the accelerated liquidation of the client's capital resources and conducts a cost comparison of new long term care coverage.
- **Retirement Income Goals Analysis:** The Retirement module compares the client's current income and capital resources funding projections against their expected costs in retirement. The module then provides options for consideration if the analysis results in a shortfall.

2. Multi-Disciplinary Financial Planning Foundations

Our Multi-Disciplinary Financial Planning Fundamentals Plan is available on client's Private Wealth Management website, a continually updated application available to you, your selected outside advisors, or other interested parties at your discretion.

We guide and assist the client in ensuring that all of a client's personal financial data is properly represented and automatically updated daily, incorporating data from the client's vendors and custodians. Often, not all information is automatically updated, we will request annually or quarterly as appropriate, that clients provide current data (for example, business interests, real estate values, personal notes payable or receivable, gifting activities, some life insurance policy values).

Our review will include the following reports with objective, generally non-product specific, recommendations:

- Personal Financial Statements ("What am I worth?")
- Retirement Accumulation Analysis ("How am I doing?")
- Life Insurance Analysis & Recommendations
- Disability and/or Long-Term Care Analysis
- Education or Accumulation Analysis
- Basic Estate Flow Illustration
- Recommendations for Foundational Legal Documents
- Asset Titling and Beneficiary Recommendations

This service includes one additional meeting with client's Senior Advisor. Typically a total of four meetings during this planning year.

3. Retirement Security Planning

Retirement Income Planning is designed for clients who desire to ensure their retirement resources are adequate for their needs, goals and dreams for the rest of their life. We provide a cash flow-based analysis of specific retirement resources, needs and solutions. This is the only method of analyzing retirement income needs that can accurately assure that they are met. Our goals based module is suitable for those 7 or more years from retirement. Those within 5 years should use this cash flow based method.

Clients must complete a one-year subscription to Multi-Disciplinary Financial Planning Fundamentals before engaging RFG for Retirement Income Planning (or may purchase both services at the same time).

4. RFG Wealth Management Services

Include all of the above services as requested by the client and approved by RFG but does not require additional fees for such services. Wealth Management clients may request meetings quarterly or more often if approved by advisor.

PENSION CONSULTING SERVICES

Institutional and ERISA Plans Selection and Investment Monitoring

We provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals, trusts, estates, associations, corporations and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

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

We will meet with the client to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be pursued. The IPS lists the criteria for selection of investment vehicles and the procedures and timing interval for monitoring and reporting of investment performance.

2. Selection of Investment Vehicles:

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds, ETFs, or other appropriate securities (both indexed and managed) to determine which investments are appropriate to implement the client's IPS.

3. Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although under a consulting agreement, our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as investment considerations and the client's needs dictate.

4. Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). These educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

CUSTOM CONSULTING

With advisor approval, clients may also receive investment or financial planning advice on a more customized basis. This may include advice on an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We provide specific consultation and administrative services regarding investment and financial concerns of the client. This level of consulting is reserved for more complex planning circumstances that are not adequately covered by our standard planning or consulting services.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Most recommendations are of a generic nature, but may become specific where particular product or asset characteristics are required.

ADVISORY REFERRAL SERVICE

RFG has entered into a referral agreement with TMFS – Chicago Inc., (“TMFS”) an independent SEC-registered investment adviser not affiliated with RFG. This agreement may be exercised when a prospective or existing client does not meet RFG’s account size/fee requirements and where RFG determines that TMFS’s advisory services are appropriate to the client. If the client engages TMFS to provide advisory services, then TMFS, not RFG, will act as investment adviser to the client’s TMFS account(s). At the time of the referral to TMFS, RFG will ensure that all federal and/or state specific requirements governing solicitation activities of investment advisers shall be met.

AMOUNT OF MANAGED ASSETS

As of 03/30/2011, we were actively managing \$71,020,000 of clients’ assets on a discretionary basis plus \$313,000 of clients’ assets on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

Initial Client Engagement Fees

New clients engaged under a Responsive Financial Group, Inc.’s Responsive Portfolio Management (RPM) Engagement Agreement will be charged an initial **Client Engagement Fee of \$3,000**; (this is waived for existing RFG clients.) This is for account(s) set up and transfer services, communications, Portfolio Investment Policy Selection, Monitoring & Reporting set-up, title and beneficiary reviews and associated guidance and correction or establishment thereof.

New clients engaged under a Responsive Financial Group, Inc.’s Responsive Wealth Management (RWM) and Institutional clients will be charged an initial **Client**

Engagement Fee of \$6,000; (this is reduced to \$3,000 for existing RFG clients.) This is for account(s) set up and transfer services, communications, Portfolio Investment Policy Selection, Monitoring & Reporting set-up, and title and beneficiary reviews and associated guidance and correction or establishment thereof. These clients will be offered quarterly meetings with their Senior Advisor.

RESPONSIVE PORTFOLIO MANAGEMENT FEES

Responsive Portfolio Management fees are calculated as a percentage of assets under management, according to the following schedule:

Assets Under Management	Annualized	Quarterly
First \$5,000,000	1.00%	0.25%
Next \$5,000,000	0.60%	0.15%
Next \$10,000,000	0.48%	0.12%
Over \$20,000,000	0.40%	0.10%

Minimum Assets Under Management fee is \$3,000 per quarter for RPM Engagement Agreements. RPM client's whose AUM fees fall below or are accepted below \$3,000 per quarter will be charged a \$100 per quarter Compliance Operations Fee. These clients are then eligible for one meeting with their Senior Advisor per year.

Responsive Wealth Management & Institutional Client AUM fee schedule will be the schedule below for "Monitoring & Reporting Fees", as assets will include all clients assets except for primary residences and a negotiated value for business interests.

Pre-existing clients of RFG may be engaged under terms different from these. Each client's existing engagement agreement governs their specific fee schedule.

Retirement Plan Asset Management Program participants that purchase this service are not subject to the minimum \$3,000 quarterly fee, the Compliance Operations Fee nor the Initial Client Set-Up Fee.

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

RESPONSIVE WEALTH MANAGEMENT, INSTITUTIONAL, PENSION CONSULTING & PORTFOLIO MONITORING AND REPORTING (SUPERVISORY) FEES

Fees are charged as a percentage of assets under management, according to the following schedule. Portfolio Monitoring & Reporting is only available to RPM, RAM*, RWM, and Institutional clients:

Assets Under Management	Annualized*	Quarterly
First \$5,000,000	0.60%	0.15%
Next \$5,000,000	0.48%	0.12%
Next \$10,000,000	0.40%	0.10%
Over \$20,000,000	0.32%	0.08%

***Minimums:**

- RWM & Institutional & Pension Consulting clients - \$6,000 minimum quarterly AUM fee.
- RAM Program participants - \$3,000 minimum quarterly AUM fee.

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

FINANCIAL PLANNING FEES

Personal Wealth Management Website

Access to a Personal Wealth Management Website is complementary to clients meeting our current minimum quarterly AUM fees and engaged under a Responsive Portfolio Management (RPM) Engagement Agreement. Those who have not updated their engagement agreement to an RPM Agreement that would like access to the site will be offered a new engagement agreement. Those existing clients who do not meet the \$3,000 quarterly minimum AUM fee may subscribe to the site for \$300 per quarter, annualized, \$1,200, with a \$1,200 minimum subscription. This service is automatically renewed.

Personal Wealth Management Site Services

Any client may request our Site Set-Up and Maintenance Services, which cost an additional \$300 per quarter, \$1,200 minimum. This service is automatically renewed.

A subscription to the Personal Wealth Management Web Site, complete personal data entered and all financial asset accounts aggregated on the site are required before the following services may be requested by the client.

Foundational Planning, the RFG Multi-Disciplinary Financial Plan

Your Personal Wealth Management Web Site must first be established utilizing our Set-Up and Maintenance Services. Fees for this plan are then an additional \$300 per quarter to \$1,200, fixed, not automatically renewed. Making the total cost of this plan \$3,600-\$4,800. New RFG clients requesting this service will receive a \$1,000 discount in the New Client Engagement Fee.

Retirement Reality Planning, the RFG Cash Flow Based Retirement Income Plan

May be requested with the **RFG Multi-Disciplinary Financial Plan**. Fee is an additional \$300 per Quarter, \$1,200 minimum and is not automatically renewed.

RFG "I Just Want to Know" Financial Planning Modules

Are available to clients with our Personal Wealth Management Website for a flat fee of \$1,200 each for the he following financial planning modules:

- Asset Protection Analysis
- Business Insurance Needs Analysis
- Estate Planning Financial Analysis

Half of the fee (\$600) is due in advance.

All other financial planning modules are \$600 each payable in advance.

Custom Consulting, Speaking, Teaching, or Travel Related

Quoted Flat Fee per engagement contracted service

Daily fee of \$3,000 for Teaching, Speaking, or nights away from home for requested services

Hourly:

Senior Advisor: \$300 per hour

Portfolio Manager or Financial Planner: \$175 per hour

Support Staff for data input or update: \$75 per hour

ADVISORY REFERRAL SERVICE FEES

We do not charge a fee to any client for referrals to TMFS – Chicago Inc., (“TMFS”). Fees for such referrals are paid by TMFS as a percentage of the fees TMFS receives from the client. Client advisory fees are not increased in any way as a result of our referral of any clients to TMFS. We will receive 20% of the advisory management fee paid by the client to TMFS for a period not to exceed seven (7) years.

Clients will receive a separate disclosure document describing the fee paid to us by TMFS. Clients should refer to TMFS's disclosure document (Form ADV Part 2) for information regarding its fees, billing practices, minimum required investments and termination of advisory agreements.

GENERAL INFORMATION

Limited Negotiability of Advisory Fees: Although RFG 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 are 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 is 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.

At RFG's discretion, substantial client assets in cash or cash equivalents will not be included when calculating the fee.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded as described in Client's engagement agreement..

Mutual Fund Fees: All fees paid to RFG 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.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that are charged to clients.

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 the minimum account size requirements and advisory fees in effect at the time the client entered into their engagement agreement. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: RFG is deemed 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, RFG 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 are available from other registered (or unregistered) investment advisers for similar, higher or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

RFG does not charge performance-based fee. Therefore, there are no conflicts of interest created by having some clients accounts charged such a fee, managed “side-by-side” with other accounts not paying such a fee..

ITEM 7 TYPES OF CLIENTS

RFG offers or 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)
- Trusts, Foundations & Associations
- Corporations or other businesses not listed above

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to increase our understanding of the market’s or security’s susceptibility to loss, or opportunity to achieve gains..

Fundamental Analysis. We attempt to evaluate a manager’s or index’s, techniques, appropriateness to investment objectives or market, disciplines, operational efficiencies, multiple period performance history and specific holdings. We seek to ensure that appropriate, intrinsic value and fundamental economic and market factors are being utilized by the managers of the securities we invest in.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as 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 stock.

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 gain a sense of potentially unusual market risks or opportunities.

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.

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. Where we have significant doubt about data, ratings or other data-centric scoring factors, we will use judgment and experience to attempt to sidestep significant perceived risks. It is not possible to predict nor manage to a specific return. Nor is it possible to avoid all kinds of investment related risks simultaneously. We seek to manage exposures to risks in a manner suitable to the investment policy of each portfolio.

INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

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.

Margin transactions. Only if specifically directed by client will we 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.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option writing. Only if specifically directed by client will we 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 may buy a call if we believe 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 may buy a put if we believe 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 may also use options to “hedge” a purchase of the underlying security; in other words, we use an option purchase to limit the potential upside and downside of a security in your portfolio.

We may 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 may 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.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

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. There are no such items to disclose.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Benjamin Baldwin, in his individual capacity, is also an agent for various insurance companies. He is however, inactive and retains his license only for advisory purposes. While technically, he is able to receive separate, yet customary commission compensation resulting from implementing product transactions, the only commissions he receives are for pre-existing disability and long term care policies. In calendar year 2010 these commissions totaled less than \$2,000. Mr. Baldwin does not and will not enter into new product sale transactions which generate commissions for himself, RFG or any related party. Clients, are not under any obligation to engage Mr. Baldwin when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client, and Mr. Baldwin's assistance would be provided only for a pre-disclosed fee paid by the client to Responsive Financial Group, Inc. under a standard engagement agreement.

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.

RFG 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.

RFG'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 ben@rfgweb.com, or by calling us at (847) 670-8000.

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

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

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

ITEM 12 **BROKERAGE PRACTICES**

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct RFG as to the broker-dealer to be used.

RFG typically establishes client brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we typically encourage clients to establish accounts at Schwab, it is the client's decision to custody assets with Schwab. RFG is independently owned and operated and not affiliated with Schwab. We expect to open custodial relationship options with additional custodians by the end of 2011.

Clients should note, while RFG has a reasonable belief that Schwab is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers.

Schwab provides RFG with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit RFG but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client

accounts;

- provide research, pricing and other market data;
- facilitate payment of our fees from clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to RFG. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

RFG will 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-rata 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. RFG 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.

RFG'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 RFG, 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 RFG 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, a written 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 commissions 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. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. RFG'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.
9. Funds and securities for aggregated orders are clearly identified on RFG's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

ITEM 13 REVIEW OF ACCOUNTS

MODEL PORTFOLIO MANAGEMENT

Risk-Adjusted Portfolios

REVIEWS: While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. 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 Benjamin Baldwin III, President.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide at least quarterly reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

INVESTMENT SUPERVISORY SERVICES

Custom Portfolio Management

REVIEWS: While the underlying securities within Custom Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. 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 Benjamin Baldwin III, President.

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. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

PORTFOLIO MONITORING

Responsive Advisement & Reporting

REVIEWS: While the underlying securities within Portfolio Monitoring accounts are continually monitored, these accounts are reviewed monthly. 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 Benjamin G. Baldwin III, President.

REPORTS: In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, RFG will provide at least quarterly reports summarizing account performance, balances and holdings.

PENSION CONSULTING

Institutional and ERISA Plans Selection and Monitoring

REVIEWS: RFG will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. RFG will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by Benjamin G. Baldwin III and Pranav Mahadevia.

REPORTS: These client accounts will receive reports as contracted for in the engagement agreement.

FINANCIAL PLANNING

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 Financial Planning and Personal Retirement Planning clients unless otherwise contracted for.

REPORTS: Financial Planning and Personal Retirement Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

RFG's does not at this time engage solicitors or pay any related or non-related persons for referring clients to our firm. However, RFG may compensate a person (defined as a natural person or a company) for client referrals, (the "Solicitor"). RFG is aware of the special promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by RFG and all applicable Federal and/or State laws will be observed.

It is RFG'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.

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

ITEM 16 INVESTMENT DISCRETION

Clients hire us to provide discretionary asset management services. We place trades in 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. RFG may choose to terminate the engagement agreement should the restrictions requested by the client prove onerous or if in RFG's judgment the restrictions could make it difficult, inefficient or impossible to maintain an appropriate investment policy.

ITEM 17 VOTING CLIENT SECURITIES

We vote proxies for all non-ERISA client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Benjamin Baldwin by email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Benjamin Baldwin by email, or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at (847) 670-8000 or by email to info@rfgweb.com.

ITEM 18 FINANCIAL INFORMATION

RFG has 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.

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