

Disclosure Brochure

September 2011

Burns Advisory Group/Executive Financial Group

“BAG/EFG”

a Registered Investment Adviser

9401 Cedar Lake Ave.
Oklahoma City, Ok 73114

(405) 478-1971

6440 N. Central Expressway, Suite 820
Dallas, TX 75201

(214) 473-9200

187-B Boston Post Road
Old Lyme, CT 06371

(860) 434-5999

www.burnsag.com/www.efgcorp.com

This brochure provides information about the qualifications and business practices of Burns Advisory Group/Executive Financial Group (hereinafter “BAG/EFG”). If you have any questions about the contents of this brochure, please contact Joy Parduhn at (405) 478-1971 or (888) 478-1971. 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 BAG/EFG is available on the SEC’s website at www.adviserinfo.sec.gov.

BAG/EFG is an SEC registered investment adviser. Registration does not imply any level of skill or training.

ITEM 2: MATERIAL CHANGES

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This disclosure brochure is a new document prepared according to the SEC's new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

Burns Advisory Group's last annual update was on March 31, 2011. Executive Financial Group's last annual update was on June 30, 2011.

July 1, 2011: The fee schedule for Executive Financial Group was changed to 1% of assets under management annually for all asset levels.

September 30, 2011: Burns Advisory Group and Executive Financial Group merged. This changes the ownership, with John Burns and Jerry Georgopoulos both owning 50% of the combined business.

For Executive Financial Group Clients:

Item 4: Financial Planning Consulting and 401k Fiduciary Services are provided by the Firm.

Item 5: Fees are charged in advance instead of in arrears.

Item 7: For new Clients, there is generally a minimal annual fee of \$7,500 for Wealth Management Services.

Item 8: Previously, Jerry Georgopoulos solely made investment decisions for Clients. Investment decisions will be made by an Investment Committee, including Jerry Georgopoulos.

Item 10: Certain Supervised Persons, in their individual capacities, are licensed insurance agents with various insurance companies.

Item 12: A soft-dollar relationship exists with Charles Schwab.

Item 12: BAG/EFG does not use "directed brokerage," which means that BAG/EFG may not execute trades at another financial institution on behalf of the Client.

Item 14: The Firm participates in the Schwab Advisor Network, paying Schwab for referring clients.

Item 17: Proxies are voted.

For Burns Advisory Group Clients:

Item 4: Executive Services are provided by the Firm.

- Item 8: Jerry Georgopoulos is included in the Investment Committee, providing investment advice to Clients.
- Item 11: No Supervised Person may personally trade in stock, bonds or derivatives of companies with which the Firm has an Executive Services agreement.
- Item 10: Jerry Georgopoulos completes tax filings for some individuals separately.
- Item 12: BAG/EFG does not use “directed brokerage,” which means that BAG/EFG may not execute trades at another financial institution on behalf of the Client.
- Item 15: An additional form of custody exists with annual prepayment of fees for Executive Services. Accounts have a surprise audit, and a balance sheet is provided to companies using Executive Services.

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ITEM 4: ADVISORY BUSINESS

Advisory Firm Description

Burns Advisory Group ("BAG") has been in business as a registered investment advisor since February 9, 2004. Executive Financial Group ("EFG") has been a registered investment adviser since October 2002. Burns Advisory Group and Executive Financial Group merged in September 2011. John Burns and Jerry Georgopoulos both own 50% of the combined business. Thomas McGuigan is a Principal in the Connecticut office. Hereinafter, the business will be referred to as "BAG/EFG" or the "Firm."

While this brochure describes the business of BAG/EFG, some sections will also describe the activities of "Supervised Persons," which include officers, employees or any others providing investment advice under the Firm's supervision.

Types of Advisory Services

BAG/EFG provides its Clients with the following services, which are defined in greater detail below.

- Wealth Management
- Financial Planning Consulting
- 401(k)/Retirement Plan Fiduciary
- Executive Services

Before engaging BAG/EFG in any services, individuals ("the Client") will complete a written agreement with BAG/EFG that describes the terms and conditions of the service(s), including fees. In some cases, Clients may complete more than one agreement. Neither BAG/EFG nor the Client may assign the agreement without the consent of the other party. A transaction that does not result in a change of actual control or management of BAG/EFG is not considered an assignment.

Wealth Management Services

These services may include:

- Designing, implementing, monitoring and maintaining an investment plan detailing the Client's risk tolerance, economic assumptions and target asset allocation.
- Advising on specific financial issues.
- Establishing financial goals.
- Reviewing and providing a statement of current financial position.
- Analyzing cash flow.
- Reviewing debt management.
- Coaching or validation in addressing a particular financial topic.

Clients may engage BAG/EFG to manage all or a portion of their investment assets on a discretionary basis. From the information gathered above, BAG/EFG prepares an

investment strategy tailored to the individual needs of the Client. This strategy includes an asset allocation and specific recommended investments to complete the allocation. BAG/EFG may also prepare an Investment Policy Statement.

Upon approval by the Client, BAG/EFG implements and manages the investment portfolio by:

- Selecting specific investments
- Placing trades in the Client's account
- Rebalancing the account as necessary

Client portfolios being transferred to BAG/EFG's management may include cash or securities. After consultation with the Client, BAG/EFG may liquidate transferred securities as part of the investment strategy. This action may subject the Client to taxes, transaction fees, or other investment-related costs. If the Client wishes to retain existing securities, the Client needs to notify BAG/EFG.

BAG/EFG may also provide investment advice on other assets a Client owns, such as employer-sponsored retirement plans, annuities, or other assets held by the Client. When providing this advice, BAG/EFG recommends the allocation of assets and assists the Client in executing the details of the allocation. In this case, Client assets remain at the retirement plan, insurance company or other custodian.

The implementation of an investment plan is only a first step. BAG/EFG monitors the investments recommended for Client portfolios on a regular basis through its Investment Committee. BAG/EFG recommends that Clients meet with a representative at least annually to review their specific portfolio. Finally, BAG/EFG advises Clients to notify the Firm as soon as possible if their financial situation or investment objectives should change.

Financial Planning Consulting Services

BAG/EFG may provide Financial Planning Consulting to Clients on a broad range of issues including retirement planning, education funding, tax planning, charitable giving, business succession, risk management, estate planning, financial aspects of divorce, and other services agreed to in writing.

BAG/EFG provides specific recommendations to Clients who engage the Firm for Financial Planning Consulting. BAG/EFG may recommend the services of professionals, including BAG/EFG itself, to implement the recommendations. The Client retains absolute discretion over all implementation decisions and is under no obligation to act upon any of the recommendations. Clients should be aware that a conflict of interest exists if BAG/EFG recommends its own services as part of the recommendations. BAG/EFG advises Financial Planning Consulting Clients that it is their responsibility to notify BAG/EFG of changes in their objectives or financial situation.

When performing services to a Client, BAG/EFG requests information from the Client and possibly other professionals such as the Client's tax advisor, insurance agent, attorney, etc. When relying on information from others, BAG/EFG is not liable for errors

in the information provided and is not required to independently verify the information provided.

401(k)/Retirement Plan Fiduciary Services

BAG/EFG may serve as a fiduciary to plan sponsors, investment committees and participants of 401(k) and other retirement plans. We assist plan sponsors and investment committees in developing processes that provide documentation and prudent rationales for plan decisions. BAG/EFG also helps them fulfill their responsibilities by performing recurring reviews, due diligence, and benchmarking of plan features, investment options and costs. BAG/EFG serves as an advocate for Clients in dealing with plan service providers and can manage requests for proposals ("RFPs") as needed. For participants, BAG/EFG offers ongoing education through group meetings, as well as individual guidance regarding participant accounts and investments.

Executive Services

The Firm is often hired by companies for the benefit of their corporate executives. The company may pay the Firm to provide these executives:

- Tax planning and preparation
- Estate planning
- Insurance planning
- Employee benefit analysis
- Retirement planning
- Quarterly written statements

The Firm provides Executive Services recipients with quarterly statements of net worth, stock option charts, tax projections, tax returns, estate planning flow charts, insurance sufficiency models and retirement cash flow models. In addition, some of these executives may wish to hire the Firm to provide additional wealth management services, which are outlined above. The individuals pay for these services directly.

Comments Regarding Additions and Withdrawals to Accounts

Clients may make additions to and withdrawals from their account at any time, subject to BAG/EFG's right to terminate an account (see "Fees and Compensation", Item 5) and subject to normal securities settlement procedures. BAG/EFG designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's objectives unless BAG/EFG is aware of withdrawal needs in advance and has incorporated those needs into the investment strategy.

Tailored Advisory Services

Clients may impose restrictions on investing in certain securities.

Client Assets Under Management

Combining the accounts managed by both Firms as of December 31, 2010, BAG/EFG managed \$495,297,073 in discretionary assets. The Firm advised on \$108,730,618 in non-discretionary assets.

ITEM 5: FEES AND COMPENSATION

BAG/EFG offers its services to Clients on a fee basis. To engage BAG/EFG, the Client (or employing company in the case of Executive Services) is required to enter into a written agreement with BAG/EFG setting forth the terms and considerations of the engagement.

Wealth Management Fees

BAG/EFG provides Wealth Management Services to Clients (not in an Executive Services program) for a fee based upon a percentage of the market value of the assets under management. This fee is generally 1% annually, but may be higher or lower depending upon the size of the Client's portfolio and the services to be provided. BAG/EFG may charge a lower fee based on other factors such as anticipated additional assets, related accounts, pre-existing Client, *pro bono* activities, etc. The fee will be fully disclosed to Clients in writing before the engagement begins. The fee is charged quarterly, in advance, based upon the market value of assets on the last day of the previous quarter as valued by the custodian. Management fees shall be prorated for each capital contribution and withdrawal of \$100,000 or more made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. When a relationship begins during a quarter, the first fee is charged upon investing the assets. Upon termination of any account, any prepaid fees will be refunded promptly.

Wealth Management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by managers, custodial fees, exchange fees, deferred sales charges, odd-lot differentials, margin interest, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. When BAG/EFG 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 BAG/EFG's investment management fee where the fund is included in the asset base for the quarterly fee calculation. 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 provided to each Client by the custodian. (This set of fees also applies to any money market fund purchased in the Client's account.) 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 BAG/EFG, which would also negatively affect the Firm's ability to deliver its services efficiently. Not all mutual fund trades enacted by

BAG/EFG incur this transaction fee. When recommending mutual funds for Client portfolios, BAG/EFG only recommends no-load funds.

Factors that BAG/EFG considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions) are further described in Item 12.

Custodians and broker-dealers BAG/EFG currently uses for Clients include, but are not limited to, Schwab & Co., Inc. ("Schwab"), Fidelity Institutional Wealth Services ("Fidelity"), TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"). BAG/EFG's agreement with Clients and its separate agreement with any financial institution may authorize BAG/EFG to debit the Client's account for the amount of BAG/EFG's fee. Any financial institutions recommended by BAG/EFG have agreed to send a statement to the Client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to BAG/EFG. The Client is reminded to review this statement regularly.

Financial Planning Consulting Fees

Financial Planning Consulting fees may be set on a fixed basis or an hourly basis, as agreed to in writing between BAG/EFG and the Client. Financial Planning Consulting fees generally range from \$2,500 to \$15,000 on a fixed basis, or \$250 per hour. The fixed fees are based upon the scope of the consulting services. If a Client engages BAG/EFG for Financial Planning Consulting, and then retains BAG/EFG for Wealth Management Services, BAG/EFG may reduce the Wealth Management Fee based on some or the entire amount paid for Financial Planning Consulting.

Clients choosing Financial Planning Consulting will enter into a written agreement with BAG/EFG setting forth the terms and conditions of the engagement. Generally, BAG/EFG requires one-half of the Consulting Services fee when the agreement is executed. The balance is generally due upon completion of the services, which occurs within a six-month period, assuming the Client provides required information in a timely manner.

Executive Services Fees

The Executive Services fee is negotiated on an annual basis with the sponsoring corporation and is paid by the corporation to BAG/EFG annually in advance.

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

Fees must be disclosed that are based on performance (such as a share of the capital gains or capital appreciation), or side-by-side management (which is when some clients pay fees based on performance while others pay fees based on assets under management).

BAG/EFG does not charge any performance-based fees or engage in side-by-side management.

ITEM 7: TYPES OF CLIENTS

BAG/EFG provides investment advice and manages wealth management accounts for high net worth individuals, pension and profit sharing plans, trusts, estates, municipalities, corporations and business entities.

Minimum Account Size and/or Fees

For new Clients, BAG/EFG generally has a minimum annual fee of \$7,500 for Wealth Management Services. This minimum fee may make BAG/EFG's Wealth Management Services impractical for Clients with less than \$500,000 under BAG/EFG's management. BAG/EFG, in its sole discretion, may accept Clients with smaller portfolios based on factors such as anticipated additional assets, related accounts, *pro bono* activities, etc. BAG/EFG may aggregate the portfolios of family members to meet the minimum portfolio size.

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

Methods of Analysis

BAG/EFG's primary method of analysis is a fundamental analysis of an investment's price, its expected income and returns, and applicable risks.

BAG/EFG does this by evaluating the current market prices and/or expected income for broad asset classes such as bonds, real estate and stocks. The figures for each asset class are then compared to the figures of other asset classes. In addition, BAG/EFG will compare the current figures to historical data where available in order for BAG/EFG to view the numbers with a broader perspective. When the price of an investment appears low or attractive relative to its expected income, risks or other alternatives, BAG/EFG often may place greater emphasis on that investment in recommended portfolios. This analysis may, for example, lead BAG/EFG to emphasize stocks over real estate or certain types of stocks over other types of stocks. Emphasizing lower priced investments over higher priced investments is sometimes termed "value investing." Although BAG/EFG believes that buying assets at what appear to be relatively attractive values will provide higher expected returns over time, the value of these investments may decline and it may take months or years for an investor to be rewarded for such a strategy. Conversely, asset classes that appear to be expensive can perform well and become even more expensive, and during these cycles value investing may underperform broad market averages. This form of investing best serves those willing to invest for the long term.

Investment Strategies

BAG/EFG uses an asset allocation strategy in managing its Clients' assets, using individual equities and bonds, exchange traded funds, mutual funds and annuity sub-accounts. Investment decisions are made collectively by the Investment Committee. The key members include: John Burns (Co-CEO), Jerry Georgopoulos (Co-CEO), Timothy Courtney (CIO) and Thomas McGuigan (Principal of Connecticut office).

Supplements for all members of the Investment Committee follow this brochure. When providing Clients with Wealth Management Services, BAG/EFG prepares an evaluation of each Client's economic situation. BAG/EFG pays particular attention to the amount and timing of all expected cash flows (such as education and living expenses, pension and social security income, and charitable and family gifting). Once these cash flows have been estimated, BAG/EFG establishes a cash flow timeline. BAG/EFG uses this timeline to determine the amount and frequency in which Clients will need to withdraw from their investments. The cash flow timeline is a primary factor in determining BAG/EFG's recommendations for the allocation and investment of Client funds. The recommended investment allocation is subject to a *Monte Carlo* analysis, which is a class of computational algorithms that rely on repeated random sampling to compute results, so that BAG/EFG may estimate the likelihood that the allocation will meet the Client's needs and goals over time. BAG/EFG also assesses how investments may perform under various conditions and risks such as high inflation/decline of the US dollar, rising interest rates and market volatility.

Investment Allocation

BAG/EFG recommends allocations consisting of two primary components: a fixed income/alternative component and an equity component.

The *fixed income/alternative component* is conservatively invested and is often used to provide cash to Clients when they need to take withdrawals from their accounts. Because the component is conservatively positioned, it generally produces lower returns. BAG/EFG attempts to manage these investments with the goal of achieving a return equal to or greater than inflation. This component may include investments in high-quality government bonds and corporate bonds, certificates of deposit, foreign bonds, preferred stocks, bank loans, lower quality bonds, real estate, and income investment strategies, among others. BAG/EFG attempts to manage risks such as inflation and interest rate risk by diversifying this component into many investments with different characteristics, including private issues.

The *equity component* provides the potential for growth and is used primarily to hedge longevity/asset depletion risk for Clients who may be withdrawing from their assets for long periods of time, as occurs in retirement. This component is invested for growth by taking ownership stakes in public and private companies. As there is no "free lunch," this growth is not obtainable without the Client assuming the risk for market volatility; the Client will not know if, and when, these risks will result in a return. However, BAG/EFG attempts to reduce and manage these risks by properly diversifying the equity portfolio and ensuring that the Client is holding an adequate amount of assets in the fixed income/alternative component. Investments in the equity component typically include U.S. and international companies, as well as large, mid-sized and small companies. In addition, BAG/EFG's recommended equity component includes more small and lower-priced companies than typical market indices such as the S&P 500 because these companies have generally outperformed larger and higher-priced companies.

Monitoring and Rebalancing

BAG/EFG generally monitors Client allocations weekly to determine if any changes are necessary. Rebalancing occurs when a particular investment weighting grows above or falls below an acceptable "band." For example, if BAG/EFG recommends that an investment comprise ten percent (10%) of the Client's assets, a rebalancing might take place if the actual weighting is below eight percent (8%) or above twelve percent (12%). BAG/EFG will make the necessary trades to bring an allocation back into balance. However, for those Clients who engage BAG/EFG for consulting services for monies held elsewhere, BAG/EFG may recommend rebalancing, but will not have the capability to enact the rebalancing.

BAG/EFG manages and rebalances accounts while considering tax consequences. BAG/EFG recommends holding investments in the type of account (IRA or taxable account) that is most practical from a tax perspective in an attempt to achieve the highest after-tax return.

Risk of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment of any kind involves risks, including the loss of principal and/or purchasing power. BAG/EFG generally utilizes open-ended mutual funds and ETFs in managed portfolios, although BAG/EFG may use other investment vehicles including use of outside managers, closed-end funds and Exchange Traded Notes (ETNs), as well as individual securities such as stocks and bonds. Each investment has its own unique set of risks including the risk of loss or selling an investment at a price lower than the price at which it was purchased.

Mutual funds, exchange traded funds and exchange traded notes carry internal expenses which make them unable to exactly match the returns of the underlying issues on an aggregate basis. Individual securities contain market, sector, country and business risk. Volatile markets may exaggerate these risks for any security or class of securities.

Private securities contain additional risks, depending upon the underlying investment(s), which should be clearly outlined in the offering documents. On a generic basis, such investments hold the risk of being unregulated, the risk of being a younger/newer entity with unproven management, and significant valuation risk.

Market and Other Risks

Investing in securities always involves the risk of loss, which each Client should be prepared to bear. The Client understands that investment recommendations made for the account by BAG/EFG are subject to various market, currency, economic, political and business risks. These risks include, but are not limited to, price declines and volatility, potential illiquidity, interest rate and inflation risks, and default risk. BAG/EFG does not guarantee the future performance of the account or any specific level of performance, the success of any investment recommendations that BAG/EFG may use,

or the success of BAG/EFG's overall management of the account or any security bought or sold for the Client's account.

Timing risk, the risk of having to sell an investment at a loss to raise cash, is a primary risk for investors. While BAG/EFG attempts to manage timing risk and other risks in portfolios, there can be no assurance that these risks will not have an adverse effect on Client balances, especially over short time periods.

ITEM 9: DISCIPLINARY INFORMATION

BAG/EFG is required to disclose the facts of any legal or disciplinary events that are material to a Client's evaluation of its advisory business or integrity of management.

There have been no disciplinary actions against BAG/EFG or its management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Jerry Georgopoulos completes tax filings for some individuals separately. He spends approximately 5-10% of his time on this aspect of the business.

Certain of BAG/EFG's Supervised Persons, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While BAG/EFG does not sell such insurance products to its wealth management Clients, BAG/EFG does permit its Supervised Persons, in their individual capacities as licensed insurance agents, to sell insurance products to its wealth management Clients. A conflict of interest exists to the extent that BAG/EFG recommends the purchase of insurance products where BAG/EFG's Supervised Persons receive insurance commissions or other additional compensation.

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

Code of Ethics

BAG/EFG 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 "Supervised Persons") and focuses on three specific areas where Supervised Person conduct has the potential to adversely affect the Client: misuse of confidential information; personal securities trading and 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 Supervised Persons to adhere:

- Clients' interests come before Supervised Persons' personal interests and before the Firm's interests.

- The Firm must fully disclose all material facts about conflicts of which it is aware between the Firm and its Supervised Persons' interests on the one hand and Clients' on the other.
- Supervised Persons 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 Supervised Persons must not take inappropriate advantage of their positions of trust with or responsibility to Clients.
- The Firm and its Supervised Persons 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. Supervised Persons may not convey nonpublic information nor depend upon it in placing personal or Client securities trades.

Personal Securities Trading

BAG/EFG or individuals associated with the Firm ("Supervised Persons") may not anticipate equity trades to be placed in Client accounts. Supervised Persons are permitted to buy or sell securities that it also recommends to Clients but must obtain preapproval before participating in certain investments such as initial public offerings and limited offerings. No Supervised Person may trade in stock, bonds or derivatives of companies with which the Firm has an Executive Services agreement.

Unless specifically permitted in BAG/EFG's Code of Ethics, none of BAG/EFG's Supervised Persons may effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the Supervised Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of BAG/EFG's Clients.

When BAG/EFG is purchasing or considering for purchase any security on behalf of a Client, no Supervised Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when BAG/EFG is selling or considering the sale of any security on behalf of a Client, no Supervised Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Supervised Persons 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

Supervised Persons 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 or the Supervised Person may be directed to cease such activity. Firm personnel may be directors of publicly traded entities only with prior approval of the Chief Compliance Officer.

ITEM 12: BROKERAGE PRACTICES

BAG/EFG generally recommends that Clients utilize the brokerage and clearing services of Schwab, Fidelity or TD Ameritrade as their custodian, although other custodians may also be used by BAG/EFG. As a fiduciary for Clients, the Firm considers the following in evaluating custodians and best execution:

- Financial strength and stability
- Reputation
- Execution
- Pricing
- Research
- Competitive commission structure
- Range of mutual funds available
- Quality of reporting
- Information on the Internet
- Availability of service staff
- Accessibility of branches

Schwab, Fidelity and/or TD Ameritrade enable BAG/EFG to obtain many mutual funds without transaction charges and obtain other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab, Fidelity and/or TD Ameritrade may be higher or lower than those charged by other financial institutions. The commissions paid by BAG/EFG's Clients comply with BAG/EFG's duty to obtain "best execution." BAG/EFG seeks competitive rates but may not necessarily obtain the lowest possible commission rates for Client transactions. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a financial institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

Research and Other Soft-Dollar Benefits

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist BAG/EFG in its investment decision-making process. Such research generally will be used to service all of BAG/EFG's Clients, but brokerage commissions paid by one Client may be used to pay for research that is not used in managing that Client's portfolio. Additionally, Schwab, Fidelity and TD Ameritrade provide the Firm with access to electronic downloads of Client data, newsletters, seminars and conferences. The

receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because BAG/EFG does not have to produce or pay for the products or services.

“Soft dollars” is a term applied to commission revenue generated by Client trades which is then used to pay for services provided to an investment advisor. These services must apply to benefit Clients and include research and other related services as defined by Section 28(e) of the Securities and Exchange Act of 1934.

BAG/EFG may receive from Schwab, Fidelity and/or TD Ameritrade, without cost to BAG/EFG, computer software and related systems support, which allow BAG/EFG to better monitor Client accounts maintained at Schwab, Fidelity and/or TD Ameritrade. BAG/EFG may receive the software and related support without cost because BAG/EFG renders investment management services to Clients that maintain assets at Schwab, Fidelity and/or TD Ameritrade. The software and related systems support may benefit BAG/EFG, but not its Clients directly. In fulfilling its duties to its Clients, BAG/EFG endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that BAG/EFG’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence BAG/EFG’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services. In addition, BAG/EFG may receive a discount on PortfolioCenter® software service from Schwab so long as BAG/EFG maintains a minimum level of Client assets at Schwab.

BAG/EFG receives a price discount from Schwab for the portfolio rebalancing program for advisors, known as “iRebal.” The standard iRebal annual license fee applicable to BAG/EFG is \$20,000, which may be reduced or completely waived if specific amounts of Client assets are either already on the Schwab platform or are committed to being placed on there, excluding assets in ERISA plans. Although BAG/EFG believes that the products and services offered by Schwab are competitive in the marketplace for similar services offered by other broker-dealers or custodians, the arrangement with Schwab as to the iRebal service impacts BAG/EFG’s independent judgment in recommending Schwab as the broker or custodian for Client accounts.

Additionally, BAG/EFG may receive the following benefits from Schwab, Fidelity and TD Ameritrade through their respective Institutional divisions (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving BAG/EFG participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to BAG/EFG by third-party vendors.

Brokerage for Client Referrals

BAG/EFG has entered into an agreement with Schwab, an independent and unaffiliated broker-dealer, to participate in Schwab Advisor Network™ (“SAN”), an advisor

referral service designed to help investors find an independent professional investment manager in their area. BAG/EFG has agreed to pay Schwab a fee for participating in SAN. This fee covers all Client referrals made to BAG/EFG by Schwab, and may be increased, decreased or waived by Schwab from time to time. BAG/EFG does not charge Clients introduced through SAN fees or costs greater than the fees or costs BAG/EFG charges its advisory Clients who were not introduced through SAN and who have similar assets under management with BAG/EFG and receive similar services. BAG/EFG's participation in SAN may raise potential conflicts of interest. BAG/EFG's referral fee to Schwab is lower if accounts thereafter remain in the custody of Schwab rather than another broker-dealer. Any recommendation to use Schwab as the broker-dealer shall be consistent with BAG/EFG's duty of best execution as further discussed above.

Directed Brokerage

Clients are not allowed to request that trades be enacted through a specific broker. BAG/EFG requires Clients to use one of the Firm's recommended broker-dealers as account custodian. Not all advisors require their clients to use a particular custodian or broker.

Order Aggregation

Transactions for each Client generally will be effected independently, unless BAG/EFG decides to purchase or sell the same securities for several Clients at approximately the same time. BAG/EFG may (but is not obligated to) combine or "block" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among BAG/EFG's Clients' differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among BAG/EFG's Clients pro rata to the purchase and sale orders placed for each Client on any given day, with each account receiving the same terms. Not all aggregated trades provide commission advantages to trade participants.

The proportion in which participating accounts will share transactions will be determined by the Firm on the basis of investment objectives, cash availability, expected cash and liquidity needs and other relevant factors. The overarching principle for that allocation is that no Client is intentionally favored over another Client that is similarly situated.

ITEM 13: REVIEW OF ACCOUNTS

For Wealth Management Services Clients, BAG/EFG monitors those Client portfolios as part of an ongoing process. Account reviews are offered to Clients on at least an annual basis. Clients are encouraged to meet with the Firm on a quarterly basis. Additional reviews may be triggered by events such as a Client meeting, change in a Client's risk tolerance, financial position or investment objective, change in a company or fund's management, unusual market or economic circumstances or other unforeseen events.

For Consulting Services Clients, reviews are conducted on an "as needed" basis. All Client reviews are conducted by one of BAG/EFG's investment adviser representatives.

Clients are encouraged to keep BAG/EFG informed of changes in their financial status or in their needs, goals, objectives, risk tolerance or other factors related to their investments.

Unless otherwise agreed upon, Clients are provided with transaction confirmations and account statements directly from the custodian of their accounts. Wealth Management Services Clients may also receive account reports directly from BAG/EFG. These may include an inventory of account holdings as well as investment performance. The Firm provides all Investment Management Clients with a written annual report of Investment Management fees paid. Other reports may be provided as requested by Clients.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

If a Client is introduced to BAG/EFG by either an unaffiliated or an affiliated solicitor, BAG/EFG may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any referral fee shall be paid solely from BAG/EFG's investment management fee, and will not result in any additional charge to the Client. If the Client is introduced to BAG/EFG by an unaffiliated solicitor, the solicitor shall provide the Client with a copy of BAG/EFG's written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of BAG/EFG will disclose the nature of his/her relationship to prospective Clients at the time of the solicitation and will provide all prospective Clients with a copy of BAG/EFG's written disclosure statement at the time of the solicitation.

ITEM 15: CUSTODY

Since the Firm is given authority by its Clients to deduct its investment management fee directly from the Client accounts, the SEC deems the Firm to have a form of custody. (Custody is defined as the Firm's having any access to Clients' cash or securities.) Additionally, since the Executive Services program pays the Firm annually in advance, this is also considered a form of custody. Accounts under this program are surprise audited on an annual basis, and the Firm's balance sheet is provided to the companies that prepay services annually. The Firm has no *actual* custody of Client securities or funds.

Clients are required to open accounts with qualified custodians for cash and publicly traded securities. These custodians send Clients monthly or quarterly account statements directly. 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 BAG/EFG. If the Client finds significant discrepancies, the custodian and BAG/EFG should be notified.

ITEM 16: INVESTMENT DISCRETION

BAG/EFG is given the authority to exercise discretion on behalf of Clients, which means it can effect transactions for the Client without first having to seek the Client's consent.

BAG/EFG is given this authority through a power of attorney included in the agreement between BAG/EFG and the Client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). BAG/EFG takes discretion over the following activities:

- The securities to be purchased or sold
- The amount of securities to be purchased or sold
- When transactions are made

ITEM 17: VOTING CLIENT SECURITIES

BAG/EFG subscribes to a third party for the voting of Client proxies. Clients must sign the custodian document that allows BAG/EFG to vote. Clients may contact BAG/EFG to request information about how proxies were voted for that Client's securities.

- The third party's guidelines have been reviewed and adopted by the Firm.
- Clients can direct BAG/EFG's vote on a particular solicitation.
- Clients can revoke BAG/EFG's authority to vote proxies by signing the account custodian proxy voting document to remove BAG/EFG.

ITEM 18: FINANCIAL INFORMATION

There are no financial conditions that exist which might negatively affect the Firm's ability to provide services to its Clients.

EFG's balance sheet as of 12/31/2010 has been provided to companies prepaying for Executive Services on an annual basis, and is posted with this document on the SEC's website. www.adviserinfo.sec.gov.

EFG CORP.

BALANCE SHEET

YEAR ENDED DECEMBER 31, 2010

EFG CORP.
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YEARS ENDED DECEMBER 31, 2010

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LarsonAllen[®] LLP

CPAs, Consultants & Advisors
www.larsonallen.com

INDEPENDENT AUDITORS' REPORT

Stockholders and Board of Directors
EFG Corp.
Dallas, Texas

We have audited the accompanying balance sheet of EFG Corp. (the Company) as of December 31, 2010. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit of the balance sheet provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of EFG Corp. as of December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP

LarsonAllen LLP

Dallas, Texas
June 21, 2011

**EFG CORP.
BALANCE SHEET
DECEMBER 31, 2010**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 98,929
Accounts Receivable	157,894
Total Current Assets	<u>256,823</u>

PROPERTY AND EQUIPMENT

Office Equipment	12,448
Less: Accumulated Depreciation	<u>(3,832)</u>
Net Property and Equipment	8,616

OTHER ASSETS

Security Deposit	<u>2,112</u>
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Total Assets	<u><u>\$ 267,551</u></u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 20,312
Deferred Revenue	5,175
Franchise Tax Payable	4,309
Current Portion of Capital Lease	<u>1,304</u>
Total Current Liabilities	31,100

LONG-TERM LIABILITIES

Capital Lease - Net of Current Portion	<u>3,026</u>
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Total Liabilities	34,126
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STOCKHOLDERS' EQUITY

Common Stock, \$1.00 Par Value Per Share; 1,000,000 Shares	
Authorized, 1,000 Shares Issued and Outstanding	1,000
Retained Earnings	<u>232,425</u>
Total Stockholders' Equity	<u>233,425</u>

Total Liabilities and Stockholders' Equity	<u><u>\$ 267,551</u></u>
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See accompanying Notes to Balance Sheet.

EFG CORP.
NOTES TO BALANCE SHEET
DECEMBER 31, 2010

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Business

EFG Corp. (the Company) was incorporated in Texas. The Company is an SEC-registered investment advisor and manages domestic equity and balanced portfolios for institutional and high net worth individuals throughout the United States.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Company maintains its cash in a high quality financial institution. The balance, at times, may exceed federally insured limits.

Accounts Receivable

The Company bills customers for services primarily on a quarterly basis. Upon invoicing, the Company collects payment immediately through the customers' investment accounts. As such, no collection issues exist and there is no need for an allowance for bad debts.

Property and Equipment

Office furniture is recorded at cost and depreciated using the straight-line method over estimated useful lives of three to five years.

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporate income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income.

The Company follows the income tax standard for uncertain tax positions. The Company evaluated its tax positions and determined it has no uncertain tax positions that would materially change the balance sheet as of December 31, 2010. The Company's 2008 to 2010 income tax returns are subject to review and examination by federal, state, and local authorities.

EFG CORP.
NOTES TO BALANCE SHEET
DECEMBER 31, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company primarily bills customers in advance for services on a quarterly basis. Revenue is recognized ratably over the term of the service period. The Company records deferred revenue for the portion of advance billings with a service period extending beyond the reporting period.

Fair Value of Financial Instruments

The Company currently does not measure any of its assets or liabilities at fair value and is not required under generally accepted accounting principles to disclose the fair value of its financial instruments. Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Company has not elected to measure any newly acquired financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through June 21, 2011, the date the financial statements were available to be issued.

NOTE 2 LINE OF CREDIT – BANK

The Company has a \$100,000 revolving line of credit financing agreement with Wells Fargo Bank, N.A. Interest is payable monthly at 6.25% and is unsecured. The Company did not have any outstanding advances as of December 31, 2010.

NOTE 3 CAPITAL LEASE OBLIGATIONS

The Company has financed office equipment through a capital lease. Amortization of the capitalized lease is recorded as depreciation expense. The following property and equipment held under capital leases as of December 31, 2010, is as follows:

Office Equipment	\$ 6,626
Less: Accumulated Depreciation	(1,215)
Total	<u>\$ 5,411</u>

EFG CORP.
NOTES TO BALANCE SHEET
DECEMBER 31, 2010

NOTE 3 CAPITAL LEASE OBLIGATIONS (CONTINUED)

Future minimum payments under the capital lease as of December 31, 2010, are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 1,565
2012	1,565
2013	1,565
2014	130
Total	4,825
Less: Amount Representing Interest	(495)
Principal Portion	4,330
Less: Current Maturities	(1,304)
Long-Term Portion	<u>\$ 3,026</u>

NOTE 4 OPERATING LEASE

The Company leases their existing office space through an operating lease agreement. The agreement calls for monthly lease payments of \$2,240 through the lease expiration date of November 2013.

Future minimum rental payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 26,880
2012	26,880
2013	24,640
Total	<u>\$ 78,400</u>