



Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Financial Guidance Group, Inc. If you have any questions about the contents of this brochure, please contact us at (727) 787-7526 or info@financialguidancegroup.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 Financial Guidance Group, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This page summarizes material changes we have made to our disclosure brochure dated January 1, 2011. We have revised our disclosure brochure as of January 1, 2012 to describe our methods and services in a straightforward and clear manner. Material changes made since our last disclosure brochure include a new focus on wealth planning, rather than comprehensive financial planning; reduction of advisory fees; adoption of a minimum quarterly management fee; and elimination of minimum amount of assets required to manage accounts

Historically, we have offered or delivered certain information about our qualifications and business practices at least annually. If you would like a complete copy of our revised brochure, we will provide it promptly and free of charge.

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Advisory Business

Our Background

Financial Guidance Group is an independent, fee-only investment advisor offering objective, unbiased wealth planning and investment management, free from industry and product affiliations. We take our fiduciary responsibility seriously by choosing investments and strategies that place our clients' best interest first at all times.

"Fee only" describes how we are paid for our services. We are paid by our clients, rather than by commissions and sales fees. We work for you and you alone, not a mutual fund, insurance company or financial product vendor. This removes compensation-related conflicts of interest and allows us to recommend whatever strategies and investments are appropriate for your needs. Our clients trust us to care for their money as carefully as we do our own, and we take this responsibility very seriously. We succeed as you succeed, so you can be sure that our goals are your goals.

Financial Guidance Group is owned by and founded in 1993 by Carl von dem Bussche, Sr., CFP®, AIF®. As of December 31, 2011, we managed approximately \$72,437,500 on a discretionary basis.

Wealth Planning and Investment Management

Our mission is to provide a superior level of coordinated, unbiased advice to help you achieve your financial goals, simplify your financial life and provide peace of mind through professional wealth management. As fee-only advisors, we are committed to serving as your fiduciary wealth management team. This means you can count on us to put your best interest first.

The most important part about selecting investments is for you to understand your goals and risk tolerance and know when you need your money. We believe an assessment of your current situation is essential for developing an effective investment plan.

Our Wealth Survey¹ will help identify your current portfolio allocation, investment risk, historic performance and investment costs. A Certified Financial Planner™ Professional will guide you through a series of questions about your savings, spending, time horizons, required rate of return, and your tolerance for risk. This collaborative process gives you different potential outcomes given different inputs and goals. The Wealth Survey gives us a good idea of how we believe your portfolio should be allocated. We look at economic factors, the valuation of various assets, and past performance of various funds and indexes to determine the specific investments for your portfolio. We believe that each individual has unique needs. We broadly diversify your portfolio to meet your own unique needs. If you are satisfied with our recommendations, you may hire us as your professional manager to watch over your investments.² We will manage, monitor and report to you on your investments, endeavoring to meet your financial goals and objectives in a tax-efficient, reduced-risk manner.

When you hire us to manage your investments, you will give us discretion to select the specific securities and amount of securities to be bought or sold and the timing of transactions. At your option, you may impose specified investment objectives and guidelines and/or conditions. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of your portfolio or you may prohibit transactions in the securities of a specific industry. We ask that you detail in writing any specific requirements before we begin.

If one of your accounts is a plan subject to ERISA, you will appoint Financial Guidance Group as “Investment Adviser” for purposes of ERISA. We will need to have copies of plan documents and any amendments governing the operation and administration of plan assets. We will not vote proxies for securities held in the plan. We ask that you take steps to name Financial Guidance Group as a fiduciary in the plan’s ERISA fidelity bond covering the account.

¹ For new clients, if you already have an investment plan in place, our Wealth Survey provides a “second opinion” that will help you decide if you are on track with your goals. In addition, we will honor requests to update or revise comprehensive financial plans of our existing clients.

² You are not obligated to act on our recommendations or use our investment management services.

Portfolio Models

We begin the design of your portfolios with one of our four Model Portfolios. Our Model Portfolios are designed to build long-term wealth while maintaining risk tolerance and loss thresholds levels acceptable to you.³



The Mainstay model is our most conservative allocation. This portfolio is appropriate for investors who wish to preserve capital while providing for prudent growth and current income. Prospective investors include those nearing or in retirement or those who require significant withdrawals within a three to five-year time frame.



The Steadfast portfolio is our moderate allocation. This portfolio is appropriate for investors who wish to grow assets in a prudent manner while providing current income and capital preservation as secondary objectives. Prospective investors include those nearing or in retirement or those who require significant withdrawals within a five to ten-year time frame.



The Surveyor model is our moderate-aggressive allocation. This portfolio is appropriate for investors who wish to grow assets with a minor emphasis on current income and capital preservation. Prospective investors include those who are 10+ years away from retirement or those who do not require significant withdrawals within a ten-year time frame.



The Explorer model is our most aggressive allocation. This portfolio is appropriate for investors who wish to grow assets without regard to current income and capital preservation. Prospective investors include those who are 15+ years away from retirement or those who do not require significant withdrawals within a ten-year time frame.

The Model Portfolios has a different “target” asset allocation with different asset classes – spreading money among a variety of investments as opposed to investing in just one – creating a more prudent approach to managing risk.

³ The models may incorporate other investment vehicles used to achieve the each model's investment objective.

The investment mix is designed to achieve your desired investment return. Typically, the selected investment vehicles in your portfolio are diversified into many investments that are common to all client accounts. From this point, exact composition and allocation of investments are determined by your investment parameters, which can compose a more detailed and/or complex structure than the four Model Portfolio strategies.

Fees and Compensation⁴

Wealth Planning

We develop a Wealth Survey for each individual investor before implementing their investment portfolio. Since this assessment of your current situation is essential for developing an effective investment plan, there is no increased fee or separate charge for our wealth planning process. There is no charge for our “second opinion” service. If you want us to update and revise your pre-existing comprehensive financial plan, other than our Wealth Survey, we charge \$2,500. This fee is payable when we complete the revision and is not negotiable.

Investment Management Fees

Financial Guidance Group provides a disciplined, reduced-risk and tax-efficient portfolio management solution to all of our clients. To make our services affordable to all clients, we impose no minimum investment or portfolio size. This gives everyone access to institutional quality services normally provided only to high net worth clients.

<u>Annual AUM Fee</u>	<u>Quarterly AUM Fee</u>
1.00% on initial \$1,000,000	0.25%
0.80% from \$1,000,001 - \$3,000,000	0.20%
0.60% from \$3,000,001 - \$5,000,000	0.15%
Fees are negotiable above \$5,000,000	

All accounts are subject to a \$250 minimum quarterly fee per client household that do not meet the above fee schedule.

⁴Our fees may be higher or lower than fees charged by other advisers for similar services.

You are billed quarterly in advance based on the value of securities, plus cash and equivalents held in your account on March 31, June 30, September 30 and December 31, or the last regular trading day prior to these dates. For the first billing quarter, if your account is not opened at the beginning of a quarter, the fee is based upon a pro-rata calculation of the aggregate value of your assets.

You will authorize your custodian/brokerage firm to automatically deduct the fees from your account and send the fees to Financial Guidance Group by signing a “Letter of Authorization” or other document. If your account does not have a sufficient cash or money market balance to cover the fees or is restricted from automatic debiting of fees, you may deposit additional funds (subject to certain restrictions for IRA accounts and qualified retirement plans) or make payment in an acceptable alternative manner. If you do not deposit additional funds or otherwise make the payment, securities in your account may be sold in an amount sufficient to cover the fees. Your account’s custodian/brokerage firm will reflect the amount of the deduction on your account statement.

Deposits and Withdrawals

You may make additions to your account at any time. Additional assets received in your account after it is opened will be charged a pro-rata fee based upon the number of days remaining in the billing period.

For assets withdrawn by you, we have the option to refund management fees on a pro-rata basis. Withdrawals made by you may require modifications and adjustments to be made to your portfolio to correct your asset allocation.

Fee Exclusions

Our fees do not include any charges imposed by third parties, such as custodian fees or mutual fund expenses. You may incur brokerage charges and other transaction costs. See “*Brokerage Practices*” below for our discussion of brokerage firms.

Termination

You have five (5) business days after entering into an agreement with us to cancel investment management services and not incur any fees charged by us. Thereafter,

should you want to terminate investment services on a day other than the last day of a calendar quarter, the Company, at its discretion, may retain the unused portion of the quarterly management fee based on time, research and other expenses involved in the account set-up and implementation.

To terminate our investment management services, send a written notice to us at least 10 days before to the actual termination date. Include in the notice clear instructions on what you want done with your account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity). Once we have received your termination notice and we have implemented your instructions, we are no longer responsible for the management of your portfolio. From the date that the termination goes into effect, you become responsible to make your own investment decisions.

Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees – that is, fees based on a share of capital gains or appreciation of the assets of a client.

We do not participate in side-by-side management. Side-by-side management refers to the practice charging performance-based fees for account management while at the same time managing accounts that are not charged performance-based fees.

Types of Clients

Our Typical Clients

We serve a wide range of clients, from those just starting out to those preparing for, or already in retirement. We also work with companies to help them structure retirement plans and with non-profit organizations needing investment management services.

Who We Serve

Our extensive experience in the wealth planning and investment management field, has equipped us to be of the most benefit to:

- Individuals who want objective, fee-only advice that is not driven by commissions or sales fees

- People who want an organized, simplified and disciplined approach to their finances
- People who lack the time, knowledge, inclination, or temperament to go it alone in personal financial matters
- Those who want a “second opinion” on financial issues and investment portfolios
- Individuals who need anything from a coordinated plan to advice on a single financial matter

This includes those who are just starting out (Generation Y, born 1977- 2002), those who are pre-retirement (Generation X, Born 1965-1976), and those who retiring or in retirement (Baby Boomers, Born 1946-1964) and people who are responsible for their company's retirement plans. We help clients who serve as trustees or fiduciaries develop prudent plans for managing assets. Whether you manage a family trust or charitable foundation, we can help you build the value safely with a focus on tax efficiency.

Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis

Our investment methodology is based on five premises devised from modern portfolio theory.

1. Clients are inherently risk-averse.
2. The markets are basically efficient.
3. The focus of attention is shifted away from individual securities analysis to consideration of portfolios as a whole, predicated on explicit risk-reward parameters.
4. For any level of risk that the client is willing to accept, there is a rate of return that should be achieved.
5. A diversified portfolio relies on investments across multiple asset classes to obtain a higher risk-adjusted rate of return.

Managed accounts are disciplined and focused to resist the temptation to react to short-term market fluctuations. We use a fundamental approach that incorporates economic conditions, earnings, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, and general level of interest rates, company management, debt ratios and tax benefits to make our allocation decisions.

We use analysis and research software developed by Morningstar® that provides insightful analysis, coordinated data, and tools for building and analyzing. Other sources include general media of domestic, international and governmental newspapers, bulletins, magazines, books and other publications. In addition we use material prepared by the investment companies and research releases prepared by others.

Investment Strategies

Generally, we recommend long-term investment strategies requiring a minimum three to five year time horizon and holding period.

Risk of Loss

An investment in securities involves risk of loss that you should be prepared to bear, including the possibility that you may lose some or the entire principal amount invested. There is always a risk that investments may not perform successfully.

All securities have some risks in common. General risks can be categorized as market risk, company risk, and business risk. Risks can be further categorized, such as interest rate risk or sector risk. Specific types of securities may have more or less of each type of risk. For example, fixed income securities are affected by interest rate risk, credit risk, call (timing) risk, event risk, inflation risk, legal risk, sector risk, etc. as well as risk from external factors. An ETF investing in securities of an underlying index of fixed income securities will have similar risks as well as other risks, such as investment management strategy risk. Each asset class has its own risks associated with it and each portfolio has different risk and return characteristics.

We attempt to mitigate these risks through diversification across multiple asset classes, managing accounts with discipline and focus to resist the temptation to react to short-term market fluctuations.

Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Financial Guidance Group or the integrity of our management. We have no information that applies to this item.

Other Financial Industry Activities and Affiliations

We are required to disclose material relationships that we may have with related financial industry participants. In addition, we are required to disclose any conflicts of interest that these material relationships may create and provide you with information on how we address conflicts. We have no information that applies to this item.

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

Financial Guidance Group has adopted a formal Code of Ethics. This Code of Ethics includes requirements to make sure that we meet our fiduciary responsibilities:

1. We will put your interests before our interests.
2. You have the right to specify your investment objectives, guidelines, and/or conditions on the overall management of your account.
3. We will not make investment decisions for our personal portfolio(s) if the decision is based on information that is not also available to the investing public.
4. We will not participate in private placements or initial public offerings (IPO's) that we may recommend without disclosure to you.
5. We always make every effort to comply with all applicable federal and state regulations governing registered investment advisers.

On occasion, we may also buy or sell securities that we recommend to clients. This practice would create a conflict of interest if the transactions were designed to trade on the market impact caused by recommendations made to our clients. Our clients' transactions and our own transactions usually trade in sufficiently broad markets where these transactions will not have an appreciable impact on the securities' market value. Our Chief Compliance Officer reviews our personal transactions quarterly to make sure that our personal transactions are consistent with advice given to clients.

The full text of our Code of Ethics is available to you on request.

Brokerage Practices

Custodial and Brokerage

The choice of custodian/brokerage firm for your account is always approved by you. Usually, we suggest Shareholders Service Group, Inc., who uses the custody and clearing services of Pershing, LLC. We suggest Shareholders Service Group because Shareholders Service Group specializes in meeting the unique servicing requirements of fee-only, independent registered investment advisors and their clients.

We do not recommend custodian or brokerage firms based solely on the lowest commission rates available. Trading capabilities, investment inventory, client investment needs, financial strength, general reputation, and personal knowledge of each are considered as well as other items, in making the suggestion to use Shareholders Service Group over another.

We have arrangements with Shareholders Service Group to waive all charges for access based on total client assets under management. Shareholders Service Group provides custodial and brokerage services including on-line services for account administrative and operational support. On-line services include electronic trading, account forms and applications, trading authorization, accounting and reporting, and other relevant administration and support services.

Shareholders Service Group provides us with access to its institutional trading and operations services, which are typically not available to retail investors. These institutional services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors. Many of these services may be used to service all or a substantial number of our client accounts.

Shareholders Service Group is located at 9845 Erma Road, Suite 312, San Diego, CA 92131. Pershing, LLC is located at One Pershing Plaza, Jersey City, NJ 07399.

If you choose to direct us to use some other custodian/brokerage firm, it may cost you more. We may be unable to achieve the most favorable execution of your transactions because we may not be able to aggregate orders to reduce transaction costs or you may receive less favorable prices.

Aggregated Orders

When we buy or sell the same security for two or more clients (including our personal accounts), we may place concurrent orders with Shareholders Service Group to be executed together as a single “block” in order to facilitate orderly and efficient execution. Where orders are aggregated, each client account will be charged or

credited with the average price per unit. We receive no additional compensation or remuneration of any kind as a result of the aggregation of client trades.

Review of Accounts

Each account is reviewed by our President, Carl von dem Bussche, Sr., CFP®, AIF®, on an ongoing basis to ensure that your needs and objectives are being met. All accounts are reviewed in the context of your investment objectives and guidelines. Any adjustments needed are made as appropriate to your predefined guidelines and investment objectives. Cash needs will be adjusted as necessary.

We provide quarterly performance reports in addition to monthly or quarterly account statements provided by Shareholders Service Group or other custodians/brokerage firms.

Client Referrals and Other Compensation

Additional Compensation

We may suggest the need for you to consult with an attorney, CPA, insurance agent or other professional. We do not share in any fees you pay to these professionals.

Some of the professionals that we recommend will refer their clients to us. As a result, this creates an incentive on our part to refer clients to only those professionals that send us referrals, rather than to someone who may provide better services at lower cost. To address this conflict, we want you to understand:

- Financial Guidance Group does not accept any economic benefit from referring clients to another professional without first notifying you of such possibilities. We act completely in a fiduciary capacity – putting your interests first.
- Financial Guidance Group is a fee-only investment advisor – no officer, director, or employee will receive commissions associated with the recommendations we make.

- You are under no obligation to use any professional we recommend to prepare planning documents (*i.e.*, estate, insurance, tax, etc.). You are free to choose anyone to implement the recommendations made in your financial plan.
- Certain professionals (insurance agents and brokerage firm representatives) may receive the commissions from purchases that you may make through their employer.

Referral Compensation

We have formal referral arrangements with Robert E. Crown, William E. Crown, III., Kenneth Delabre and G&O Financial Services. Financial Guidance Group pays them for client referrals (a percentage of our advisory fee). They are required to disclose to you the compensation paid to them. They are not permitted to offer investment advice on our behalf. Clients obtained through a referral may pay higher fees on average than clients not obtained through referrals.

Custody

All investments are held in your name and you have the right to withdraw any individual investment as well as to vote any investment shares held in your account. We do not intend to have custody of any of your funds or securities. This is a reason you will use an independently qualified custodian or brokerage firm to maintain your funds and securities.

You will not authorize us to withdraw or transfer any money, securities or property held in your account, except for the withdrawal of our advisory fees. We do not accept funds and securities on your behalf, nor do we issue instructions to your custodian for withdrawals of funds or securities without a written instruction from you for each withdrawal.

Periodically, you will receive account statements from your brokerage firm or custodian. You will also receive reports from us. We urge you to compare account statements you receive from your brokerage firm or custodian with these reports. Please let us know if there are any discrepancies.

Investment Discretion

When we manage your portfolio, you will sign a limited power of attorney giving us discretion over the selection and amount of securities to be bought or sold and the timing of transactions so that we will not ask for your consent or approval of each transaction. This investment authority may be subject to specified investment objectives and guidelines and/or conditions imposed by you, as described above in *"Advisory Business"*.

Voting Client Securities

We do not accept authority to vote securities on your behalf. Your account custodian sends proxies or other solicitations about your securities directly to you. If you have questions about a particular solicitation, you can ask us for advice. You are not obligated to follow our advice on voting your securities.

Financial Information

Financial Guidance Group is required to provide you with certain financial information or disclosure about its financial condition. Financial Guidance Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding.

Requirements for State-Registered Advisers

This item does not apply to Financial Guidance Group presently.