

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

# ASSET PRESERVATION GROUP, INC.

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IARD#108150

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This brochure provides information about the qualifications and business practices of Asset Preservation Group, Inc. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Asset Preservation Group, Inc. is a registered investment adviser with the SEC under the Investment Advisors Act of 1940 (the "Advisors Act"). However, such registration does not imply a certain level of skill or training. Additional information about Asset Preservation Group, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Dated: March 7, 2014

## Item 2 Material Changes

This Form ADV, Part 2, also known as the “Brochure”, requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

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

**Summary of Material Changes:**

Item 4- Updated Assets Under Management.

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## Item 4 Advisory Business

### INTRODUCTION

Asset Preservation Group, Inc. is a registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since October 22, 1999. We are noticed filed in our home state of Texas, which means we are registered to do business in this state. We may conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training.

The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

### OWNERSHIP

Asset Preservation Group, Inc. is a privately owned corporation headquartered in Grapevine, Texas. Mark S. Henderson founded Asset Preservation Group, Inc. on June 29, 1999. Mark S. Henderson and Michael S. Franklin are shareholders of the business

### ADVISORY SERVICES OFFERED

Asset Preservation Group, Inc. is an investment advisory firm providing:

- Portfolio Management on a Non-Discretionary basis
- Financial Planning Services
- Third Party Manager Referral Program

Our services are tailored to you through a customized retirement lifestyle plan that addresses your specific goals, objectives, risk tolerance and preferences. Specific investments recommended will depend on these factors.

Our service constitutes a process by which:

- a) Your investment objectives, constraints and preferences are identified and specified;
- b) Your strategies are developed and implemented through a combination of financial assets;
- c) Capital market conditions and your circumstances are monitored; and
- d) Portfolio adjustments are made as appropriate to reflect significant changes to any or all of the above relevant variables.

We provide advice on individual stocks and bonds, options, ETF's, mutual funds, private placements, hedge funds, and a combination of all investment vehicles., We also may provide advice on interests in partnerships or other alternative investments.

### PORTFOLIO MANAGEMENT SERVICES:

We provide portfolio management services on a non-discretionary basis through the SEI Asset Management Program ("SEI"). The SEI Asset Management Program is a program whereby we can make the SEI family of mutual funds available to you. SEI is not an investment adviser in this instance and does not have the investment adviser relationship with you. SEI provides a prospectus for the mutual funds utilized in the fee-based account.

The SEI Asset Management Program is designed as follows:

- 1) Determine the investor's risk profile and investment objectives- We will determine your investment objectives, investment time horizon, and risk profile by means of an interview process and the completion of questionnaire.
- 2) Set a relevant asset allocation policy for the investor- You choose one of many mutual fund asset allocation models. You may also purchase the individual mutual funds without choosing one of the asset allocation models. If you choose, automatic rebalancing to model allocation and recommended model

allocation changes will not be available.

3) Diversify among asset classes and styles-. The investment managers of the underlying mutual funds are selected by SEI Investments Management Corporation. SEI utilizes institutional investment management firms. The managers are monitored by SEI to ensure that their investment styles and performance remain consistent with the objectives of the mutual funds.

4) Rebalance your portfolio- Re-balancing maintains the proper allocation to each asset class in the model. Re-balancing occurs automatically if the underlying mutual funds deviate from the prescribed quarterly allocation by greater than a 2% variance. For the tax-managed models, the variance is 3%. Re-balancing occurs monthly with no transaction fees. Although, SEI rebalances your portfolio to maintain the proper asset allocation to each asset class in the percentages chosen by you, SEI does not exercise discretion when providing re-balancing services. SEI re-balances pursuant to your written instruction.

5) Report results-. SEI Trust Company (a subsidiary of SEI Investments Company) acts as the transfer agent and custodian for your account. SEI Trust Company provides reporting services including consolidated monthly statements, quarterly performance reports, and year-end tax reports.

If you open a Tax Controlled Program Investment Account, SEI will remain as the Investment Adviser on the account, and we will act in a solicitor capacity only and have you sign the appropriate documentation.

Custody of your accounts for both securities and funds will be maintained at a qualified designated custodian and clearing firm. SEI Trust Company, a subsidiary of SEI Investments Co. acts as the transfer agent and custodian for your account.

#### **FINANCIAL PLANNING SERVICES:**

Our Firm provides advice in the form of a Financial Plan or by an analysis of specific areas. Our financial planning service will address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years. We will illustrate the impact of various investments on your current income tax and future tax liability.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of your current strategies and investment plans to help you achieve your retirement goals.

Our Financial Planning Services consist of the following types of services:

- **Financial Plan**- If you request this service you will receive a written report providing you with a detailed financial plan designed to achieve your goals and objectives. You will also receive data analysis, recommendations and plan of action with an emphasis on needs, objectives and attitudes; a review of documents, development of strategies with specific recommendations. Our Firm gathers required information through in-depth personal interviews. Information gathered includes a current financial status, future goals and attitudes towards risk. Related documents supplied by you and a completed questionnaire are carefully reviewed and a written report is prepared. Implementation of the prepared plan or recommendations is solely at your discretion, with you also determining how you will implement the plan or recommendations. Our clients are encouraged to utilize any desired professional or group of professionals to assist in implementation.

- **Special Needs Analysis-** If you request this service you will receive an analysis of specific areas such as education funding, risk management, wealth accumulations, income tax strategies or retirement planning.
- **Update and Review-** If you request this service we will update and review a plan or analysis previously presented by us, which may reflect significant changes.
- **Ongoing Analysis and Review-** This service provides monitoring your accounts, needs, etc. and reviewing with you as the need arises.

### **THIRD PARTY INVESTMENT ADVISER REFERRAL PROGRAM SERVICES:**

We may recommend that you utilize the services of a Third Party Investment Adviser ("TPA") to manage your portfolio. We would recommend to you a TPA whose investment style is believed to be consistent with your financial needs, investment goals, tolerance for risk and stated investment objectives. All TPA's we refer out clients to will be properly registered with the appropriate regulator(s). The TPA is granted authority by you to manage and invest your assets.

Those who are referred to TPA's will receive full disclosure, including services rendered and fee schedules at the time of the referral by delivery of a copy of the relevant TPA's brochure or equivalent disclosure document.

The TPA may impose a minimum dollar amount of initial assets for the investment advisory services as disclosed in the management agreement. These minimums may be waived at the TPA's discretion. You will be provided the appropriate TPA's disclosure statement, in addition to the TPA's ADV Part2A Brochure and privacy policy, prior to placing the assets with the TPA.

### **ASSETS UNDER MANAGEMENT**

As of December 31, 2013 Asset Preservation Group, Inc. has approximately no discretionary assets under management and \$160,000,000 million in non-discretionary assets under management. We do not manage accounts on a discretionary basis.

## **Item 5 Fees and Compensation**

### **PORTFOLIO MANAGEMENT PROGRAM FEE SCHEDULE:**

| <u>Assets Under Management</u> | <u>Maximized Annualized Fee</u> |
|--------------------------------|---------------------------------|
| First \$250,000                | 2.25%                           |
| Next \$250,000                 | 2.15%                           |
| Next \$500,000                 | 2.05%                           |
| Next \$1,000,000               | 1.95%                           |
| Above \$1,000,000              | 1.85%                           |

We will charge the negotiated advisory fee as per the Investment Advisory Agreement signed with us. SEI charges an expense ratio to the fund. All expense ratios are disclosed in prospectuses of the funds. SEI does not participate in the advisory fee. SEI Trust Company, a subsidiary of SEI Investments Co., acts as the transfer agent and custodian for your account. SEI Trust Company will debit your account on a quarterly basis for the above mentioned fees and charges. The charges to the account will be on an arrears basis and will be remitted quarterly net of any applicable account and performance reporting charges not charged to you. SEI Trust Company then forwards the deducted fee to National Planning Corporation as paying agent for us. National Planning Corporation deducts its processing fee and forwards the advisory fee to us. When commissions or fees are received by us or our Advisory Agents in connection with the advice given to you, we may, but we are not obligated to, reduce our fee proportionate to the amount of the commission or fee earned by us or our Advisory Agents. However, you should note

that you are under no obligation to purchase any investment products through us or our Advisory Agents.

National Planning Corporation may limit the use of certain custodial and brokerage arrangements available to clients of our Firm and National Planning Corporation may collect as paying agent for our Firm the investment advisory fee so remitted as a charge for the functions it performs and such portion may be further re-allowed to other registered representatives of National Planning Corporation. This charge will not increase the brokerage charges to you or the fee you have agreed to pay us.

We and/or the custodian shall provide written notice/invoice documentation reasonably supporting the determination of the investment advisor fees. The Custodian will send to you a quarterly Account statement that shows the amount of our advisory fee, the value of your assets upon which the fee was based, and the specific manner in which the fee was calculated. We will verify that the Custodian sends Account statements on a quarterly basis.

You should compare invoices for advisory fees to the corresponding custodian statement. Statements should be received from the custodian no less than quarterly. If statements are not received, contact us immediately.

Fees are based on the percentages listed in the Fee Schedule on ending account market values based on the calendar quarter custodial statement. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the Agreement goes into effect.

Fees are calculated by multiplying the assets under management market value by the relevant percent and dividing such product by four (4). Accounts opened in mid-quarter will be assessed at a pro-rated management fee.

**Termination:**

Either party may terminate the Portfolio Management Agreement at any time and for any reason, upon written notice to the other party. Upon instructions received, we will instruct broker dealers, mutual fund sponsors, and others to liquidate and/or transfer the portfolio and remit proceeds back to you or a designated third party. A refund of our unearned Portfolio Management Fee will be made on a prorated basis from the time of termination.

No prorations for breakpoints are achieved during the quarter. Breakpoints are applied when billing occurs in the next quarter.

All accounts for members of your family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts, e.g. per household.

**Additional Types of Fees or Expenses**

Portfolio Management fees do not include certain charges imposed by third-parties which may include, but are not limited to, the following: mutual fund or money market 12b-1 and sub transfer fees, fund or money market management fees and administrative expenses, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, IRA and qualified retirement plan fees, and other charges required by law. Additional fees may be incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client.

**FINANCIAL PLANNING FEE SCHEDULE:**

Our financial planning fee depends on the scope, complexity and work to be performed by us. All fees are intended as standards and may be subject to negotiation when, in our opinion such negotiation is in the best interests of all parties. Financial Plan fees are assessed as follows:

- Financial Plans- \$500.00 minimum charge. Fees are payable at time services are rendered.
- Special Needs Analysis- \$200.00 minimum charge. Fees are payable at time services are rendered.
- Updates and Reviews- \$150.00 per hour. Fees are billed after services are rendered.

- Ongoing Analysis and Reviews- \$150.00 per hour. Fees are billed after services are rendered.

**Termination:**

You may terminate the relationship with us and receive a full refund of fees within 5 business days of signing the advisory agreement. After which, you may receive a prorated fee based on the time and effort already completed.

**THIRD PARTY REFERRAL FEE SCHEDULE:**

The fees payable to us for these referral services depend upon the fee arrangement between us and the TPA to whom you are referred to. The basic fee schedule for these services will vary based on the TPA chosen to provide this service. The fee will be based on the amount of assets managed and may be negotiable with the TPA. In no event will the annual management fee exceed 2.50%. The fee will be paid according to the management agreement of the chosen TPA. All fees will be payable directly to the TPA to which authority is granted and split according to the arrangement between us and the TPA to whom you are referred. Complete disclosure of the amount of the fee received by us will be available in the management agreement given to you under "Solicitor Disclosure".

Above fees will be reduced for any commissions received by the advisory associates of our Firm.

Certain programs may charge a "wrap fee." Selection of a "wrap fee" program may result in the payment of fees by you in excess of the combined total of separate advisory fees and brokerage commissions paid on a transactional basis. If a "wrap fee" program is not selected, you may incur additional fees such as transaction fees in addition to any charged by the TPA.

You may terminate the management agreement according to the terms disclosed in the management agreement. If fees are paid prior to service being rendered, and you terminate services, the prorated fees for the portion not used will be returned.

**Other Compensation Received by Our Advisory Agents**

Advisory Agents of the Firm are also licensed insurance agents for various other insurance companies. If you elect to implement a plan or buy insurance through the Firm's Advisory Agents, then the agents would receive a commission from the insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest because they will receive a commission for these services, which is separate from the portfolio management, financial planning and other services provided. Advisory Agents of our Firm have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting your needs.

Advisory Agents of our Firm are registered representatives of National Planning Corporation, a FINRA broker/dealer. In this capacity, the Advisory Agents of our Firm may sell securities through National Planning Corporation, a FINRA broker/dealer and receive normal and customary commissions as a result of such purchases and sales. This presents a conflict of interest to the extent that the agent recommends that a client invest in a security which results in a commission being paid to the agent.

**ERISA Accounts, Profit Sharing 401(k), SEP's:**

We may also have other retirement accounts which are subject to ERISA rules and regulations. In all cases an "eligible investment advice arrangement" or advisory agreement will be executed with the Client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account.



## Item 6 Performance-Based Fees and Side-By-Side Management

We do not charge performance based fees nor do we provide side by side management services.

## Item 7 Types of Clients

### Client Base

Our customer base may consist of individuals, trusts, estates, pension and profit sharing plans and corporations or other business entities. These are the types of clients that we service, but we may not have all these types as current clients at any one time.

### Conditions for Account Management

The SEI Asset Management Program has an imposed minimum account size of \$100,000 in assets to be managed. Those who are referred to Portfolio Strategies, Inc. are required to have a minimum asset value of \$50,000. Each aggregate related accounts in the same household to meet account minimums. Exception to fees, minimum fees, minimum account sizes are negotiable.

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

### Analysis & Investment Strategies

We work with you to devise an investment strategy to meet your financial objectives. This includes:

- discussion regarding your objectives
- review of existing holdings
- ongoing analysis of funds
- advice on best direction for new investments
- updates of specific changes within the market or to particular funds
- periodic monitoring of recommended investments and yearly review

The flexibility of our strategies gives us the ability to best manage investment risks in any investment market.

We use Charting, Fundamental, and Technical security analysis methods.

Charting Analysis is a way of gathering and processing price and volume information of a particular security by applying mathematical equations and then plotting the resulting data onto graphs in order to predict future price movements.

Fundamental Analysis involves using real data to evaluate a security's value. We perform fundamental analysis on a securities value by looking at economic factors, such as interest rates and the overall state of the economy, information about issuers, potential changes in credit ratings, revenues, earnings, future growth, return on equity, profit margins and other data to determine underlying value and potential for future growth.

Technical Analysis involves studying supply and demand in the market to determine what direction, or trend will continue in the future by understanding the emotions in the market as opposed to its components and focuses on the effect of previous price movements. Understanding the benefits and limitations of technical analysis can give a new set of tools or skills that will enable us to be a better trader or investor.

**Risk of Loss:**

The advice offered by our Firm to clients is determined by the areas of expertise of the agent providing the service and the client's stated objective. Our clients are advised to notify our Firm promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon our management services. If you wish to impose any reasonable restrictions upon our management services, you will need to advise us in writing of any restrictions.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that clients should be prepared to bear. Past performance is not necessarily indicative of future results. Clients should make every effort to understand the risks involved.

**Item 9 Disciplinary Information**

Registered Investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management.

Our Firm does not have any material facts about legal or disciplinary events that are material to your evaluation of the integrity of our firm or its advisory agents to disclose. Your confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect.

**Item 10 Other Financial Industry Activities and Affiliations****Financial Industry Relationships:**

Associates of our firm are also licensed insurance agents for various unaffiliated companies. If you elect to implement a plan or buy insurance through our advisory agents, they may receive a commission from insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest to the extent that the advisory agent recommends the purchase of an insurance product which results in a commission being paid to the advisory agent as an insurance agent. Advisory Agents have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting your needs.

Advisory Agents of our Firm are registered representatives of National Planning Corporation, member FINRA/SIPC, an unaffiliated broker/dealer. In this capacity, the Advisory Agents of our Firm sell securities through a FINRA broker/dealer and receive normal and customary commissions as a result of such purchases and sales. This presents a conflict of interest to the extent that the Advisory Agent recommends that a client invest in a security which results in a commission being paid to the Advisory Agent.

For those associates described above, approximately 45% of each business day is devoted to review and sales of securities and insurance.

**Third Party Advisers Relationships:**

We have unaffiliated third party advisory relationships with Hanlon Investment Management, Portfolio Strategies, Inc., Potomac Fund Management, BTS Management, SEI Investments and Genworth Financial Asset. We may develop other third party advisory arrangements with other unaffiliated RIA's at our discretion.

You will receive a Solicitor's Disclosure Statement, pursuant to SEC Rule 206(4)-3. The Solicitor's Disclosure Statement provides, among other things, disclosure regarding the affiliation, if any, between

our Firm and the third-party adviser: the terms of the solicitation agreement between our Firm and the third-party adviser, including the amount of compensation to be paid to our Firm for the solicitation; and the additional cost to you if any, as a result of the solicitation agreement.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Participation or Interest in Client Transactions / Personal Trading:**

Associated persons of our Firm will buy or sell for themselves securities that they may also recommend to you. These investment products will be bought and sold on the same basis as you. In all instances, the positions would be so small they would have no impact on the pricing or performance of the security. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest.

### **Code of Ethics:**

Our Firm has adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by advisory personnel and has established standards of conduct expected of its advisory personnel. Our Firm has set forth in the Code of Ethics Policy statements of general principals, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective client's upon written request.

## **Item 12 Brokerage Practices**

### **Brokerage Selection:**

Our firm does not have discretionary authority over your account(s) to determine the securities to be bought or sold, their amounts, the broker to be used and the commissions to be paid, without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives.

We recommend or suggest clients to use National Planning Corporation or NPC America (in the state of Florida and New York), member FINRA/SIPC, as the broker-dealer for the execution of securities transactions for their account(s). National Planning Corporation or NPC America are not affiliated entities of our firm.

Factors which we consider when recommending National Planning Corporation include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that our relationship with National Planning Corporation helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts with National Planning Corporation, a full service broker/dealer, may not obtain best execution at all times. The commissions and/or transactional fees charged by National Planning Corporation to you may be higher or lower than those charged by another broker-dealer. You are under no obligation to utilize National Planning Corporation as the broker-dealer for your account.

Our Firm and our advisory agents are affiliates of National Planning Corporation. Advisory Agents will take steps to assure that you receive best execution and a reasonable commission rates when trades are executed.

### **Brokerage for Client Referrals:**

Neither our Firm nor our Advisory Agents receive client referrals from a broker dealer or other third party when recommending to you a broker-dealer for the execution of securities transactions.

**Directed Brokerage:**

If you want to direct us to use a particular broker dealer to handle security transactions then you are responsible for the custodian fee arrangement. You should understand that this might prevent our Firm from effectively negotiating brokerage compensation or obtaining the most favorable net price and execution. When directing brokerage business, you should consider whether the commission expenses, execution, clearance and settlement capabilities that you will obtain through another broker dealer are adequately favorable in comparison to those that our Firm would otherwise obtain for you using National Planning Corporation. You may also elect a custodian (bank or broker) from a range of choices that we have. We encourage you to discuss available alternatives with our advisory agents.

**Research and Other Soft Dollar Benefits:**

Neither our firm nor our owners, partners, directors, employees, advisory agents or persons holding similar status receive research or other products or services outside of execution in connection with your security transactions with a broker-dealer.

Neither this Firm nor our advisory agents receive any products, research or services other than those disclosed.

**Trade Aggregation:**

We provide investment management services to various clients. We may, in our sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for various client accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of our other clients. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when we believe that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at that average price and (b) all transaction costs incurred in effecting the aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregation occurs, the objective will be to allocate executions in a manner that is deemed equitable to the accounts involved.

## Item 13 Review of Accounts

Account reviews will be provided on a periodic basis, but at a minimum shall be reviewed annually or by request by the client. Reviews may be warranted more frequently due to tax law changes, market changes, market conditions or changes in personal circumstances. Reviews initiated by the Client may be for personal objectives or for any reason the Client so desires. The accounts are reviewed for including, but not limited to, continued suitability, comfort level, risk tolerance relative to returns and appropriateness.

The reviews will be conducted by each clients primary Advisor and/or the advisors assistant through explicit instructions of the primary advisor and will be consistent with desires of Client respecting frequency and changing circumstances or objectives. Each advisor of our Firm will maintain only that number of clients that can reasonably and effectively be given the highest level of service expected.

You will have 24/7 access to a web-site which provides an updated consolidated summary of all your accounts. Statements, confirmations and/or performance reports are furnished quarterly or semi-annually from various financial services institutions/firms with which you transacts business. These firms may include, and are not limited to, brokerages, investment companies, insurance companies, trust companies, other registered investment advisors, banks and credit unions. You will receive account statements from these entities and not our Firm. We will provide you with a consolidated summary at

every face to face meeting as well as upon request. We will also provide periodic newsletters on topical issues of interest and stock market updates.

You will receive statements from the SEI Trust Company indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if you elect to receive it. Annually, you will receive a tax report for the account.

If we provide you financial planning or consulting services, you will not receive regular reports on your accounts after the financial planning or consulting services have been concluded.

## **Item 14 Client Referrals and Other Compensation**

### **Client Referrals:**

We do not have any arrangements to compensate another for client referrals.

### **Other Compensation:**

Our Firm and/or our Advisory Agents do not receive any economic benefit (including non-research services, professional seminars and conferences) from a non-client in connection with giving advice to you.

Additionally, for those that elect to purchase insurance products, our advisory agents holding insurance licenses will receive normal commissions.

We try at all times to put the interest of you first as part of our fiduciary duty. However, you should be aware that the receipt of additional compensation creates a potential conflict of interest and may affect judgment when making these recommendations.

## **Item 15 Custody**

Your funds and securities will be maintained with a “qualified custodian” as required under Rule 206(4)-2 under the Advisers Act and we will not take physical possession of any funds or securities. Custody of your accounts for both securities and funds will be maintained at Southwest Securities, Inc., the designated custodian and clearing firm for National Planning Corporation or another qualified designated custodian as directed by you. Account statements are sent quarterly from the custodian and you should carefully review those statements. Third Party Advisers may utilize other qualified custodians in their own discretion.

## **Item 16 Investment Discretion**

Our firm does not accept or have any discretionary authority to manage securities accounts held on behalf of you. We provide periodic recommendations to you and if such recommendations are approved, we will ensure that the authorized recommendations are carried out.

### Item 17 Voting Client Securities

We do not vote client proxies and will instruct the Custodian to forward all proxy material directly to you. We shall forward to you, or to the Advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise, any proxy materials it receives that pertain to the Assets in your account. You can contact our office at 817-251-1008 for any questions about a particular solicitation.

### Item 18 Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you and has not been the subject of a bankruptcy proceeding.

### Item 19 Requirements for State Registered Advisers

Not applicable, we are an SEC registered investment adviser.