

**ABG Portfolio Strategies, Inc.  
30100 Telegraph Road  
Suite 100  
Bingham Farms, Michigan 48025**

**December 15, 2014**

**FORM ADV PART 2A. BROCHURE**

**This brochure provides information about the qualifications and business practices of ABG Portfolio Strategies, Inc. If you have any questions about the contents of this brochure, please contact us at 248-540-5300. 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 ABG Portfolio Strategies, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for ABG Portfolio Strategies, Inc. is 111116.**

**ABG Portfolio Strategies, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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### ***Advisory Business***

Form ADV Part 2A, Item 4

ABG Portfolio Strategies, Inc.'s registration was granted by the U.S. Securities and Exchange Commission on April 9, 1999. Lawrence Brian Raymond, President (CRD Number 812097) is President of the firm. Carol Ann Tracey (CRD Number 4365438) is Executive Vice President and Chief Compliance Officer of the firm. The firm is not publicly owned or traded. Alliance Benefit Group of Michigan, Inc. (EIN 38-2738460) owns all of the equity of the firm. Alliance Benefit Group of Michigan, Inc. is owned equally by Mr. Raymond and Ms. Tracey. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not sponsor any wrap fee programs. As of March 31, 2014, the firm managed assets on a nondiscretionary basis in the amount of \$699,182,109 which represented 205 accounts.

The firm shall provide investment advisory services on behalf of clients. One hundred (100%) percent of the firm's advisory billings shall be attributable to investment management service activity. The firm will provide portfolio management services on both a non-discretionary and discretionary management basis.

### ***Fees and Compensation***

Form ADV Part 2A, Item 5

There are three different fee structures depending on the category of client involved.

With respect to participant directed qualified plans, the fee structure will be as follows:

Assets Under Management	Annual Fee
On first \$500,000	1.00%
On next \$500,000	0.75%
On next \$4,000,000	0.50%
On next \$3,000,000	0.25%
Over \$8,000,000	0.15%

The fee shall be payable quarterly in advance. All fees are negotiable. No fee is based upon capital gains or capital appreciation of assets. All unearned or unapplied fees shall immediately be refunded by the firm to the client. The professional relationship may be terminated by either the firm or the client, without penalty, upon thirty (30) days written notice served on the other party.

There is a minimum fee of \$2,500 charged.

With respect to trustee directed qualified plans, the fee structure is as follows:

Assets Under Management	Annual Fee
On first \$1,000,000	1.00%
On next \$2,000,000	0.75%
On next \$2,000,000	0.50%

On next \$3,000,000	0.25%
Over \$8,000,000	0.15%

Again, there is a minimum fee of \$2,500 charged.

With respect to portfolio management services provided on behalf of individuals, the fee structure is as follows:

Assets Under Management	Annual Fee
On first \$500,000	2.00%
On next \$2,500,000	1.00%
On next \$2,000,000	0.75%
On next \$3,000,000	0.50%
Over \$8,000,000	0.15%

Again, there is a minimum fee of \$2,500 charged.

The above listed fees are maximum fees and may be lower depending on the facts and circumstances of the case.

It is also disclosed that in most circumstances, the fee will be debited directly from the client's account. However, there is no custody result in that the firm sends a statement to the client showing the amount of the fee, the value of the client's assets upon which the fee was based, and the specific manner in which the fee was calculated. The services of a qualified custodian are used and the qualified custodian sends a statement, at least quarterly, directly to the client. Furthermore, the firm discloses to clients that it is the client's responsibility to verify the accuracy of the fee calculation, and also that the qualified custodian will not determine whether the fee is properly calculated. Also, the firm sends a bill to the custodial firm, indicating only the amount of the fee to be paid by the custodian. Finally, the firm receives authorization of the fee paying arrangement, and the qualified custodian's obligation to send out statements directly to the client no less frequently than quarterly.

It is further disclosed that the firm is available to prepare an investment policy statement on behalf of the client for a flat fee of \$2,500.

### ***Performance-Based Fees and Side-By-Side Management***

None. Form ADV Part 2A, Item 6

### ***Types of Clients***

High net-worth individuals and pension and profit sharing plans. Form ADV Part 2A., Item 7

Methods of securities analysis are fundamental analysis and technical analysis.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical analysis** involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them. Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may under perform other trading methods when fundamental factors dominate price moves within a given market.

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

**Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which client's invest.

***Disciplinary Information***

None.

Form ADV Part 2A, Item 9

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

Lawrence Brian Raymond is a registered representative of Valmark Securities. He is also an investment adviser representative of Valmark Advisers. There is a potential conflict of interest as a result of these sales activities. All clients are always advised that they should have total freedom to effectuate securities transactions with any broker/dealer of their choice.

Lawrence Brian Raymond sells various life insurance products through various life insurance companies. As a result of such sales activity, there is a potential conflict of interest.

Associated persons of the firm are involved in third party administration activities through Alliance Benefit Group of Michigan.

All of the outstanding stock of the firm is owned by Alliance Benefit Group of Michigan which is a third party pension administration firm. Lawrence Brian Raymond, president of the firm, owns one half of the outstanding stock of Alliance Benefit Group of Michigan. Carol Ann Tracey, executive vice president of the firm, owns the remaining one half of the outstanding stock of Alliance Benefit Group of Michigan. Mr. Raymond and Ms. Tracey are actively involved in third party administration activities through Alliance Benefit Group of Michigan. In addition, Lawrence Brian Raymond is a registered representative of Valmark Securities. As a result of the sales related activities, there is a potential conflict of interest.

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

Form ADV Part 2A, Item 11

The firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our employees to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. A copy of our Code of Ethics is provided to any client or prospective client upon request.

It is further noted that Advisor is in and shall continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Advisor has adopted a firm wide policy statement outlining insider trading compliance by Advisor and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Advisor and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Advisor has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Advisor, are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Advisor's employees may have non public information, (4) requiring all of Advisor's employees to conduct their trading through a specified broker or reporting all transactions promptly to Advisor, and (5) monitoring the securities trading of the firm and its employees and associated persons.

Advisor or individuals associated with Advisor may buy or sell securities identical to those recommended to customers for their personal account.

It is the express policy of Advisor that no person employed by Advisor may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. As such, employees are prevented from benefiting from transactions placed on behalf of advisory accounts.

Advisor or any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

As these situations may represent a conflict of interest, Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of Advisor shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Advisor shall prefer his or her own interest to that of the advisory client.
- 2) Advisor maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by Carol A. Tracey, Chief Compliance Officer.
- 3) Advisor requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- 4) Any individual not in observance of the above may be subject to termination.

### ***Brokerage Practices***

Form ADV Part 2A, Item 12

Mr. Raymond is a registered representative of Valmark Securities. Therefore, it is likely that such firm will be suggested to clients. Also, please see Item 14, below.

### ***Review of Accounts***

Form ADV Part 2A, Item 13

In view of the fact that firm shall engage in portfolio management activity, client accounts will be monitored on a continuous basis. Quarterly reports will be provided to the clients. Reviewers are Lawrence Raymond, President, and Carol Tracy, Executive Vice president.



### *Client Referrals and Other Compensation*

Form ADV Part 2A, Item 14

ABG Portfolio Strategies, Inc. participates in Charles Schwab and Co.'s Schwab Institutional (SI) program. While there is no direct linkage between the investment advice given and the participation in the SI program, economic benefits are received which would not be received if ABG Portfolio Strategies, Inc. did not give investment advice to clients.

ABG Portfolio Strategies, Inc. may recommend/require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC/FINRA, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides ABG Portfolio Strategies, Inc. with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at Schwab Institutional. Schwab Institutional's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available to ABG Portfolio Strategies, Inc. other products and services that benefit ABG Portfolio Strategies, Inc. but may not benefit its clients' accounts. Some of these other products and services assist ABG Portfolio Strategies, Inc. in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of ABG Portfolio Strategies, Inc. fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of ABG Portfolio Strategies, Inc. accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide ABG Portfolio Strategies, Inc. with other services intended to help ABG Portfolio Strategies, Inc. manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to ABG Portfolio Strategies, Inc. by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to ABG Portfolio Strategies, Inc. The availability to Advisor of the foregoing products and services is not contingent upon Advisor committing to Schwab Institutional any specific amount of business (assets in custody or trading).

The firm may use the services of paid solicitors.

### *Custody*

Form ADV Part 2A, Item 15

We do not accept custody of client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

For those client accounts where we provide discretionary investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

### ***Financial Information***

Form ADV Part 2A, Item 18

No financial reporting is required since the firm does not require payment of fees more than six months in advance.