

FIRM BROCHURE
(Part 2A of Form ADV)

September 16, 2014

FRUGAL FINANCIAL RETIREMENT PLAN SERVICES, LLC

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Frugal Financial Retirement Plan Services, LLC, (hereinafter “Frugal Financial” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (727) 258-4900 and/or www.frugalfiduciary.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.

The Firm is registered as an investment adviser with the State of Florida Office of Financial Regulation, Division of Securities; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about the Firm is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

This brochure update is given to reflect that the Firm was previously registered with the Securities and Exchange Commission (“SEC”) and is now registered with the State of Florida Office of Financial Regulation, Division of Securities. Frugal Financial encourages each client to read this brochure carefully and to call with any questions you may have. Our previous version of Form ADV Part 2A was dated June 3, 2014.

Additionally, the following material changes to the brochure have been made:

Item 4 - Advisory Business – Updated to reflect assets under management as of August 28, 2014. Pursuant to state regulation, Frugal Financial will ensure clients receive a summary of any materials changes to this Brochure within 120 days of the close of Frugal Financial’s fiscal year end. Additionally, as Frugal Financial experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. The Firm’s Brochure is available upon request and may be requested by contacting the Firm’s Chief Compliance Officer, Eric Droblyen, at (727) 258-4900 or by e-mail at eric@employeefiduciary.com.

Additional information about the Firm and its investment adviser representatives is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

A. Description of Firm

Frugal Financial is a privately owned limited liability company founded in 2013 by the principal shareholders of Employee Fiduciary, LLC (“Employee Fiduciary”). Founded in 2004 and currently serving over 2,000 corporate clients, Employee Fiduciary has pioneered a low-cost, full service approach to retirement plan services to smaller businesses nationwide. Frugal Financial’s mission is to complement and extend those core principles and services of Employee Fiduciary, providing investment advice and fiduciary guidance to qualified retirement plans.

Frugal Financial is wholly-owned by Employee Fiduciary. Mr. Eric Droblyen serves as the Firm’s Managing Director, Chief Executive Officer and Chief Compliance Officer.

B. Types of Advisory Services

Frugal Financial provides fiduciary investment management services to retirement plans on either a discretionary or non-discretionary basis. The Firm’s investment advisory services include a fund lineup composed of index funds, which may include index mutual funds or exchange traded funds (“ETFs”).

The Employee Retirement Income Security Act of 1974 (“ERISA”) sets standards of conduct for those who manage an employee benefit plan and its assets (“fiduciaries”). Fiduciaries have important responsibilities and are subject to standards of conduct because they act on behalf of participants in a retirement plan and their beneficiaries. These responsibilities include:

- Acting solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them;
- Carrying out their duties prudently;
- Following the plan documents (unless inconsistent with ERISA);
- Diversifying plan investments; and
- Paying only reasonable plan expenses.

The corporate sponsor of a plan is generally the primary fiduciary and is ultimately responsible for making sure all the fiduciary jobs get done and for determining what fiduciary jobs will be assigned to other parties. Many plan sponsors feel overwhelmed in trying to manage their fiduciary obligations under ERISA.

Frugal Financial services are designed to help our clients easily understand, manage, and satisfy their fiduciary obligations under ERISA.

1. Discretionary Investment Management

For qualified retirement plans, Frugal Financial may serve as a discretionary investment manager, as defined in ERISA §3(38) (“3(38) Investment Manager”). In this capacity, the sponsoring employer is relieved of the fiduciary responsibility for investment selection and monitoring.

As a 3(38) Investment Manager, Frugal Financial will prepare and maintain an investment policy statement (“IPS”), and will select, monitor, and benchmark plan investments consistent with that IPS. Frugal Financial will also select the qualified default investment and set procedures for assigning investments to specific participants who do not prospectively select investments within the qualified retirement plan. In all cases, individual participants will have the ability to change investments at any time, subject to plan requirements.

2. Non-Discretionary Investment Advice

For certain qualified retirement plans, Frugal Financial may serve as a non-discretionary investment manager as defined in ERISA §3(21) (“3(21) Investment Manager”). In this more limited capacity, Frugal Financial shall only make recommendations with regard to investment policies and provide recommendations on the selection of individual investments. Frugal Financial may also assist in the development of the plan’s IPS. However, for all non-discretionary services, clients retain control and therefore have the final verdict on investment decisions and may accept and act on, modify or reject any recommendations made by Frugal Financial.

Client interests are held in the highest regard. Frugal Financial agrees to being held to a fiduciary standard of care for all advice and recommendations offered to clients.

3. Other Services

In addition to investment advice, Frugal Financial provides the following services:

- Preparing and maintaining an IPS for the plan;
- Reviewing, evaluating, and providing recommendations regarding investment options using criteria specified in the IPS;
- Reviewing, evaluating, and providing recommendations regarding asset allocation tools and Qualified Default Investment Alternative (“QDIA”) options;
- Providing fiduciary operational checklists, and/or ERISA compliance calendars, to help guide clients in satisfying their fiduciary responsibilities in a timely manner;
- Conducting an annual investment and administration review that evaluates investment performance, plan expenses, and ERISA compliance (including 404(c));
- Providing QDIA notices for distribution to participants;
- Providing participant enrollment support.

C. The services described above illustrate the types of services provided by the Firm. A complete description of services provided is included in the Firm’s Services Agreement.

Advisory Agreements

Clients will enter into a Services Agreement (the “Agreement”) with the Firm describing the retirement plan advisory services to be provided, the responsibilities of the Firm and other terms of engagement including fees and termination. The Agreement may be terminated upon written

notice by the client or the Firm. More information regarding the Firm's fees can be found in Item 5 below.

D. Participation in Wrap Programs

The Firm does not participate in any wrap programs at this time.

E. Assets under Management

The Firm is newly formed and, as such, the Firm has no assets under management as of the date of this Brochure.

ITEM 5: FEES AND COMPENSATION

Frugal Financial receives fees only for services rendered. Frugal Financial does not receive any commissions or incentives based on recommendation of particular investments. All fees are fully disclosed in the Firm's Agreement. Although the Firm believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

A. Description of Fees

1. Investment Management Fees

The Firm provides investment management services to clients for a fee based upon a percentage of assets under management ("AUM"). The Firm's management fees are assessed quarterly in advance, and calculated as of the close of business on the last business day of the preceding calendar quarter, based on the following annual percentages:

- Fees for 3(21) Investment Manager services, the Firm charges an annual fee of 0.10% (10 basis points), subject to a minimum annual fee of \$1,000.00. The quarterly charge is equal to 1/4th of this amount.
- Fees for 3(38) Investment Manager services, the Firm charges an annual fee of 0.15% (15 basis points), subject to a minimum annual fee of \$1,500.00. The quarterly charge is equal to 1/4th of this amount.

Investment management fees will be automatically deducted from the client's account by the custodian as soon as practicable following the end of each applicable period. Should a client open an account during a quarter, the Firm's management fee will be prorated based on the number of days the account is open during that quarter. In the event the Firm's services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the client. The number of days the account was managed during the quarter until termination is used to determine the percentage of the management fee earned (based on the total number of days in the month) and the balance is refunded.

The custodian delivers an account statement to the client at least quarterly, showing all disbursements, including advisory fees, deducted from the account. The client is encouraged to review all account statements for accuracy. It is the responsibility of the client, and not the custodian, to ensure the fees are calculated correctly.

Advisory fees are negotiable and arrangements with any particular client may differ from those described above. The Firm may amend its standard fee schedule at any time by giving thirty (30) days advanced written notice to clients. Should a client have more than one account managed by the Firm, then the Firm may elect - at its sole discretion, to aggregate the client's accounts for the purpose of computing management fees.

2. Fixed and Hourly Fees for Additional Services

In addition to investment management services, Frugal Financial may also provide clients with additional services such as those described in Item 4 above. For these services, the Firm typically charges a fixed or hourly fee based on the particular type(s) of services being provided to the client. These fees will vary based upon the scope and complexity of the requested services. The Firm may choose to waive or alter these fees in its sole discretion. All fees related to such services will be set forth in a written agreement between the client and the Firm.

B. Other Fees and Expenses

Frugal Financial fees described above do not include certain charges imposed by third parties such as mutual fund or ETF fees and expenses. These fees and expenses are described in the prospectus of the investment. These fees and expenses are separate from and in addition to the fees charged by Frugal Financial. Clients should review the fees charged by any mutual funds and other investment products in which the client's assets are invested, together with the fees charged by the Firm, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additionally, clients may incur brokerage commissions and other execution costs charged by the custodian or executing broker-dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account. Frugal Financial does not receive any compensation resulting from such fees. Please refer to Item 12 of this Brochure entitled "Brokerage Practices" for additional important information about the brokerage and transactional practices of the Firm.

C. Additional Compensation Received by Advisory Representatives of the Firm

Certain advisory representatives of the Firm are also employed by affiliates of Frugal Financial that may or may not provide services to Firm clients. For more information on the relationship between advisory representatives of the Firm and its affiliates, compensation received therefrom and the conflicts of interest inherent to these relationships please refer to Item 10 below.

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

Frugal Financial does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). Consequently, Frugal Financial does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).

ITEM 7: TYPES OF CLIENTS

The Firm primarily provides portfolio management and investment advisory services to qualified retirement plans, dealing directly with plan sponsors and/or trustees of the plan. Frugal Financial does not provide customized advisory services to plan participants. Frugal Financial does not require a minimum asset level and, generally, does not impose other conditions for use of the Firm's services. Prior to engaging the Firm to provide any of the investment advisory services described in this Brochure, the client will be required to enter into a written agreement with the Firm setting forth the terms and conditions under which the Firm shall render its services.

As noted above, clients may impose reasonable restrictions on investing in certain securities or other investments which may be communicated to the Firm either in writing or through the plan's IPS. However, there may be times when certain restrictions are placed by a client, which may prevent the Firm from accepting or continuing to manage the account. The Firm reserves the right to not accept and/or terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent the Firm from meeting and/or maintaining its investment strategies.

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

The Firm's investment objectives are twofold:

- Guide clients to efficiently invest in the market with minimal drag on earnings; and,
- Maintain a disciplined approach to plan management and administration that maximizes investment opportunity.

Focusing on smaller employer plans, Frugal Financial acts as an efficient conduit to the market, allowing investors to achieve market exposure with minimal fees and barriers to entry. In addition, the Firm recommends fiduciary best practices which, when diligently applied, create opportunity for investors to maximize investment returns through timely and systematic investment discipline.

Frugal Financial meets these objectives by recommending passively managed index-based funds and providing employers with fiduciary guidelines and standards that ensure the employer act consistently and proactively in the best interests of plan participants.

A. Methods of Analysis and Investment Strategies

Generally, the Firm recommends a “fund lineup” to its clients based upon information provided by the client during an interview with the client or as found within the client’s IPS. The Firm may use certain research, analytical and reporting services in determining what funds are best suited for each client and should be included in the fund lineup. These fund lineups are typically composed of index funds, which may include index mutual funds or exchange traded funds (“ETFs”).

Index funds attempt to track a specific market index as closely as possible. This objective differs substantially from that of traditional investment managers, whose objective is to outperform their targeted benchmark even after accounting for all expenses. Indeed, an oft-cited benefit of actively managed funds is the “opportunity” for outperformance.

Index funds offer other advantages, including:

- Diversification - Index funds offer an array of choices across asset classes, allowing participants to create a diversified retirement portfolio.
- Simplicity - A portfolio of all index mutual funds or ETFs can simplify the plan sponsor process of fund selection by eliminating the need to differentiate among individual manager investment strategies, performance history or qualifications. Ongoing evaluation of funds is also simplified, allowing sponsors to judge performance of a fund by comparing it with that of the underlying index.
- Lower operating expenses - Index funds generally have lower expenses than actively managed funds because they don’t employ investment managers or analysts to select, monitor and actively trade underlying assets. Index funds, by their very nature, follow a buy-and-hold strategy, thus reducing transaction fees.

For these reasons, Frugal Financial is proud to offer index funds as part of its investment advisory services.

B. Risk of Loss

Investing in securities involves risk of loss that clients should understand, accept and be prepared to bear. Accounts may lose money. The Firm’s investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a significant loss or depreciation to the value of the client’s account, and that at any given time, the value of the client’s portfolio may be worth more or less than the amount invested. There can be no assurance that the client’s investment objectives will be obtained and no inference to the contrary should be made. In addition, there is no assurance that any investment purchased for the client’s account will achieve its objective. Past performance of investments is no guarantee of future results.

Clients will retain the risk of loss associated with all investments selected by plan sponsor. There is no assurance that a mutual fund or ETF will achieve its investment objective. When investing in an ETF or mutual fund, the client will bear additional expenses based on its pro rata share of

the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Client will also incur brokerage costs when purchasing ETFs. Frugal Financial does not represent, guarantee or imply that the services or methods of analysis employed by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as Frugal Financial are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the Firm or the integrity of its management. The Firm does not have any such legal or disciplinary events.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Frugal Financial Retirement Plan Services, LLC is a business under common control with Employee Fiduciary, LLC, an Alabama Limited Liability Corporation providing recordkeeping and third-party administration services to qualified retirement plans. Employee Fiduciary clients may turn to the Firm for assistance with their investment advisory needs.

A conflict of interest may exist when referring the Firm's clients to Employee Fiduciary because, the aforementioned Employee Fiduciary employees and partners, (who spend from 0% to 100% of their time with this affiliation), may receive remuneration from their roles with and ownership interests in Employee Fiduciary. The compensation received by those Principals from Employee Fiduciary shall be the typical and normal profits received as an employee and/or partner of the Employee Fiduciary, and shall not be received as compensation for referral of the Firm's clients. Clients are under no obligation to utilize the services of Employee Fiduciary. Furthermore, those clients of Employee Fiduciary referred to the Firm shall be required to sign a separate engagement agreement with the Firm and vice-versa.

In addition, this outside activity and affiliation creates a potential conflict of interest in that the Firm's Principals' obligations to this outside interest may take up a substantial amount of time, and therefore the time spent on providing the advisory services described herein may be limited by virtue of such obligations. Although the Firm's Principals will devote as much time to the business and affairs of the Firm as is reasonably necessary to deliver the advisory services described herein, they may devote a significant portion of their time to the affairs of this other activity and affiliation.

The Firm has adopted policies and procedures to address the conflicts presented by these relationships. For example, as part of the Firm's fiduciary duty to its clients, the Firm and its representatives will endeavor at all times to put the interest of its investment advisory clients first. Additionally, the conflicts presented by this practice are disclosed to clients at the time of entering into an advisory agreement. Please refer to Item 11 for additional information.

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

A. Code of Ethics Summary

The Firm has adopted a Code of Ethics (“Code”) which establishes standards of conduct for the Firm’s supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of its Associated Persons (The Firm, its officers, directors, agents or employees). The Code also requires that certain of the Firm’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Unless specifically permitted in the Code, none of the Firm’s Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access 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 the Firm’s clients.

The Code also requires supervised persons to report any violations of the Code promptly to the Firm’s Chief Compliance Officer (“CCO”). Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year.

The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request by contacting the Firm’s CCO, Eric Droblyen at (727) 258-4900.

B. Participation or Interest in Client Transactions

It is the Firm’s policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

C. Personal Trading

The Firm, and all Associated persons, are required to follow the Firm’s Code. If appropriate and consistent with client objectives, the Firm may cause accounts over which it has discretionary authority (or recommend to non-discretionary investment advisory clients) to engage in the purchase or sale of securities in which the Firm, its affiliates, Associated Persons and/or clients directly, or indirectly, have a position of interest. Subject to satisfying policies governing ethical conduct and applicable laws, Associated Persons and Firm affiliates may trade for their own

accounts in securities which are recommended to and/or purchased for Firm clients. The Code is designed to assure that these personal securities transactions by our employees will not in any way impair or interfere with our ability to make decisions in the client's best interest. Under the Code, transactions involving certain classes of securities have been designated as exempt transactions, based upon a determination that these transactions would not materially interfere with the best interest of Firm clients. In addition, the Code requires many transactions to receive pre-approval, and absolutely forbids personal securities transactions from trading on close proximity to client trading activity in the same security. Nonetheless, because the Code in some circumstances would permit the Firm and its Associated Persons to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Such trading by Associated Persons is regularly monitored to reasonably prevent such a conflict.

The Firm and its Associated Persons may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Firm does not deem appropriate to buy or sell for clients.

Furthermore, certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with the Firm's obligation of best execution (See Item 12 below). In such circumstances, the affiliated and client accounts will share applicable costs proportionately and receive securities at a total average price. The Firm will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order.

ITEM 12: BROKERAGE PRACTICES

Investment advisers that select or recommend broker-dealers for client transactions are required to disclose their practices. Because Frugal Financial does not select or recommend broker-dealers for client transactions, it has no information to disclose with respect to this Item. Clients should carefully review the disclosure brochure and/or other related documents from their independent investment adviser or broker-dealer custodian for information pertaining to the brokerage practices employed for their accounts.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

The investment offerings are generally reviewed annually by advisory staff and adjustments to recommended fund lineups are made as needed. Accounts are reviewed for overall adherence with the investment philosophy employed by the Firm, taking into account the investment objectives and guidelines of clients.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews may be triggered by changes in a client's status. Accounts also are reviewed when changing market conditions warrant such review.

Clients are encouraged to notify the Firm and its advisory representatives of any changes in financial situation that might affect investment needs, objectives, or time horizons.

C. Regular Reports

Plan sponsors will receive regular quarterly reports from the Firm summarizing investment performance and market summaries. In addition, clients may receive other supporting reports from mutual funds, trust companies, custodians and others who are involved with client accounts. Those individuals participating in qualified retirement plans may obtain detailed account activity through the plan's online access to the recordkeeper. All reports from the Firm, or our affiliates, will be provided in an electronic format and may be printed at your convenience.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received

The only compensation received from advisory services are the fees charged for providing those services as described in Items 4 and 5, above. Frugal Financial receives no other forms of compensation in connection with providing other investment advisory services.

B. Compensation for Client Referrals

As of the date of this Brochure, neither Frugal Financial nor any of its management or related persons, compensates any person, directly or indirectly, for client referrals. Frugal Financial may engage in such activities in the future, at which time this Brochure will be updated to reflect those changes.

ITEM 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Advisers Act, Frugal Financial is deemed to have custody of client funds solely because the Firm has the authority and ability to debit its fees directly from clients' accounts. To mitigate any potential conflicts of interests, all of the Firm's client account assets are maintained with an independent qualified custodian.

Notably, in most cases a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets held with a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

Frugal Financial may only implement investment management recommendations after the client has arranged for and furnished the Firm with all information and authorizations regarding its accounts held at the designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements

and compare them to the statements provided by the Firm. Firm statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please refer to Item 12 for additional important disclosure information relating to our practices and relationships with custodians.

ITEM 16: INVESTMENT DISCRETION

As described above in Item 4, the Firm may have discretion over the selection of securities to be bought or sold in client accounts without obtaining prior consent or approval from our clients when engaged as the plan's investment manager. However, these transactions may be subject to specific investment objectives, guidelines, or limitations that the client has previously set forth, or that have been agreed upon in writing. Discretionary authority is conditioned upon authorization, which will be evidenced by the client's execution of the Firm's Agreement (if applicable). Where the Firm has discretion, it remains bound by the investment objectives and goals of the client.

ITEM 17: VOTING CLIENT SECURITIES

It is the Firm's policy not to accept proxy voting authority with respect to client securities holdings. Frugal Financial does not advise or act for clients with respect to any proxy voting matters or legal matters, including bankruptcies and class actions, or for any security that could be held in a client's account(s).

ITEM 18: FINANCIAL INFORMATION

The Firm does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. The Firm does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.