

**Form ADV Part 2A – Firm Brochure**  
**Item 1: Cover Page**  
**May 2014**

TFG Investment Management, LLC  
doing business as  
**The Financial Group**

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Diamond Bar, CA 91765

Firm Contact:  
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Chief Compliance Officer

This brochure provides information about the qualifications and business practices of The Financial Group. If you have any questions about the contents of this brochure, please contact us by telephone at (909) 860-7527 or email [robert.thefinancialgroup@verizon.net](mailto:robert.thefinancialgroup@verizon.net). 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 The Financial Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

The Financial Group is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update. Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Last Annual Amendment: Since we are a new firm. We did not file the Annual Updating Amendment for the 2013 fiscal year end.

Material Changes: We will have switched from SEC to State registration with California in June 2014.

### **Item 3: Table of Contents**

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#### **Item 4: Advisory Business**

A. Description of our advisory firm and our principal owner, including how long we have been in business.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of California and has been in business as an investment adviser since 2014. The firm is 100% owned by Robert Brooks.

B. Description of the types of advisory services we offer.

(i) Comprehensive Asset Management:

Our Comprehensive Asset Management service encompasses asset management as well as providing financial planning/financial consulting to clients as a value added benefit. We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and when necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

We may utilize Independent or Third Party Money Managers, where we design an investment portfolio on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting Independent Money Managers, we make sure that they are properly licensed or registered.

(ii) Financial Planning & Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Tax Planning, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Financial Planning. Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services.

For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within three (3) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

Pursuant to California Code of Regulations Section 260.235.2, we must disclose that a conflict of interest may exist between our firm and our Financial Planning clients. Clients are under no obligation to act upon our recommendation and if the client elects to act on any of the recommendations, the client is under no obligation to effect investment related transactions through our firm.

(iii) Pension Consulting:

We provide pension consulting services to employer plan sponsors on a one-time or ongoing basis. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education. All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

(iv) Educational Seminars:

Robert Brooks occasionally provides retirement/wealth management seminars through the local college and university. Our clients are not solicited to enroll in such courses.

C. Explanation of whether we (i) tailor our advisory services to the individual needs of clients, and (ii) whether clients may impose restrictions on investing in certain types of securities.

- (i) We offer individualized investment advice to clients utilizing the Comprehensive Asset Management service. Additionally, we offer general investment advice to clients utilizing the Financial Planning & Consulting and Pension Consulting services.
- (ii) Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Comprehensive Asset Management service.

D. Participation in Wrap Fee Programs.

We do not offer wrap fee programs.

- E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis.

We manage<sup>1</sup> \$0 in regulatory assets under management as of May 2014<sup>2</sup>.

## **Item 5: Fees & Compensation**

- A. Description of how we are compensated for our advisory services provided to you.

- (i) Comprehensive Asset Management:

Schedule is applicable to specific platform/program client is in, as mentioned below:

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge*</b>		
<i>Dollar Amount</i>	<i>Market Movements Solutions-TEFG</i>	<i>- AssetMark, Inc.</i>	<i>- The Financial Group (in-house)</i>
First \$250,000.00	1.35%	1.45%	1.00%
Next \$250,000.00	1.30%	1.35%	0.95%
Next \$500,000.00	1.15%	1.15%	0.80%
Next \$1,000,000.00	0.95%	0.95%	0.65%
Next \$1,000,000.00	0.65%	0.65%	0.45%
Over \$3,000,000.00	0.55%	0.50%	0.30%

\*Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Our fees are generally not negotiable. Legacy clients may be offered discounts based on the terms of previously executed agreements. Fees may be higher or lower than the noted percentages at each asset class based on exact amount of the investment and investment type where applicable. Pursuant to the California Code of Regulations § 260.236j, we must note that lower fees for comparable services may be available from other sources.

We may be compensated by Independent Managers for services rendered. This compensation is typically equal to a percentage of the overall investment advisory fee charged by the independent money manager on an agreed upon fee schedule. The advisory fee paid to us is inclusive of the overall amount in their published fee statement. The terms and conditions under which the client shall utilize the Independent Managers shall generally be set forth in separate written agreements between the client and our firm and the client and the designated Independent Managers.

- (ii) Financial Planning & Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$150 for financial planning and consulting and \$75 for administrative time.

<sup>1</sup> Our method for computing the amount of "client assets we manage" may be different from the method for computing "regulatory assets under management". If we choose to use a different method to compute "client assets we manage," we must keep documentation describing the method we use. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000.

<sup>2</sup> Since our firm was recently established as a Registered Investment Adviser, we have \$0 in regulatory assets under management until legacy clients' assets are brought over to this firm.

(iii) Pension Consulting:

The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you.

B. Description of whether we deduct fees from clients' assets or bill clients for fees incurred.

(i) Comprehensive Asset Management:

Fees will generally be automatically deducted from your managed account. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory and custodial fees paid;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) You will receive a quarterly billing summary;
- d) The quarterly billing summary will include a legend that urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements.

(ii) Financial Planning & Consulting:

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$500 when services cannot be rendered within 3 three months.

(iii) Pension Consulting:

The fee-paying arrangements for pension consulting service will be determined on a case-by-case basis and will be detailed in the signed Pension Consulting Agreement. The client will be invoiced directly for the fees.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Depending upon the type of service or investment account structure selected by the client, Clients may incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. As a matter of course, clients may incur the following separate expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

- D. We must disclose if client's advisory fees are due quarterly in advance. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us and state that you wish to terminate our services. Upon notifying us, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

- E. Commissionable Securities Sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

We do not charge performance fees to our clients.

### **Item 7: Types of Clients & Account Requirements**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types.

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$100,000 for our Comprehensive Asset Management service. This minimum account balance requirement is negotiable.

### **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- **Charting** - In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.
- **Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.



- **Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.
- **Cyclical Analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

#### Investment Strategies We Use:

- **Long-Term Purchases:** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.
- **Short-Term Purchases:** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

#### **Please Note:**

Investing in securities involves risk of loss that clients should be prepared to bear. While the investment markets which may include stocks, bonds, and other securities may increase and your account(s) could enjoy a gain, it is also possible that the investment markets may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the investment markets, are appropriately diversified in your investments and that you ask us any questions you may have.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Comprehensive Asset Management as applicable.

### **Item 9: Disciplinary Information**

We have no legal or disciplinary events material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities & Affiliations**

- A. If our firm or our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, we must disclose this fact.

We have nothing to disclose in this regard.

- B. If our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, we must disclose this fact.

We have determined we have nothing to disclose in this regard.

- C. If we recommend or select third party managers for our clients and we receive compensation directly or indirectly from those third party managers, or we have other business relationships with those third party managers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

Please see Item 4(B)(i) of this Brochure.

- D. Description of any relationship or arrangement that is material to our advisory business or to our clients, that we or any of our management persons have with any related person<sup>2</sup> listed below. We are required to identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how we address it.

Representatives of our firm are licensed in insurance and appointed with various insurance companies. As such, they may offer insurance products and receive normal and customary compensation as a result of implementing insurance product transactions on behalf of clients.

### **Disclosure related to all investment-business related activities:**

Clients are not under any obligation to engage Robert Alan Brooks to provide other services. The implementation of any and all services is solely at the discretion and direction of the client. Robert Alan Brooks places the interests of his clients first as part of his fiduciary obligation. Clients should be aware that the receipt of additional compensation for other activities, such as insurance, may create a conflict of interest for Robert Alan Brooks. Robert Alan Brooks and the firm take steps to address this potential conflict of interest, acting at all times in the best interests of our clients and are bound by our firm's Code of Ethics. Please refer to Item 11 below for additional information.

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<sup>2</sup> Our Related Persons are any advisory affiliates and any person that is under common control with our firm. Advisory Affiliate: Our advisory affiliates are (1) all of our officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by us; and (3) all of our current employees (other than employees performing only clerical, administrative, support or similar functions). Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

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

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>3</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- B. If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

<sup>3</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- C. If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this brochure. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

## **Item 12: Brokerage Practices**

- A. Description of the factors that we consider in selecting or recommending a custodian(s) for client transactions and determining the reasonableness of their compensation.

We seek to recommend a custodian who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With this in consideration, our firm has established a custodial relationship with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC/NFA ("TD Ameritrade") which allows us to participate in the TD Ameritrade Institutional program. TD Ameritrade offers to independent investment advisors non-soft dollar services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some non-soft dollar benefits from TD Ameritrade through our participation in the program.

1. Research and Other Soft Dollar Benefits. If we receive research or other products or services other than execution from a custodian or a third party in connection with client securities transactions ("soft dollar benefits"), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the custodian) and research created or developed by a third party.

Our firm's arrangement with TD Ameritrade provides us with access to its "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm.

- a. Explanation of when we use client transaction costs (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.

As part of the arrangement described in Item 12A1, TD Ameritrade also makes certain research and brokerage services available at no additional cost to the client and our firm. These services include certain research and brokerage services, including research services obtained by TD Ameritrade directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by TD Ameritrade to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by TD Ameritrade to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

- b. Possibility of an incentive to select or recommend a custodian based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving best execution.

As a result of receiving the services discussed in 12A(1)(a) of this Firm Brochure for no additional cost, there may be an incentive to continue to use or expand the use of TD Ameritrade's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with TD Ameritrade and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution. TD Ameritrade charges transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, transaction costs are charged for individual equity and debt securities transactions). TD Ameritrade enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. However, the transaction costs charged by TD Ameritrade may be higher or lower than those charged by other custodians.

- c. Possibility of clients paying transaction fees (or markups or markdowns) higher than those charged by other custodians in return for soft dollar benefits.

Our clients may pay transaction costs through TD Ameritrade that are higher or lower than another qualified custodian might charge to effect the same transaction where we determine in good faith that the cost is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian's services, including the value of research provided, execution capability, and responsiveness. Accordingly, although we will seek competitive rates for the benefit of all clients, we may not necessarily obtain the lowest possible transaction costs for specific client account transactions.

- d. Disclosure of whether we use soft dollar benefits to service all of our clients' accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage fee paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

- e. Description of the types of products and services our firm or any of our related persons acquired with client transaction costs (or markups or markdowns) within our last fiscal year.

This item is not applicable.

2. Brokerage for Client Referrals. If we use client brokerage to compensate or otherwise reward brokers for client referrals, we must disclose this practice, the conflicts of interest it creates, and any procedures we used to direct client brokerage to referring brokers during the last fiscal year (i.e., the system of controls used by us when allocating brokerage).

Our firm does not receive brokerage for client referrals.

3. Directed Brokerage.

If we routinely recommend, request or require that a client direct us to execute transactions through a specified custodian, we are required to describe our practice or policy. Further, we must explain that not all advisers require their clients to direct brokerage. If our firm and the custodian are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of client transactions, and this practice may cost our clients more money.

In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the rates at which such securities transactions are effected.

Clients may seek to limit our authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value. Any such client direction must be in writing (often through our advisory agreement), and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

We provide appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating transaction costs and that such direction may adversely affect our ability to obtain best price and execution. In addition, we will inform you in writing that your trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

#### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provides with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

### **Item 13: Review of Accounts or Financial Plans**

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

We review investment accounts for our clients at least quarterly. The nature of these reviews is to learn whether clients' fee-based asset management accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Robert Brooks will conduct reviews.

Pension Consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to Pension Consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

For Financial Planning clients, once the Financial Plan has been reviewed and produced to the client, they will need to contact us to revisit. Financial Planning clients do not receive updated reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

We provide written reports and reviews to clients with fee based accounts on a quarterly basis which address the performance and portfolio allocation of individual portfolio holdings.

As mentioned in Item 13A of this Brochure, Pension Consulting clients do not receive written or verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

As also mentioned in Item 13A of this Brochure, Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.



#### **Item 14: Client Referrals & Other Compensation**

Except for the arrangements outlined in Item 12 of this brochure, we have no additional arrangements to disclose. Furthermore, we do not pay referral fees to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules.

#### **Item 15: Custody**

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodian we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

#### **Item 16: Investment Discretion**

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. If a client would prefer a non-discretionary arrangement, we may make arrangements as requested.

#### **Item 17: Voting Client Securities**

We do not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations. Clients may have the option, depending on the custodian or transfer agent, to authorize the custodian to forward proxies or other solicitations to the Managers of their managed accounts and to allow those Managers to vote proxies on their behalf.

#### **Item 18: Financial Information**

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$500 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.

## **Item 19: Requirements for State-Registered Advisers**

**Robert Alan Brooks** | *Year of Birth:* 1957

### **Educational Background:**

- University of Southern California; Political Science; 1977
- California State University Fullerton; Economics; 1979

### **Business Background:**

- TFG Investment Management, LLC *dba* **The Financial Group**; 02/2014 – Present  
Principal/Registered Investment Adviser Representative
- Robert Alan Brooks *dba* The Financial Group; 05/1984 – 02/2014  
Financial Advisor
- ING Financial Partners, Inc. (formerly Washington Square Securities, Inc.); 11/1985 – 02/2014  
Registered Representative and Registered Investment Adviser Representative

### **Exams, Licenses & Other Professional Designations:**

Financial Industry Regulatory Authority (FINRA) Registrations:

- Series 7 (General Securities Representative) – 1990
- Series 6 (Investment Company Products/Variable Contracts Limited Representative) – 1986
- Series 63 (Uniform Securities Agent State Law) – 1995
- Series 65 (Uniform Investment Adviser Law) – 1998

Insurance Licenses:

- California Variable Contracts License – 08/1986
- California Life Insurance License – 02/1979

Please see Item 10 of this Firm Brochure for any other business in which we are actively engaged. We do not charge performance-based fees. Our firm and management persons have not been involved in any arbitration awards, found liable in any civil, self-regulatory organization or administrative proceedings or have any relationships with issuers or securities apart from what is disclosed above.

Per California Code of Regulations Section 260.238(k), we must state that we have disclosed all material conflicts of interest relating to our firm, our representatives, and our employees that could be reasonably expected to impair the rendering of unbiased or objective advice. Our firm does not have compensation arrangements connected with advisory services which are in addition to our advisory fees. Our management persons and representatives do not engage in other financial industry activities or affiliations. As a fiduciary, we always put our Client's interest above our own. Information regarding participation of interest in client transactions can be found in our Code of Ethics as well as Item 11 of this Brochure. You may obtain a copy of our Code of Ethics by contacting Robert Brooks, Chief Compliance Officer at (909) 860-7527.