

**Item 1 – Cover Page**

**Form ADV, Part 2A**



WEALTH ADVISORS GROUP

PLAN | INVEST | PROTECT

**Wealth Advisors Group**

12726 Coldwater Rd.

Ft. Wayne, In 46845

260-619-3100

[www.wealthag.com](http://www.wealthag.com)

**March 30, 2015**

This brochure provides information about the qualifications and business practices of Wealth Advisors Group (“WAG”). If you have any questions about the contents of this brochure, please contact Mark VanderHagen at 260-619-3100. 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.

Wealth Advisors Group is an investment adviser registered with the Securities and Exchange Commission (“SEC”). Registration does not imply a certain level of skill or training.

Additional information about Wealth Advisors Group also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by using a unique identifying number known as a CRD number. WAG’s CRD number is 122050.

## **Item 2 – Material Changes**

This section provides a summary of the material amendments made to this disclosure brochure since WAG's last annual updating amendment dated March 26, 2014.

Item 4 has been revised to disclosure the changes in our ownership structure. In addition, Item 5 of this brochure has been updated to reflect our new fee structure and our assets under management as of December 31, 2014.

Other non-material amendments were made to this brochure, which are not discussed in this summary, and consequently, we encourage you to read the disclosure brochure in its entirety.

### **Item 3 - Table of Contents**

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	i
Item 3 - Table of Contents.....	ii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	4
Item 7 – Types of Clients .....	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	5
Item 9 – Disciplinary Information .....	5
Item 10 – Other Financial Industry Activities and Affiliations.....	6
Item 11 – Code of Ethics.....	6
Item 12 – Brokerage Practices.....	7
Item 13 – Review of Accounts .....	9
Item 14 – Client Referrals and Other Compensation .....	9
Item 15 – Custody .....	9
Item 16 – Investment Discretion .....	10
Item 17 – Voting Client Securities .....	10
Item 18 – Financial Information.....	10

## **Item 4 – Advisory Business**

### ***Advisory Business and Ownership***

*Wealth Advisors Group, a d/b/a of Security Financial Services, Inc.*, (“WAG” or “Adviser” or “Firm”) has been operating since 1991. Prior to 2010, WAG operated under the d/b/a *The Advisors Group*. Its owners are Mark D. VanderHagen, 65%, Joseph L. DeWald 20%, Alex Budzon, 10% and Patrick O’Connell, 5%.

All of the Firm’s owners are registered representatives of LPL Financial, a registered broker-dealer (“LPL”). For information on LPL, please visit [www.lpl.com](http://www.lpl.com) or <http://wealthag.com/new/wag/content.asp?contentid=2017448748>.

### ***Types of Advisory Services***

WAG provides investment advisory services to its clients on a discretionary and non-discretionary basis. The advisory services include, among other things, providing advice regarding asset allocation, the investment and reinvestment of assets and the selection of investments. Account management is guided by the stated objectives of the client as communicated to WAG. In addition, the Adviser considers the client’s risk profile and financial status prior to making any recommendations.

Based on a variety of factors, including the client’s risk profile, financial net worth, need for income, time constraints, and other factors (see Item 8), a portfolio is established. Clients with portfolios of similar size and with similar risk expectations may be constructed in a similar manner. The Adviser may use strategic or tactical asset allocation approaches to portfolio management and may use a proportional combination of assets based on the expected long-term rates of return for each asset class. Client portfolios are periodically rebalanced to bring them back in line with recommended allocations. Mutual funds, ETFs and individual equities usually form the core portfolio holdings. LPL has established guidelines as to the maximum amount of a client’s account that WAG can allocate, in terms of percentage, to certain asset classes based on the client’s net worth. WAG will always adhere to any restrictions set by its broker/dealer, LPL.

In addition, WAG provides financial planning, consulting and plan update services to individuals, foundations and businesses. The Adviser may also provide advice on topics that may include, but are not limited to, workplace retirement plans, and business, retirement, estate, budgetary, college, personal and business tax planning.

### ***Tailored Advice***

WAG tailors its advisory services to the individual needs of its clients. In some circumstances, WAG tailors investment portfolios for clients who impose certain restrictions on securities or types of securities. At the client’s request, WAG will refrain from owning

certain securities or types of securities in a portfolio, and will make special arrangements for any other restrictions that a client may impose on the management of their account(s).

### ***Specialized Asset Management Services***

For those clients that require an enhanced and/or specialized level of asset management services, WAG may recommend that a portion of such clients' assets be actively managed on a discretionary basis by and/or among certain independent investment manager(s) and/or investment programs (the "Independent Manager(s)") selected by WAG, based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage Independent Manager(s) shall be set forth in separate written agreements between the client and WAG and the client and the designated Independent Manager(s). With respect to these clients, WAG shall continue to render advisory services to them relative to the ongoing monitoring and reviewing of account performance.

### ***Participation in Wrap Fee Programs***

We offer wrap fee programs as more specifically described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of our brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance and other determining factors. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

### ***Assets Under Management***

As of December 31, 2014, WAG managed approximately \$246,000,000 in assets on a discretionary basis and approximately \$14,000,000 in assets on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### ***Fees***

#### ***Advisory Fees***

Management fees for fee-based accounts are paid quarterly in advance and are generally negotiable. Fees are due on the first day of the calendar quarter, and may be billed directly to the client or deducted directly from the client's custodial account. The specific manner in which fees are charged by WAG is established in a client's written agreement with WAG. Fees are based on the account's net asset value as of the end of the last business day of the prior calendar quarter and are prorated for accounts opened during the quarter. Annualized fees are as follows:

#### ***Annualized Fees***

<b><u>From</u></b>	<b><u>To</u></b>	<b><u>Per Year</u></b>
--------------------	------------------	------------------------

\$100,000	\$149,999	Up to 1.75%
\$150,000	\$249,999	Up to 1.65%
\$250,000	\$499,999	Up to 1.60%
\$500,000	\$749,999	Up to 1.50%
\$750,000	\$1,249,999	Up to 1.40%
\$1,250,000	\$1,999,999	Up to 1.25%
\$2,000,000	\$3,999,999	Up to 1.05%
\$4,000,000	\$6,999,999	Up to 0.95%
\$7,000,000	\$9,999,999	Up to 0.85%
\$10,000,000	\$14,999,999	Up to 0.75%
\$15,000,000 and over		Negotiable

### ***Other Fees***

Apart from the fees set forth above, WAG's clients may also incur certain charges imposed by custodians, brokers, and other third parties, such as, but not limited to, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus and which are exclusive of, and separate from the management fees paid to the Adviser. Advisory clients should note that fees for comparable services vary and lower fees for comparable services may be available from other sources. For a breakdown of other expenses, please also see LPL's "Account Packet" for the respective type of account.

Please see the Item 12 below for a discussion regarding brokerage, including the factors that WAG considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions) that may be relevant to this discussion of fees.

### ***Fees for Specialized Management Services***

For those enhanced and/or specialized level of asset management services mentioned in Item 4, clients are charged one fee, which is automatically deducted from the client's custodial account. That fee is split to cover WAG's advisory fee, the Independent Manager's advisory fee, and brokerage and commission costs that are incurred by the account while under the management of the Independent Manager. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the respective Independent Manager's Form ADV, Part 2A; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager or managers selected; or, iv) the Independent Manager's account opening

documents. A copy of all relevant disclosure documents of the Independent Manager(s) will be provided to anyone interested in these programs/managers.

### ***Refund of Fees Paid in Advance***

An advisory client will have a period of five (5) business days from the date of signing the investment management agreement to unconditionally rescind the agreement and receive a full refund of all fees that have been pre-paid. Thereafter, either party may generally terminate the agreement with 30 days written notice. Upon termination, prepaid fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to the client.

### ***Compensation for the Sale of Securities***

WAG does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds within fee-based advisory accounts. However, advisory clients may also have retail brokerage accounts at LPL, where individuals associated with WAG serve as the account's registered representative and in such capacity, representatives of WAG may receive commissions and/or payments from certain mutual fund companies as compensation for distribution and/or administrative services. As such, a conflict of interest may exist with respect to such recommendations to buy or sell such securities.

Associates of WAG are also engaged in the insurance brokerage business and, in that capacity, may occasionally sell individual life insurance or annuity products from which they may receive a commission. The receipt of these commissions may present a conflict of interest in that it creates an incentive for them to recommend products based on the receipt of commissions rather than the needs of the client.

Please see Item 10 for a more detailed discussion regarding the arrangements discussed above, as well as how any potential conflicts of interest are addressed by WAG.

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

WAG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Item 7 – Types of Clients**

WAG provides portfolio management services and investment advice to individuals, high net worth individuals, charitable organizations, pension and profit sharing plans, and businesses that typically include physicians, small business owners, family-owned businesses, retirees, and retirement-focused individuals.

The Adviser typically requires a minimum of \$100,000 to establish a new advisory account; however, the minimum may be waived at the sole discretion of the Adviser. In addition, the Adviser may continue to service existing accounts that have values that are below the minimum. Increased regulation and laws have made doing business much more costly, and WAG reserves the right to turn away clients for any reason.

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

The starting point of our investment strategy is risk management. We seek to take a dynamic approach to risk management, realizing that each client has different return expectations, risk comfort levels, and loss thresholds. We have a risk management strategy in place, which is intended to provide us with the discipline to decrease portfolio risk when we deem the corresponding expected returns to be insufficient given the level of risk, and vice versa.

In our investment process we typically don't just look at the traditional asset classes – stocks and bonds – we look at a much wider set of investment opportunities. We identify investment themes that we believe will be long-term opportunities that we can take full advantage of in our portfolios. As a result, our portfolios do not mirror the traditional benchmarks because we are not content to ride the markets up and down with a high level of volatility.

Our focus on tactically changing our asset allocation within portfolios is, we believe, a key factor in our client's ability to build long-term wealth. When a particular asset type or strategy is employed, clients will always have the option to read the provided prospectus, outlining specific risks.

WAG's first step in portfolio management is to determine risk and return objectives. Step two is determining appropriate managers to meet risk and return objectives. This is done by evaluating long-term performance, performance attribution, and portfolio allocation to find managers that meet the clients' needs. WAG generally uses industry standards in evaluation and does not use third parties in the portfolio manager review process.

WAG's process includes quarterly reviews of accounts and adjustments as necessary to meet the clients' risk and return objectives.

Investing in securities involves risk of loss that clients should be prepared to bear. Certain types of investments involve significant and/or unusual risks, and these will be disclosed before the type of investment is recommended.

### **Item 9 – Disciplinary Information**

Neither WAG nor any of its supervised persons have been the subject of any legal or disciplinary events that would be material to your evaluation of WAG or the integrity of WAG's management.



## **Item 10 – Other Financial Industry Activities and Affiliations**

Associates of the Adviser are registered representatives of LPL, a registered broker-dealer, member of the Financial Industry Regulatory Authority, Inc., and a registered investment adviser. Most of WAG's time, however, is spent providing financial planning and investment advisory services. In their capacities as registered representatives, individuals associated with WAG may receive commissions and/or 12b-1 fees from certain mutual fund companies for transactions in retail brokerage accounts, which may include accounts owned by clients who also have fee-based advisory accounts under WAG's management. As a result of this form of compensation arrangement, associated persons of WAG may have a conflict of interest when recommending certain mutual funds or other securities to clients in their retail brokerage accounts. As such, WAG's agreements with clients specifically include provisions advising the client of such arrangements. Further, the agreement requires that client consent be obtained before any of WAG's associated persons act in a brokerage capacity, or on behalf of LPL, in any way, with respect to the client's account. Neither WAG nor any of its associated persons, however, receive commissions or 12b-1 fees from assets held in fee-based advisory accounts.

As noted above in Item 5, associates of WAG are also engaged in the insurance brokerage business and, in that capacity, may occasionally sell insurance products to advisory clients from which they may receive a commission. The receipt of commissions by WAG and/or its associated persons from the sale of insurance products to advisory clients may present a conflict of interest in that it creates an incentive for WAG to recommend insurance products based on the receipt of commissions rather than the needs of the client. We address this potential conflict of interest by providing disclosure regarding the conflict and not charging any advisory fees on those insurance products. In addition, if WAG's associated persons were to sell a commission based insurance product to an advisory client, WAG would not charge an asset-based fee on the value of such insurance product.

## **Item 11 – Code of Ethics**

The Adviser has adopted a Code of Ethics ("Code") for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Adviser and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code covers a range of topics that include provisions relating to general ethical principles, reporting personal securities trading, exceptions to personal securities reporting requirements, the definition of reportable securities, reporting ethical violations, the distribution of the Code, and review and enforcement processes. The Adviser will provide a copy of the Code to any client or prospective client upon request.

WAG may, in appropriate circumstances, consistent with clients' investment objectives, cause accounts over which WAG has management authority to effect, and may recommend to investment advisory clients or prospective clients, the purchase or sale of securities in

which WAG and/or its affiliates, directly or indirectly, may have a position of interest. Conversely, WAG and/or its affiliates may invest in the same securities that are held in client accounts and may purchase or sell those securities at or about the same time such securities are recommended to or bought or sold for client accounts. In both situations, WAG's employees and persons associated with WAG are required to follow WAG's Code. The Code requires each of WAG's employees to always place the interests of clients ahead of WAG's interest or the interest of any employee. WAG's Code is designed to assure that the personal securities transactions, activities and interests of the employees of WAG will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions that are not subject to the reporting requirements set forth in the Code, based upon a determination that these would not materially interfere with the best interest of WAG's clients. In addition, the Code requires pre-clearance of certain personal transactions. Nonetheless, because employees are permitted to invest in the same securities as clients, a potential conflict of interest might arise because (1) WAG or its supervised persons may have an incentive to recommend, or not recommend, the sale of those securities to clients in order to protect the value of their personal investment, and (2) WAG or its supervised persons may have an incentive to place their orders before those of clients in order to obtain a better price. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between WAG and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with WAG's obligation to seek best execution for its clients' securities transactions. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. WAG 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. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

## **Item 12 – Brokerage Practices**

WAG seeks to obtain best execution for client transactions, *i.e.*, seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. Best execution does not only mean achieving the best price but also involves many factors, such as the characteristics of specific trades, the security being traded, quality of execution, clearance/settlement capabilities, the specific needs of the clients, and the conditions in the market at the time the order is placed.

WAG will review its best execution responsibilities when directing brokerage to any broker-dealer (especially affiliated entities, such as LPL) by determining commission discounts, the quality of the brokerage services being provided and other factors that WAG deems to be pertinent in seeking best execution.

### ***Soft Dollar Arrangements***

WAG does not have any formal soft dollar arrangements. However, WAG and/or its associated persons may receive products or services from LPL, which includes access to research on mutual funds and other Investment Managers, client reporting and client reporting software, as well as other products or services that may not necessarily benefit only the clients who generates such soft dollar benefit, but WAG as well because these benefits assists WAG in managing and administering our clients' accounts. WAG's receipt of these products or services from LPL creates a potential conflict of interest because WAG does not have to produce or pay for these products or services, which creates an incentive for WAG to maintain its relationship with LPL and to continue to recommend LPL's custodial and brokerage services. WAG's receipt of these benefits from LPL is not contingent upon WAG committing any specific amount of business to LPL in the form of brokerage commissions, loads, or transactions fees.

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

Receipt of client referrals from broker dealers is not a determining factor for WAG when selecting or recommending broker dealers to clients.

### ***Directed Brokerage***

Clients may select the broker-dealer custodian that will maintain their advisory accounts, however, WAG generally recommends the selection of LPL. Once a broker-dealer custodian is selected, all transactions for such accounts will be executed by the broker-dealer custodian based on transaction fee/ticket charge schedules agreed to by the client and the broker-dealer custodian at the time the custodial account is opened. Not all investment advisers require that their clients maintain their assets under management in accounts held in the custody of a specific broker-dealer or require that clients execute all transactions through a specific broker-dealer. Clients should be aware that by directing brokerage, WAG may be unable to achieve most favorable execution for client transactions, which may cost clients more money. However, if a client pays for investment advice, financial planning, or recommendations, there is no prohibition against clients implementing that advice on their own, through another financial institution or broker/dealer.

### ***Block Trading***

In placing its orders to purchase or sell securities in accounts, WAG may elect to aggregate clients' orders. In so doing, the firm will not aggregate transactions unless aggregation is consistent with its duty to seek best execution and is not inconsistent with the terms of WAG's investment advisory agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client and each client that participates in an aggregated order will receive the average share price for all transactions executed as part of that aggregate order on a given business day, with transaction costs

shared pro-rata based on each client's participation in the transaction, subject to any minimum transaction charges imposed by the broker-dealer and/or custodian.

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement; notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for the different allocation is explained in writing and is approved in writing by WAG's Chief Compliance Officer no later than one hour after the opening of the markets on the trading day following the day the order was executed.

### **Item 13 – Review of Accounts**

WAG performs reviews of all of its advisory client accounts no less frequently than quarterly. Accounts are reviewed by the Chief Compliance Officer for consistency with the client's investment strategy and to review overall account performance, among other things. Ad hoc reviews may be triggered by changes in the client's personal, tax, or financial status or as a result of macroeconomic and company specific events.

All advisory clients receive quarterly statements from WAG that are produced by LPL on our behalf. Such reports include holdings and transaction information for their fee-based advisory accounts as well as account performance information.

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

Neither WAG nor any related person of WAG compensates any other person, directly or indirectly, for referring clients to WAG regardless of whether the referring party is a client or non-client. WAG also does not receive any form of compensation or economic benefit from someone who is not an advisory client of WAG for providing investment advice to WAG's advisory clients. WAG accepts compensation for providing investment advice only from clients where there exists a written agreement.

### **Item 15 – Custody**

WAG will not have physical custody of Client's funds and/or securities, rather, all funds and securities under WAG's discretionary investment management are required to be held in custody in accounts maintained by LPL, Charles Schwab & Co., Inc. or TD Ameritrade, Inc.

Clients should receive monthly custodial account statements directly from LPL, which holds and maintains all of WAG's advisory clients' investment assets. WAG urges you to carefully review such statements.

In addition, all advisory clients of WAG will also receive quarterly statements from WAG that include holdings and transactions information. Clients are urged to carefully compare the information in the monthly custodial account statements received from LPL with the information in their quarterly statements received from WAG.

### **Item 16 – Investment Discretion**

WAG usually receives discretionary authority from the client at the outset of an advisory relationship to select both the securities to be bought and sold and the amount of securities to be bought or sold. In all cases, such discretion is exercised in a manner consistent with any investment guidelines and restrictions imposed by the client, which must be provided by WAG in writing.

When selecting securities and determining the amount of securities to be bought or sold, WAG observes the investment policies, limitations and restrictions imposed by the clients it advises.

Before discretionary action is taken, clients will be provided with and required to agree to and sign the Investment Advisor Agreement, which includes a provision that grants WAG discretionary authority over the client's accounts. More information about our discretionary authority is outlined in such agreement.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, WAG does not accept the authority to vote securities and does not vote proxies on behalf of its advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios and will receive such proxies directly from their account's custodian or from a transfer agent. WAG may, however, provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

WAG is not currently subject to any financial condition that is reasonably likely to impair its ability to meet its contractual and fiduciary commitments to clients, and WAG has not been the subject of a bankruptcy proceeding.