



# LAKE SIDE

WEALTH MANAGEMENT

## RETIREMENT PLAN ADV PART 2A FIRM BROCHURE March 28, 2015

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This brochure provides information about the qualifications and business practices of Lakeside Wealth Management Group, LLC. If you have any questions about the contents of this brochure, please contact us at (219) 926-1182.

Lakeside Wealth Management Group, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Lakeside Wealth Management Group, LLC is available on the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the adviser is 140271.

## 2. MATERIAL CHANGES

The firm's brochure was last updated March 28, 2014. Since the last annual update on March 25, 2014, the firm has changed locations. We are now located at 3100 Village Point, Ste 200, Chesterton, IN 46304.

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#### 4. ADVISORY BUSINESS

##### A. OWNERSHIP/ADVISOR HISTORY

Lakeside Wealth Management Group, LLC (“Lakeside”) was formed in March 2006 by its members Mark Chamberlain and Timothy Rice. It is an Indiana limited liability company. It was registered as an Indiana investment adviser in July 2006. Due to rapid growth it became registered with the Securities and Exchange Commission on April 27, 2007. In January of 2013, Gerald E. Mang, Jr. became a member of Lakeside Wealth Management Group, LLC.

##### B. QUALIFIED PLAN CONSULTING SERVICES

For business clients, Lakeside offers qualified plan consulting services. Lakeside offers a variety of services to the qualified plan’s trustee. These services include, but are not limited to: plan benchmarking of fees, investment policy statement development and drafting, research on investment manager, investment monitoring, participant education services, request for statement of qualification services and request for proposal services. Lakeside works with the qualified plan’s trustee to tailor a program specifically for that plan.

##### C. TAILORED SERVICES

As described above, all of Lakeside’s services are tailored to a client’s needs, goals and objectives. However, Lakeside does not allow clients to place restrictions on investing in certain securities or types of securities.

##### D. WRAP PROGRAM

Lakeside does not sponsor or participate in a wrap program. This section is not applicable.

##### E. CLIENT ASSETS MANAGED

As of December 31, 2014, Lakeside manages<sup>1</sup> \$166,133,530 on a discretionary basis. It also provides various levels of advice on a non-discretionary basis to \$398,417,175 in retirement plan accounts.

#### 5. FEES AND COMPENSATION

##### A. RETIREMENT PLAN CONSULTING SERVICES FEE

Lakeside’s advisory fees may consist of an asset-based fee, a fixed fee, a per-diem fee, or any combination of the three. Lakeside’s fees are dependent on the services agreed to in the Consulting Service Agreement (“CSA”).

**Asset-based Fee:** Lakeside charges an asset-based fee ranging between 0.15% and 1.00% annually of the value of assets under advisement. The annual advisory fee is billed and payable quarterly in arrears based on the value of the plan assets on the last day of the quarter. (Please note that older accounts may have different fees.) The asset-based fee

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<sup>1</sup> Please note that our method for computing the amount of “client assets we manage” can be different from the method for computing “assets under management” required for Item 5.F in Part 1A of Form ADV.

range varies and is dependent on the size of assets in the qualified plan, the number of participants in the qualified plan, the estimated of hours involved, and the services to be provided. The actual fee shall be stated in the client's CSA.

**Per Diem Fee:** Lakeside assesses a daily rate not to exceed \$2500 per day per advisor for consulting related services, employee enrollment and education. The per-diem fee can be negotiated based on plan assets and services.

**Fixed Fee:** Lakeside's fixed fees range between \$2,500 and \$70,000 per year. The fixed advisory fee is billed and payable quarterly in arrears.

All fees for consulting services are agreed upon in advance pursuant to the CSA. It is the responsibility of the plan sponsor or record keeper to pay the required fee.

Please note that Lakeside requires a minimum fee of \$2,500 to set up a new qualified plan whether the client pays a fixed fee or assets under management fee.

For all services, when a client's CSA is executed at any time other than the first day of a calendar quarter, Lakeside's fees will apply on a pro rata basis, which means that the consulting fee is payable in proportion to the number of days in the quarter for which you are a client. For each subsequent quarter, the fee will be calculated on the plan's quarter-end value as reported by the plan's custodian.

Lakeside does not reasonably expect to receive any other compensation, direct or indirect, for its Services under this Agreement. If Lakeside receives any other compensation for such services, Lakeside will (i) offset that compensation against its stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to Client pursuant to the terms of section 4(d) of the Client Service Agreement.

#### **B. Termination of Services**

A client may terminate this service for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the CSA may be terminated at any time by giving thirty (30) days written notice to Lakeside Wealth Management Group, LLC, 3100 Village Point, Suite 200, Chesterton, IN 46304. Upon notice of termination, asset-based fees and fixed fees will be pro-rated based upon the termination date and billed to the client.

#### **C. OTHER SECURITIES COMPENSATION**

The owners and investment adviser representatives of the firm are also registered representatives of First Allied Securities, Inc., a broker/dealer. The amount of time spent on this activity varies with each person and is disclosed in his/her ADV Part 2B. The sale of securities as a registered representative is considered investment related and the purchase of securities products may be recommended to a client. It also pays commissions that are separate from the fees described above. With the ability to work as a client's registered representative and investment adviser representative, this could be viewed as a conflict of

interest because each service pays a separate fee or commission. However, the firm and its representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the client's interests ahead of their own and through the implementation of policies and procedures that address the conflict.

## **6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Lakeside does not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client). This section is not applicable.

## **7. TYPES OF CLIENTS**

Lakeside's Qualified Plan Consulting Services are offered to individuals, charitable organizations, pension plans, corporations and other businesses entities. Lakeside does not require a minimum plan size however, as disclosed in Item 5, it does require a minimum annual fee of \$2,500 per plan.

## **8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

Advisers are required to give a description of their methods of analysis and investment strategies that are used in formulating investment advice or managing assets. When recommending securities within a qualified plan Lakeside use the following:

#### **Methods of Analysis:**

**Qualitative Analysis** – Qualitative Analysis is a technique that values a fund's investment manager's philosophy and strategy for the managed asset class. This analysis takes into account things such as manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, the fund's strength of statistics, viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy.

**Quantitative Analysis** – Quantitative Analysis incorporates modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors).

**Asset Allocation** – Lakeside identifies three broad asset classes that can be further subdivided as needed, not including cash and cash equivalent. Excluding cash, the three broad asset classes are equities, fixed income, and alternative investments. The overall portfolio risk/return expectations can be managed by varying the weights given to each of these broad asset classes based on the risk tolerance, time horizon, and investment objectives of the investors.

## B. INVESTMENT RISKS

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear.** While Lakeside recommends various securities that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. Lakeside would be pleased to discuss them.

Lakeside strives to render its best judgment on behalf of its clients. Still, Lakeside cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. Lakeside continuously strives to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

## C. RECOMMENDED SECURITIES AND THEIR RISKS

Lakeside recommends several types of mutual funds to its clients. An investment in a security could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. The risks associated with the recommended securities include, but are not limited to:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Manager risk:** The chance that poor security selection will cause a mutual fund or other managed product to underperform relevant to benchmarks or other securities products with similar investment objectives.
- **Active management fees risk:** Active management strategies that involve frequent trading generate higher transaction costs which diminish the fund's return. In addition, the short-term capital gains resulting from frequent trades often have an unfavorable income tax impact when such funds are held in a taxable account.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to

changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.

Clients need to ask questions about risks they do not understand. Lakeside would be pleased to discuss them.

## **9. DISCIPLINARY INFORMATION**

Lakeside is required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management. There are a number of specific legal and disciplinary events that Lakeside must presume are material for this item. If Lakeside or a management person has been involved in one of these events, Lakeside must disclose it under this item for ten years following the date of the event unless (1) the event was resolved in the firm or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events that need to be disclosed. If Lakeside or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of its advisory business or the integrity of its management, Lakeside must disclose the event. Similarly, even if more than ten years has passed since the date of the event, Lakeside must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation of the firm or management.

Lakeside has no information applicable to this item because it has never been the subject of any administrative, civil, criminal or self-regulatory proceedings.

## **10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. BROKER-DEALER AFFILIATIONS**

The owners and investment adviser representatives of Lakeside are also registered representatives of First Allied Securities, Inc., a broker/dealer. The amount of time spent on this activity varies with each person and is disclosed in his/her ADV Part 2B. The sale of securities as a registered representative is considered investment related and the purchase of securities products may be recommended to a client. It also pays commissions that are separate from the fees described above. With the ability to work as a client's registered representative and investment adviser representative, this could be viewed as a conflict of interest because each service pays a separate fee or commission. However, Lakeside and its representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the client's interests ahead of their own and through the implementation of policies and procedures that address the conflict.



#### B. FUTURES/COMMODITIES FIRM AFFILIATION

Lakeside, its owners and investment adviser representatives are not affiliated with a futures or commodities broker.

#### C. OTHER INDUSTRY AFFILIATIONS

The owners and investment adviser representatives of Lakeside are also independent insurance agents (Life, Health and Long-Term Care Licensed). The amount of time spent on this activity varies with each person and is disclosed in his/her ADV Part 2.B. The sale of insurance products is considered investment related and the purchase of insurance products may be recommended to a client. It also pays commissions that are separate from the fees described above. With the ability to work as a client's insurance agent and investment adviser representative, this could be viewed as a conflict of interest because each service pays a separate fee or commission. However, Lakeside and its representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the client's interests ahead of their own and through the implementation of policies and procedures that address the conflict.

#### D. SELECTION AND MONITORING OF THIRD-PARTY INVESTMENT ADVISERS

Lakeside does not select and monitor third party investment advisers with its Qualified Plan Consulting Services.

### 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

#### A. DESCRIPTION

Lakeside's Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. Lakeside will provide a copy of its Code of Ethics to any client or prospective client upon request.

Lakeside's Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Lakeside must acknowledge the terms of the Code of Ethics annually, or as amended.

#### B. MATERIAL INTEREST IN SECURITIES

Lakeside and its owners and investment adviser representatives do not recommend the purchase or sale of securities in which they have a material financial interest.

#### C. INVESTING IN OR RECOMMENDING THE SAME SECURITIES

On occasion, Lakeside's owners and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different than those that they recommend to their clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. Lakeside attempts to mitigate the conflict of interest to the best of its ability through the enactment of the firm's Code of Ethics, trading policies, and its fiduciary responsibilities. Nonetheless, Lakeside generally attempts to place client transactions ahead of proprietary trades. The associates of Lakeside are aware of their fiduciary duty to their clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept by Lakeside, available to regulators to review on the premises.

## 12. BROKERAGE PRACTICES

### A. RECOMMENDATION CRITERIA

When negotiated with the client and documents in a CSA, Lakeside will recommend custodians to clients. The recommendations are based upon the custodian's services provided, reporting ability, trade execution, charges and fees, and client service ability.

NOTE: Clients may be able to obtain lower commissions and fees from other brokers, and the value of products, research and services given to the applicant is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions. With the use of independent broker-dealers, clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, 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. Such charges, fees and commissions are exclusive of and in addition to Adviser's fee and it will not receive any portion of these commissions, fees, and costs.

#### i. RESEARCH AND SOFT DOLLAR BENEFITS

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. Lakeside does not receive any soft dollar benefits related to its Qualified Plan Consulting Services.

#### ii. BROKERAGE FOR CLIENT REFERRALS

Lakeside does not receive client referrals from any custodians.

#### iii. DIRECTED BROKERAGE

Some clients may direct Lakeside to a specific broker/dealer to execute securities transactions for their accounts. When so directed, Lakeside may not be able to effectively negotiate lower brokerage commissions or achieve best execution on client's transactions.

This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the client's account because Lakeside cannot negotiate favorable prices.

**B. TRADING PRACTICES**

Lakeside does not place trade in qualified plan accounts. This section is not applicable.

**13. REVIEW OF ACCOUNTS**

**A. PERIODIC REVIEWS**

Reviews associated with Qualified Plan Services are negotiated with each individual plan. Please see the client's CSA for this information.

**B. OTHER REVIEWS**

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance). Any changes in a client's financial situation, goals, or risk tolerance may also affect the current strategy guiding a client's portfolio and other investments. Clients are urged to notify their investment adviser representative of any such change at their earliest convenience.

**C. REPORTS**

The reports provided by Lakeside for its Qualified Plan Services will depend upon the services negotiated with the individual plan. Please see the client's CSA for this information.

**14. CLIENT REFERRALS AND OTHER COMPENSATION**

**A. OTHER COMPENSATION**

Lakeside does not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

**B. CLIENT REFERRALS**

Lakeside does not use the services of solicitors or pay for client referrals.

**15. CUSTODY**

All client funds, securities and accounts are held at third-party custodians. Lakeside does not take possession of a client's securities. Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains client's investment assets. Lakeside urges each client to carefully review such statements.

**16. INVESTMENT DISCRETION**

The majority of Lakeside's Qualified Plan Consulting Services are nondiscretionary. A non-discretionary investment account means the client retains full discretion to supervise, manage, and direct the assets of the account. The client is free to manage the account with or without the recommendation of Lakeside and all with or without prior consultation with

Lakeside.

On rare occasion Lakeside may serve as an Investment Manger which is a Section 3(38) ERISA fiduciary. This is only when agreed to in the client's CSA. Lakeside will have discretionary investment authority to direct the core investments to be offered to Plan participants in a manner that is consistent with the criteria set forth in the Plan's investment policy statement ("IPS") that has been approved by the client. Such authority will include that necessary to select, monitor, remove, and replace all investment alternatives which constitute the core investment menu. In the event that Lakeside provides instructions directly to the plan's record-keeper or third-party administrator with regard to the removal, or replacement of investments, Lakeside will provide the Client with a report containing the basis for those decisions.

#### **17. VOTING CLIENT SECURITIES**

Lakeside will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in client's accounts. In the event a client has a question about a proxy solicitation, the client should contact his/her investment adviser representative.

#### **18. FINANCIAL INFORMATION**

##### **A. BALANCE SHEET**

This section is not applicable.

##### **B. FINANCIAL CONDITION**

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about the firm's financial condition. Lakeside has no financial commitment that impairs its ability to service its clients.

##### **C. BANKRUPTCY**

Lakeside and its owners have not been the subject of a bankruptcy proceeding.