

# DES FINANCIAL GROUP, LLC

This brochure provides information about DES Financial Group, LLC's ("DES Financial Group") qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at 714-572-3620 or by email at [info@desfinancialgroup.com](mailto:info@desfinancialgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about DES Financial Group is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a Registered Investment Advisor Firm with the State of California. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

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**ITEM 1 – COVER PAGE ADV PART 2 A**

MAY 11, 2015

CRD #: 174421

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(714) 572-3620

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**ITEM 2 – MATERIAL CHANGES**

This brochure, dated May 11, 2015, has been prepared by DES Financial Group to meet State of California requirements. As a new firm, we have no changes to report. In future filings, this section will only address material changes that have been incorporated since our last annual posting of this document on the public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ITEM 4 – ADVISORY BUSINESS

### 4a: Firm Description

DES Financial Group was established in February 2009 by David E. Sweet. Our main office is located in Brea, California.

#### 4a1: Principal Member

David E. Sweet, Managing Member: Mr. Sweet may be contacted by email at [dsweet@desfinancialgroup.com](mailto:dsweet@desfinancialgroup.com) or by telephone at 714-572-3620.

### 4b: Types of Advisory Services

#### *Investment Management*

DES Financial Group offers a variety of investment advisory services to our clients. We work with our clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients' financial goals and objectives. We may create a portfolio, consisting of, but not limited to individual stocks or bonds, exchange traded funds, no-load funds and/or load-waived funds (front-end commissions will not be charged).

Each portfolio will be initially designed to meet a particular investment goal, which DES Financial Group has determined to be suitable to our client's circumstances. Once the appropriate portfolio has been determined, we will review the portfolio and rebalance the account based upon our client's individual needs, stated goals and objectives. DES Financial Group's strategy, generally, will be to seek to meet client investment objectives while providing clients with access to personal advisory services.

#### *Financial Planning*

DES Financial Group offers financial planning services for our clients. The plan will consider your assets, liabilities, goals and objectives and includes gathering all information necessary to provide you with appropriate and agreed upon services, which may include investment, retirement, estate, debt and education planning. You are encouraged to review your plans and recommendations on a regular basis.

Financial Planning includes, in all or part, but is not limited to, the preparation of a financial plan by an Investment Advisor or an associated person of an Investment Advisor for an investment advisory client which may include a state or tax planning recommendation, an annual or periodic review of a financial plan, the management and/or monitoring of a client's investments under a financial plan, a provision of information and/or advice to a client regarding the purchase and/or sale of securities, real estate, insurance contracts, annuities contracts, or any types of real or personal property under a financial plan.

### 4c: Client Tailored Relationships and Restrictions

As a fiduciary, DES Financial Group always acts solely in your best interests. Your portfolio is customized based on your investment objectives. You may make requests or make suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored and if forced may result in the termination of our agreement.

Similarly, you are under no obligation to act upon DES Financial Group's or associated person's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through DES Financial Group or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

### 4d: Wrap Fee Program

DES Financial Group does not sponsor nor provide portfolio management services to a wrap fee program.

#### 4e: Assets under Management (AUM)

DES Financial Group, because it is a new RIA, currently does not have any reportable AUM.

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### ITEM 5 – FEES AND COMPENSATION

#### 5a, b & d: Fee Schedules, Payments & Options

##### *Investment Management*

<b>Assets Under Management</b>	<b>Annual Fee (%)</b>
Less than \$500,000	1.25%
\$500,000 to \$1,000,000	1.00%
\$1,000,001 to \$2,500,000	0.85%
\$2,500,001 and above	Negotiable

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded. In certain circumstances, fees may be negotiable.

The fee includes the time and activities necessary to work with your attorney and/or accountant in reaching agreement on solutions, as well as assisting them in implementation of all appropriate documents. We are not responsible for attorney or account fees charged to you as a result of the above activities.

Compensation for our services will be calculated in accordance with what is set in the client agreement. We may modify the terms of any agreement by written changes submitted to the client for signature. While we strive to maintain competitive fees, the same or similar services may be available from other firms at higher or lower fees.

DES Financial Group fees are paid from your account by the custodian when we submit an invoice to them. If there is insufficient cash in your account to pay your fees, an equal balance of securities in your portfolio may be sold to pay our fee. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges.

DES Financial Group fees are paid monthly or quarterly (as set forth in the agreement) in arrears, with payment due within 10 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge, times the market value of the account, divided by the number of days in the year and multiplied by the number of days in the quarter. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of our agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. Monthly or quarterly (as set forth in the agreement) fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

##### *Financial Planning*

Fees for financial planning services are based on a rate of \$250 per hour. Special arrangements can be made for clients wishing on-going financial planning services. These arrangements will be defined and agreed upon by both parties via the financial planning agreement. In certain cases, we may offer projects for a fixed fee, which are typically from \$1,500 to \$5,000, depending on the level, depth and complexity of service. Fixed fee services will also be defined and agreed upon by both parties via the financial planning agreement.

Hourly financial planning fees are due at the time of service. Services performed on a fixed fee basis require a retainer equal to one-half the fixed fee. The remaining balance will be billed in equal installments on a monthly basis

until the project is completed. If invoiced, they are due within ten (10) days of invoice. Special arrangements may be made with clients wishing ongoing financial planning services.

For California Residents: Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment Advisors disclose to their clients that lower fees for comparable services may be available from other sources. Pursuant to California Rule 260.235.2, if a conflict exists between the interests of the Advisor or its associated persons and the interest of the client; the client is under no obligation to act upon this Advisor's or associated person's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the advisor or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

#### **5.d.1: Termination**

Either DES Financial Group or our clients can terminate our agreement upon receipt of written notice to the other party, to include written agreement to changes by the client.

When an agreement is terminated, we will refund any pre-paid, unearned fees based on the number of days remaining in the quarter after termination. Refunds will be made within 30 calendar days of the effective date of termination.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full monthly or quarterly (as set forth in the agreement) custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. The custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

#### **5c: Third Party Fees**

You are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees we charge.

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. While we take measures to ensure the fees charged are accurate, it is your responsibility to ensure the amount of fee charged is correct. In addition to statements sent by us, you will receive statements directly from these brokers, custodians or mutual funds or other investments you hold. We strongly urge you to compare these statements for accuracy.

#### **5e: Other Investment Compensation**

DES Financial Group does not accept commission for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

DES Financial Group does not charge advisory fees on the performance of funds or securities in your account.

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### **ITEM 7 – TYPES OF CLIENTS**

DES Financial Group generally provides asset management and financial planning services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Trusts

- Estates
- Charitable Organizations
- Corporations

#### *Minimum Account Size*

DES Financial Group does not have an account minimum. However, we may decline to accept clients with smaller portfolios.

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

### **8a: Analysis**

DES Financial Group uses multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, financial magazines, research prepared by others, corporate rating services, prospectuses, company press releases, annual reports and filings with the SEC.

### **8b: Investment Strategies**

DES Financial Group utilizes multiple investment strategies to meet your investment objectives. These methodologies are formulated based on a comprehensive review and assessment of your expectations, investment time horizon, risk tolerance level, present investment allocation, and current and projected financial requirements.

Ultimately, each strategy must maximize return within reasonable and prudent levels of risk. Also, the approach taken must provide exposure to a wide range of investment opportunities in various markets while limiting risk exposure through prudent diversification. Finally, the costs of administering and managing the investments related to the strategy cannot be excessive.

### **8c: Risk of Loss**

All investments include a risk of loss. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

DES Financial Group will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by DES Financial Group with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any unauthorized act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

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## **ITEM 9 – DISCIPLINARY INFORMATION**

### **9a: Civil or Criminal Actions**

DES Financial Group and its managers have never been found guilty, convicted or plead no contest to a criminal or civil action in a domestic, foreign or military court.

### **9b: Administrative Enforcement Proceedings**

DES Financial Group and its managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

### **9c: Self-Regulatory Organization Enforcement Proceedings**

DES Financial Group and its managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, DES Financial Group and its managers have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.

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## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **10a: Broker Dealers and Registered Representatives**

DES Financial Group is not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

### **10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither DES Financial Group nor our employees hold any of the above registrations.

### **10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

The principal business of DES Financial Group is that of a registered investment advisor and provider of financial planning services. Some of our members may be insurance agents. Employees who are insurance agents may also be paid based on these services they provide. In cases where we receive additional payment, there may be a conflict of interest. At all times, you are free to choose an outside agency to avoid the possibility of there being a conflict of interest.

DES Financial Group will disclose any material conflict of interest relating to DES Financial Group, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

### **10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections**

DES Financial Group is not paid for the selection of other advisors, asset managers or portfolio managers.

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## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **11a: Code of Ethics Description**

DES Financial Group has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

DES Financial Group's Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

DES Financial Group's Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm transactions
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation)



On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time.

#### **11b, c & d: Participation or Interest in Client Transactions**

DES Financial Group, or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients’ accounts before we buy or sell from our accounts. In some cases DES Financial Group, or its employees, may buy or sell securities for our own accounts and not for clients’ accounts, as it may not meet the objectives or plans for the client.

DES Financial Group will always maintain full disclosure with our clients so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

For California Residents: DES Financial Group adheres to the California Code of Regulations, Title 10 Section 260.238 (k), (1), (2) and (o) which prohibits investment advisers from:

(k) Failing to disclose to a client in writing before entering into or renewing an advisory agreement with that client any material conflict of interest relating to the adviser, its representatives or any requires that of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice including:

(1) Compensation arrangements connected with advisory services to clients which are in addition to compensation from such clients for such services; and

(2) Charging a client an advisory fee for rendering advice without disclosing that a commission for executing securities transactions pursuant to such advice will be received by the adviser, its representatives or its employees, or that such advisory fee is being reduced by the amount of the commission earned by the adviser, its representatives or employees for the sale of securities to the client.

(o) Making any untrue statement of a material fact or omitting a statement of material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in the solicitation of advisory clients.

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## **ITEM 12 – BROKERAGE PRACTICES**

### **12a: Selecting Brokerage Firms**

As part of our services, DES Financial Group will recommend a broker-dealer. We have selected our broker-dealers based on price, reliability, speed of processing, tools and “best execution” in addition to other considerations. And while you are not required to effect transactions through any broker-dealer recommended by us, we feel we have made our selections based on a totality of benefits they offer.

DES Financial Group may purchase software, tools, training programs or seminar services from our broker-dealer. Additionally, broker-dealers may provide services, tools or other non-financial benefits to us as a benefit for using the broker-dealer’s services. However, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of a broker-dealer.

To avoid creating a possible conflict of interest in recommending broker-dealers, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. DES Financial Group adheres to our Code of Ethics as outlined in Item 11 above.
2. If DES Financial Group receives separate compensation for transactions, we will fully disclose them.
3. DES Financial Group emphasizes the unrestricted right of you to select and choose your own broker or dealer.

4. DES Financial Group will always act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

#### **12.b: Sales Aggregation**

DES Financial Group is authorized to aggregate purchases and sales and other transactions made for your account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of ours. When we aggregate transactions, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise you in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to you.

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### **ITEM 13 – REVIEW OF ACCOUNTS**

#### **13a: Periodic Reviews**

Accounts are reviewed by David E. Sweet or qualified staff members. All reviews are either conducted or supervised by David E. Sweet. The frequency of reviews is determined based on your investment objectives, but no less than annually.

Financial planning clients receive their financial plans and recommendations at the time the service is completed. Depending on the type of financial planning service requested, we may meet on a regular basis with you to discuss any potential changes to your financial plan.

#### **13b: Review Triggers**

More frequent reviews are triggered by a change in your investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

#### **13c: Regular Reports**

All investment advisory clients receive no less than annual written reports from DES Financial Group. Financial planning clients do not normally receive investment reports.

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### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

#### **14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

DES Financial Group does not receive economic benefits from third parties for the advice we render to our clients.

#### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

DES Financial Group does not directly or indirectly compensate any person for client referrals.

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### **ITEM 15 – CUSTODY**

DES Financial Group clients' accounts are held by a qualified custodian and other than to withdraw advisory fees, DES Financial Group shall have no liability to the client for any loss or other harm to any property in the account. This includes harm to any property in the account resulting from the insolvency of the custodian or any unauthorized acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer. As a fiduciary, DES Financial Group will always act in the client's best interests and in doing so, the above does not limit or modify that duty to our clients. Custodial statements will include fees charged by DES Financial Group. We strongly urge you to review the investment advisory fees contained in the custodial statement for accuracy.

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## **ITEM 16 – INVESTMENT DISCRETION**

DES Financial Group asks our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

In certain circumstances, we will request non-discretionary authority over our clients' accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations.

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## **ITEM 17 – VOTING CLIENT SECURITIES**

The clients of DES Financial Group retain the authority to proxy vote and will continue to do so until we otherwise may agree in writing. You should ensure that proxy ballots are mailed directly to you by selecting this option on your custodial application forms. You are welcome to delegate said proxy voting authority to a third-party representative (non-advisory personnel) by filing the appropriate custodial form.

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## **ITEM 18 – FINANCIAL INFORMATION**

### **18a: Balance Sheet**

DES Financial Group does not solicit prepayment of more than \$1,200 in fees per client six (6) months in advance.

### **18b: Financial Conditions**

DES Financial Group has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.

### **18c: Bankruptcy Petition**

DES Financial Group has never been the subject of a bankruptcy petition.