

ADV Item I: Cover Page

Epsilon Financial Group, Inc.

A Registered Investment Advisor

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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Epsilon Financial Group, Inc., a registered investment advisor. If you have any questions about the contents of this brochure, please contact us at 707.428.5500. 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 Epsilon Financial Group, Inc. is also available on the SEC's website at www.Adviserinfo.sec.gov. The IARD/CRD number for Epsilon Financial Group, Inc. is 111990.

Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

ADV Item 2: Material Changes

Epsilon Financial Group, Inc. amends this brochure at least annually. To receive a copy of our most recent brochure at any time during the year, please call Epsilon Financial Group, Inc. at 707.428.5500 and a copy will be sent to you. You may also obtain a copy of the most current brochure and additional information on our firm from www.adviserinfo.sec.gov under Investment Adviser Search. If applicable, this section will contain a summary of material changes to the information in this brochure since the last annual update of this brochure.

During 2015, Peter Mattei (Corporate Secretary) and Leo Martinez (Assistant Corporate Secretary) became shareholders of Epsilon Financial Group, Inc. Company management and control remain unchanged.

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ADV Item 4:

Advisory Services

A. Services Offered

Epsilon Financial Group, Inc., Registered Investment Advisor ("EFG") offers a variety of services to meet the needs of its clients. Compensation also takes a variety of forms and is described as follows:

Manages accounts not involving investment supervisory authority

Epsilon Financial Group, Inc. (EFG) provides investment advisory and consulting services to clients. EFG does not receive or hold any securities. EFG holds limited authority to trade in an account for a client. Management of a portfolio includes periodically rebalancing the assets to maintain the appropriate allocation in a portfolio. The client agrees to the specific investments and allocations. Rebalancing is maintaining the portfolio to the requested proportions to achieve the expected portfolio behavior characteristics. The trading authority includes such rebalancing. Some situations warrant advisory and consulting services, which are not suitable for the limited trading arrangement. The same general advisory approach applies, but the accounts are not held with any authority.

Furnishes investment advice not in service described above.

EFG provides certain investment advisory services, but only as part of financial planning for the client. For each client who contracts for a written financial plan, a thorough analysis of the client's personal situation is developed. A comprehensive written financial plan, tailored to the client's needs, is the work product. Such a plan includes sections on:

- Personal data
- Goals and objectives
- Attitudes and philosophy
- Identification of issues and problems
- Assumptions to be used in the analysis
- Balance sheet/ net worth statement
- Budget analysis
- Cash flow management
- Income tax
- Risk management/insurance
- Investment analysis
- Financial independence
- Retirement planning
- Education planning
- Estate Planning Recommendations
- Other goals as appropriate

Services related to investments are only part of this comprehensive planning process. All relevant matters are discussed with the client to develop a complete assessment of the client's current and long-term needs. The client receives a written financial plan addressing these matters and other relevant individual issues. For each topic, there is an analysis of pertinent facts, consideration of the advantages and disadvantages of alternative solutions, and determination of what action, if any, is necessary.

Actions to be taken may include recommendations about strategies, both structural and investment, consistent with the client's goals and objectives. As necessary, other advisors may be engaged at the discretion of the client. Such advisors might include accountants, attorneys, pension administrators, or insurance agents.

Entire, or partial, investment portfolios may be developed to meet the client's individual needs. In doing so, the emphasis is to develop a portfolio, which will have the characteristics compatible and congruent with the client's needs.

Other investment advisory services are provided to assist in the client's ongoing investment management concerns. The client may request that investments, which he or she designates, be periodically reviewed. This would be a separate engagement with a separate fee, and different from the actual financial planning process, but is usually done in coordination with the planning process. The review includes analysis and comments about the performance of each investment, how the entire portfolio matches the desired asset allocation model, preparation of new financial statements to include balance sheets, cash flow, and tax estimates, and recommendations for changes. This review is done at times selected by the client, but is not a continuous and ongoing process, unless the client so chooses.

In addition to the comprehensive financial planning services described above, investment advice through consultation is available to deal with more narrow issues. The scope of the services, analysis, and advice are tailored to the needs and requests of the client. The client makes all decisions about the scope and kind of services, which are to be rendered. The services may include, but are not limited to, all the topics named above and also, by example, refinancing real property, amending pension plans, gifting to children, etc.

Special reports not included in services described above.

EFG does not issue on a regular basis special reports about securities. Most analysis in the form of a report will be part of a complete financial plan, or an update of the portfolio; however, a client may ask for an analysis of a particular security in another context. In such a case, the analysis and comments would be limited in their scope.

Charts, graphs, formulas, or other devices clients may use to evaluate securities.

EFG does not issue on a regular basis charts, graphs, formulas, or other devices about securities. Most analysis of this type will be part of a complete financial plan or an update of the portfolio. To the extent a client may ask for an investment analysis, charts, graphs, formulas, or other devices may be used as supporting material for any reports provided to the client.

Advice on matters not involving securities.

EFG furnishes advice on matters not involving securities on a regular basis. As part of the financial planning process, advice is given on relevant areas. These topics could include such items as insurance coverage, budgeting, cash management, appropriate levels of cash reserve, estate planning, tax planning, retirement planning, analysis of particular goals, education planning, advisability of particular loan options, etc.

Advice could include topics other than those mentioned. EFG is in the business of offering advice on a wide range of financial matters, and the client primarily determines the topics for analysis.

Other manners of rendering advice about securities.

Other advice about securities may be furnished in a manner not described above. Depending on the services requested by the client, investment advice may be given in some manner not described above, but tailored to the specific needs of the client. An example of such advice is analysis of the risk and return associated with a particular security based on the use of the Capital Asset Pricing Model.

4B: Recommendation of Particular Securities

EFG primarily recommends mutual funds or exchange trade funds (ETFs) for client portfolios. EFG clients may also invest in individual stocks or bonds, fixed income products, including municipal bonds, corporate bonds, and real estate mortgage investment conduits at the client's request.

ADV Item 5:

Fees and Compensation

Fee Based on Assets Under Management

For a periodic service, such as advising on the types of investments, allocations among categories of investments, and selection of specific investments, etc., a quarterly fee is charged payable at the beginning of the service period. The quarterly fee is a maximum of one half of one percent (.005) of the value of the assets on which advice is provided. The fee is negotiable depending on the size of the account.

Other Fee Arrangements

The following statements apply to all boxes checked in section 1A. Project fees are charged based on the complexity of the work to be done. We use several methods: 1) based on an hourly rate of \$300, or 2) a fixed price for the entire project, or 3) some combination of the two. We choose the method we believe is most suitable. Fees for a typical complete financial plan would range from \$1,000 to \$10,000 depending on the complexity of the work. Any expenses incurred on behalf of the client and with the client's consent, are passed through and billed to the client.

For a financial plan or analysis project, payment of the fee is in two parts, half upon signing the letter of engagement, and the balance upon receipt of the written plan, or project. The client may terminate the engagement before completion of the work by written notice to EFG. The client may receive a refund based on the fee calculation method being used and the amount of work already completed. Fees are negotiable only under special circumstances.

Either EFG, or the client, can terminate the engagement by written notice to the other party. The client may receive a refund, based on the fee calculation method being used and the amount of work already completed.

In addition to the fee charged by EFG, each mutual fund company in which a client's funds may be invested also pays its own investment advisory fees and other expenses. These fees are paid indirectly through the management fees assessed by the funds in their portfolio.

Investment Policy Statements

Individually managed accounts will be tailored to meet the client's investment goals and objectives. EFG normally utilizes an investment policy statement prepared specifically for that client that will detail the client's objectives and will include agreed upon investment strategies and limitations.

Assets Under Management

As of December 31, 2015, EFG manages a total of \$286,142,064.00 on a discretionary basis and \$0.00 on a non-discretionary basis.

ADV Item 6:

Performance Based Fees and Side By Side Management

EFG does not charge fees based on a share of capital gains or on capital appreciation of the assets of a client.

ADV Item 7:

Types of Clients

EFG provides investment advisory services to individuals, corporations and other business entities. EFG has a minimum account size for new accounts of \$250,000. Accounts below the stated minimum may be accepted on an individual basis at the discretion of EFG.

ADV Item 8:

Methods of Analysis, Investment Strategies and Risk of Loss

As an investment advisor, EFG is not generally involved in the selection and recommendation of individual stocks or bonds. EFG advises as to securities on a diversified basis. The central point for investing is the prudent diversification of investment assets. This process includes recommendations about investment categories and structure based on the client's needs for cash flow, tax planning, retirement planning and other goals identified in the financial plan.

The client may request that EFG select and recommend individual securities. In all cases, the ultimate responsibility on what to buy or sell rests with the client, who must make all final decisions. The relationship with all clients is collaborative. EFG may have authority to manage a portfolio or make periodic distributions to the client, but all changes involving the addition of a security not in the portfolio or the removal of a security in the portfolio will be discussed with the client before taking action.

The centerpiece of all recommendations is based on Modern Portfolio Theory and the Efficient Market Hypothesis. This methodology includes asset allocation models as developed by the Markowitz studies and Ibbotson and Sinquefeld in their research and Fama and French in their research on the behavior of various investments over time.

Individual strategies will vary according to the client's stated objectives. Portfolios are structured not only to meet current needs, but also to fulfill long-term goals. Most investments are intended to be long-term unless specific circumstances warrant short-term time horizons.

A general objective common to almost all portfolios is to maximize total return within the constraints of prudent risk taking and according to the client's ability and willingness to accept risk.

The objective of the advisor is to develop efficient portfolios which distribute assets among investment categories to achieve the desired rate of return in the specified time horizon, while controlling risk within the client's tolerances.

Thus the recommendations for each client are unique and designed to tailor investment strategies to the needs of the individual client.

Investing always involves some risk, whether securities, certificates of deposit or in any other type of investment. There is risk of loss of principal and also risk of loss of purchasing ("buying") power. EFG's objective is to help clients understand the different types of risk and mitigate the risk over time. One way to lessen risk is to diversify investment portfolios so that when some fall in value, others may rise in value. The following is a discussion of some types of risk that customers may encounter in securities investing:

Credit Risk/Default: The issuer of a security in which a customer invests, either directly or through a mutual fund, may decide to stop or reduce dividends or even default in some cases. If the issuer of the security falls out of favor or has its credit rating cut, the price could fall and customers could lose value. If there is a need to sell the security before maturity or if the issuer goes bankrupt, the customer could lose the entire investment.

Economic Risk: The state of the nation's or the world's economy may change and that may affect investments.

Inflation Risk: Inflation erodes purchasing power and is often associated with rising interest rates. Either of these events may adversely affect the long term purchasing power of the client.

Interest Rate Risk: as interest rates change the value of a fixed income investment also changes. The client may encounter lower values in their portfolio even though the bond continues to pay on time. If customers invest to realize a certain amount of income and that income stream is dependent on the investment paying a certain interest rate, changing conditions may affect that interest rate and the customer's income from that investment.

Liquidity Risk: If an investment has gained value since the customer purchased it but there is no buyer to purchase it, it is considered to be illiquid at that point and the security may not be able to be liquidated for its current intrinsic value.

Market Risk: In making an investment customers are usually anticipating that the financial market will behave in a way that will be advantageous to the customer. That is not always the case over a long or short term period of time.

Volatility Risk: This is the measure of uncertainty in the future price of an asset. If an asset has rapid price swings, volatility will be high. If an asset price is consistent and rarely changes, volatility will be low.

Prepayment Risk: Most mortgage securities receive principal as part of the periodic payments. The investor will need to reinvest the principal to continue receiving interest, but from another source. The rate of interest available for reinvestment will depend on the interest rate market structure at the time of reinvestment.

ADV Item 9:

Disciplinary Information

A. Neither EFG or an EFG officer have been or are currently involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which EFG or an EFG officer:

1. were convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. were the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. have been found to have been involved in a violation of an investment-related statute or regulation; or
4. were the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. Neither EFG or an employee of EFG have been or are currently involved in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which EFG or an EFG officer:

1. were found to have caused an investment-related business to lose its authorization to do business; or
2. were found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

- (a) denying, suspending, or revoking the authorization of EFG to act in an investment-related business;
- (b) barring or suspending EFG with an investment-related business;
- (c) otherwise significantly limiting EFG investment-related activities; or
- (d) imposing a civil money penalty of more than \$2,500 on EFG.

ADV Item 10:

Other Financial Industry Activities and Affiliations

- A. EFG provides investment advisory services exclusively and does not engage in other financial industry activities.
- B. EFG is not registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an investment advisory representative of the foregoing entities.

ADV Item 11:

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. EFG maintains a Code of Ethics that describes firm policies and procedures and how EFG conducts business with its clients. EFG clients depend on the firm to be trustworthy, honest and loyal to their interests as provided in EFG's agreements with them and disclosures in the EFG form ADV. Clients expect EFG to protect the confidentiality of their personal and financial information and to provide timely and professional advice in accordance with EFG agreements. All EFG employees will receive a copy of the Code and must acknowledge in writing that he or she has received and read it.

The EFG Code of Ethics will be sent to clients upon their request.

All EFG employees are expected to strive to act at all times in accordance with fundamental principles of openness, integrity, and honesty. This is in addition to the legal obligations that EFG and all employees adhere to applicable federal securities laws including the rules and regulations adopted under the Investment Advisors Act.

B. EFG does not generally recommend to clients, or buy or sell for client accounts, securities in which EFG or a related person has a material financial interest, including acting as a general partner in a partnership in which EFG solicits client investments; or EFG or a related person acts as an investment Advisor to an investment company that EFG recommend to clients.

C. EFG never recommends that clients buy a security in which EFG or an associated person has an ownership position. Additionally, EFG or an associated person of EFG may purchase a security of the same class as securities held in a client's account. It is EFG's policy not to permit associated persons to trade in a manner that takes advantage of price movements caused by clients' transactions.

D. EFG and all its employees may purchase the same securities that are recommended to clients. EFG will put its client's needs first and will follow all related securities regulations in executing the securities trades.

ADV Item 12:

Brokerage Practices

Clients may specify which broker-dealer to use or EFG may make recommendations. Generally, these recommendations are based on EFG's perception of the breadth of services offered, and quality of execution. EFG utilizes the services of Charles Schwab Institutional. The custodial broker-dealer makes available to EFG other products and services that benefit EFG but may not benefit its clients' accounts.

Some of these other products and services assist EFG in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of EFG's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. The custodial broker-dealer also makes available to EFG other services intended to help EFG manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, the custodial broker-dealer may make available, arrange and/or pay for these types of services rendered to EFG by independent third parties.

The custodial broker-dealer may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to EFG. As a fiduciary, EFG endeavors to act in its clients' best interest. EFG may recommend that clients maintain their assets in accounts at the custodial broker-dealer not solely on the nature, cost or quality of custody and brokerage services provided by the custodial broker-dealer but also in part on the benefit to EFG of the availability of some of the foregoing products and services. These services also benefit the client, but the potential for a conflict of interest exists.

Research and Other Soft Dollar Benefits

EFG does not engage in soft dollar benefits. EFG does not use client brokerage commissions (or markups or markdowns) to obtain research or other products or services.

EFG does not generally aggregate orders as large blocks of securities that aren't typically purchased or sold.

ADV Item 13:

Review of Accounts

EFG provides non-discretionary investment supervisory services and financial planning services. The relationship with the client begins upon signing the letter of engagement to provide a written financial plan, manage a portfolio or other services. After completion of the initial engagement, the client may, at his or her option, elect to engage subsequent services to review the plan and/or the investment portfolio at any interval, as desired by the client. This is arranged under a separate agreement. EFG believes that the client's investment objectives, financial resources, age, sophistication, and other relevant factors are dynamic and must be reviewed on an ongoing basis to ensure that the strategies being used are compatible with the client's overall goals and objectives. Consequently, EFG recommends financial planning reviews at least annually, but they may be more frequent if requested by the client. A complete review will address all the topics covered in the original plan, plus any new items as requested by the client, such as issues raised by the implementation of the plan, changes in the tax law, developments in the client's personal circumstances, etc. Investment advice is only one part of this review. If the client requests an update, which is less than total, then it may not include investment advice. The client selects which items and topics are to be reviewed. The Principals of EFG are the sole reviewers of all client accounts. Assistants may provide supporting information, but the Principals will review all relevant information.

Investment portfolios are more dynamic and require more frequent review. EFG recommends a review several times per year depending on the circumstances. The client selects the preferred schedule.

Nature/Frequency of Regular Reports to Clients.

All reports are issued as part of the review process. The arrangements to review and update a financial plan or portfolio are chosen by the client. The resulting reports may or may not contain investment advice, depending on the assets, needs, and particular circumstances of the client. Most reviews have some discussion about investment advice, although some do not. A review addresses each selected topic and states whether any changes from the

original plan make further analysis appropriate. Changes are recommended in the same format as the original plan, i.e. issues, alternatives, pros and cons, and recommendations.

ADV Item 14:

Client Referrals and Other Compensation

EFG does not engage in activity with non-clients to gain economic benefits including sales awards or other prizes.

EFG does not directly or indirectly compensate any person for client referrals who is not an EFG supervised person.

Mr. Sievers occasionally receives cash payments from colleges, other institutions, or professional conferences where he lectures, as a fee for making presentations regarding financial planning or investment management.

ADV Item 15:

Custody

EFG does not maintain custody of client funds or securities. All client assets are maintained at the custodial broker dealer. The custodial broker dealer provides clients with monthly statements that reflect client portfolio balances. It is recommended that clients compare custodial brokerage statements to the reports that are provided to you by EFG.

ADV Item 16:

Investment Discretion

EFG maintains limited power of attorney in client accounts held at the custodial broker dealers. The limited power of attorney authorizes EFG to purchase and sell securities without obtaining prior permission to execute the transactions. All transactions are executed in accordance with the client's investment objectives that have been discussed and agreed upon with EFG and client.

ADV Item 17:

Voting Client Securities

A. EFG does not have nor will accept authority to vote client securities.

B. EFG requests that clients engage another party to determine how proxies should be voted. EFG does not provide proxy voting services to its clients.

ADV Item 18:

Financial Information

EFG bills its clients for services on a quarterly basis, in advance. EFG does not require or solicit prepayment of fees six months or more in advance and therefore is not required to file financial information with the Securities & Exchange Commission or state of California where EFG is domiciled.

ADV Item 19:

Requirements for State-Registered Advisors

EFG is registered with the Securities & Exchange Commission and Notice Filed with the state of California.

EFG Principal Executive Officers:

EFG and its Executive Officers are not currently involved nor have they been involved in the past, in the following:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.

Additional Information

Advisory associates will be required to meet the registration and qualification requirements required by the specific states where EFG conducts its advisory business.

EFG Privacy Policy

We recognize our obligation to keep information about you secure and confidential. It's important for you to know that we do not sell your information to anyone. We restrict access to non-public personal information about you to those Investment Advisory Representatives and employees who need to know that information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards to guard your non-public personal information. This notice describes how we handle your financial information that we collect while conducting our business.

We collect information about you (such as your name, address, social security number, assets and income) from our discussions with you, and from documents that you may deliver to us in the course of providing services to you. We may use this information to open an account for you or to process a transaction for your account. In order to service your account and effect your transactions, we may provide your personal information to firms (such as the custodial broker-dealers) that assist us in servicing your account and have a need for such information, as permitted by law. We may also disclose such information to the Securities & Exchange Commission, the regulatory agency that oversees our activities.

If you prefer that we not disclose non-public, personal information about you to non-affiliated third parties, (other than those disclosures permitted by law) you may direct us not to make those disclosures. If you wish to opt out of disclosures to non affiliated third parties, you may call us at 707.428.5500.

EFG Business Continuity Plan

In accordance with federal requirements EFG maintains a Business Continuity Plan that describes what steps will be taken to ensure the continuity of our business operation in the event of an unanticipated disaster. The plan has been designed with procedures to ensure that client documentation will be accessible and that contact between EFG and its clients will be sustained. If you would like to receive a copy of the EFG Business Continuity Plan please contact our office.