



**PAUL R. RIED
FINANCIAL GROUP, LLC**
— SECURITY FOR YOUR FUTURE —

**Part 2A of Form ADV: *Firm
Brochure***

Paul R. Ried Financial Group, LLC

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This brochure provides information about the qualifications and business practices of Paul R. Ried Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at 425-646-6777 or adamj@paulried.com. 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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Paul R. Ried Financial Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 297284.

Item 2 Material Changes

This Firm Brochure, dated July 6, 2018, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Paul R. Ried Financial Group, LLC is a SEC-registered investment adviser with its principal place of business located in Bellevue, WA. Paul R. Ried Financial Group, LLC began conducting business as a Registered Investment Adviser in 2018.

Listed below are the firm's principal shareholders:

- Paul Ried, President/CEO

Paul R. Ried Financial Group, LLC offers the following advisory services to our clients:

PEAC INVESTMENT ADVISORY PROGRAM

Our primary service is offered to our clients through our PEAC Investment Advisory Program. The four pillars of our PEAC program are **P**lanning, **E**ducation, **A**dvice and **C**onsultation. We utilize these four pillars as the foundation for developing and managing an investment portfolio targeted to each client's individual goals, objectives, time horizons, liquidity needs and circumstances. We develop a client's investment strategy by taking the time to listen and ask questions. It is through this consultative process that we can better understand the risk tolerance and risk capacity of each client to develop appropriate solutions.

We generally manage these advisory accounts on a discretionary basis, however, they can also be managed on a non-discretionary basis. The ongoing management of every portfolio is grounded in each individual's investment policy statement. However, this is a living document and will need to be updated as a client's circumstances change. It is the client's responsibility to ensure that they always keep their advisor up to date of any relevant changes so that their plan stays in-line with their objectives.

We believe that ongoing client education is just as important as the ongoing management of the portfolio itself. For that reason, we have built out a range of topics to be addressed throughout each ongoing client relationship, as they may be appropriate. Among other things, this includes family financial education meetings, continuing care planning, tax strategies, review of estate transition processes and income distribution strategies.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. However, if unduly restrictive guidelines are incompatible with our investment philosophy or strategies, our firm reserves the right to decline to enter an advisory relationship.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Mutual fund shares
- Exchange Traded Funds (ETFs)
- Securities traded over-the-counter
- Exchange-listed securities

However, we may offer investment advice on any investment product as deemed relevant to the client's situation. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

FINANCIAL PLANNING

We also provide financial planning services on a standalone basis. In this financial planning process, we gather information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, return objectives, future goals and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report as appropriate.

In general, the financial plan can address any or all of the following areas:

PRE-RETIREMENT PLANNING: Retirement feasibility, Pension planning, Health & Benefits Planning, 401K rollover/deferral options, Retirement commencement package review.

POST-RETIREMENT PLANNING: Income distribution strategies, Social Security, Required minimum distribution planning, Expense analysis "What If" illustrations.

GENERAL PLANNING: Portfolio review, Investment allocation guidance, education planning, cash flow budgeting.

RISK MANAGEMENT: Insurance needs analysis, Medicare supplement review, Long term care, Asset Protection planning.

TAX STRATEGIES: Beneficiary review, "Stretch IRA" planning, Tax loss harvesting, Tax advantaged investing.

ESTATE TRANSITION: Estate Tax Minimization, Charitable & Heritage planning, Executor & Trustee Guidance, Review of estate planning documents.

Implementation of the financial planning recommendations is entirely at the client's discretion. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Our standalone financial planning services do not involve implementing any transaction on the client's behalf or the ongoing monitoring or management of investment accounts. To the extent that you would like us to implement our investment recommendations and actively monitor and manage your investments, you must execute a separate written agreement for our PEAC Investment Advisory Program.

Item 5 Fees and Compensation

PEAC INVESTMENT ADVISORY PROGRAM FEES

Our annualized fee for the PEAC Investment Advisory Program is calculated upon a percentage of assets under management and is based on the following tiered fee schedule.

Assets Under Management	Annual Fee
Up to \$1,000,000	1.25%
\$1,000,000 - \$2,500,000	1.00%
\$2,500,000 - \$7,500,000	0.75%
Above \$7,500,000	0.50%

There are no set minimum assets under management required for this service, it is determined on a case-by-case basis. However, we will not enter an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies, or where the prospective client seeks to impose unduly restrictive investment guidelines. Paul R. Ried Financial Group, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Paul R. Ried Financial Group, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Fees Billed in Advance: Advisory fees are billed in advance towards the beginning of each calendar quarter based upon the asset value (market or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account equity at the end of the previous quarter.

When authorized by the client, fees are debited from the account in accordance with the terms set forth in the Client Management Agreement.

Additions and Withdrawals: If cash or securities are deposited in your account during the quarter, a prorated asset-based fee based on the value of the assets may be charged upon deposit. You may request periodic withdrawals; and alternatively, may withdraw account assets subject to the usual and customary securities settlement procedures. You must acknowledge that your account is responsible for any charges,

including contingent deferred sales charges, surrender charges, or redemption fees, that apply to redemptions or liquidations of securities held in the account. No asset-based fee adjustment will be made during any quarter for appreciation or depreciation in asset value during that period, nor shall any adjustment or refund be made with respect to partial additions or withdrawals which, when aggregated, total less than \$10,000.

FINANCIAL PLANNING FEES

Paul R. Ried Financial Group, LLC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. Clients utilizing our PEAC Investment Advisory Program have access to our full suite of financial planning services at no additional charge.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$550 to \$2,000, depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

For larger plans or ongoing engagements, the client may be billed quarterly in advance based on our total estimated Financial Planning fees.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. [In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Paul R. Ried Financial Group, LLC for the PEAC Investment Advisory Program are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also

consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: Paul R. Ried Financial Group, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Paul R. Ried Financial Group, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Paul R. Ried Financial Group, LLC's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

Paul R. Ried Financial Group, LLC does not charge performance-based fees.

Item 7 Types of Clients

Paul R. Ried Financial Group, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Trusts, Estates & Charitable organizations
- Corporations or other businesses not listed above

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

We invest using a dynamic asset allocation approach driven by longer-term fundamental valuation considerations, taking into account individual needs, goals, objectives, risk tolerances & risk capacities. The implementation of our asset allocation plan will often include managers with specific specializations and diversifying investment approaches. These managers themselves may employ strategic, dynamic or tactical allocation approaches. Their methods of analysis may include but are not limited to quantitative, technical and/or fundamental analysis. From time-to-time specific client allocation models may be adjusted taking into consideration individual client behavior, using concepts from behavioral finance.

We use a multi-faceted investment selection approach. A robust initial screening process is vital to identifying a subset of funds worthy of deeper analysis. However, with individual investors and industry professionals alike, this initial screening process is often plagued by over-reliance on past performance. We believe the often relied on static timeframes (such as the most recent 1, 3, and 5-year timeframes) many investors look at when evaluating funds are not good data points to judge future performance.

For that reason, our initial screening process aims to de-emphasize past performance and include other criteria that can be more informative and predictive. For example, firm culture is often considered a qualitative judgement. However, quantitative information which addresses important aspects of firm culture exists and we incorporate that in our initial screens. Where performance is used, we emphasize rolling timeframes over recent static timeframes. A few of the data points included in our initial screening process include fees, manager tenure, fund turnover, manager investment in their own strategies, fund company risk-adjusted success ratios, fund company manager retention rates, rolling performance measures such as raw returns, risk-adjusted returns, capture ratios and max drawdowns.

Additional avenues which aid in the investment selection process may include but are not limited to: Conference calls, Webinars, Conferences, Industry periodicals/magazines, on-site or off-site fund company due diligence, discussions with fund managers/analysts or company representatives, prospectuses, annual reports, questionnaires, third party research, and the Morningstar Direct database.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Personnel of Paul R. Ried Financial Group, LLC are separately licensed as registered representatives of Cetera Financial Group, a registered broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

Some personnel of Paul R. Ried Financial Group, LLC are dually registered as Investment Advisors Representatives of Cetera Advisor Network (not affiliated with Paul R. Ried Financial Group, LLC). They may recommend investment products and third party money managers through Cetera Advisor Network and may receive a fee for such investments.

While Paul R. Ried Financial Group, LLC and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation by Paul R. Ried Financial Group, LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Paul R. Ried Financial Group, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Paul R. Ried Financial Group, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Paul R. Ried Financial Group, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non- public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to adamj@paulried.com, or by calling us at 425-646-6777.

Paul R. Ried Financial Group, LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Paul R. Ried Financial Group, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain securities which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of

such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination

Item 12 Brokerage Practices

Paul R. Ried Financial Group, LLC generally recommends that clients select the following custodian: Pershing, LLC ("Pershing") which is a member of FINRA and the Securities Investor Protection Corporation (SIPC) and is a registered broker/dealer. Pershing maintains custody of clients' assets and effect trades in client accounts. This recommendation may be based in part on the benefits to applicant, such as the availability of some of products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Pershing which may create a conflict of interest. Paul R. Ried Financial Group, LLC is independently owned and operated, and is not affiliated with Pershing. Some factors that Paul R. Ried Financial Group, LLC considers prior to recommending custodians include their financial strength, reputation, execution, pricing, and service.

Pershing provides Paul R. Ried Financial Group, LLC and/or its IARs with access to institutional trading, portfolio management, brokerage and custodial services, research, and access to mutual funds and other investments that are otherwise generally available only for institutional investors or would require a higher minimum initial investment.

Pershing does not charge a separate fee for custody of Paul R. Ried Financial Group, LLC's client accounts that they maintain, but are compensated by the account holders through commissions or other transaction-related fees for security trades that are executed through them or settle into their accounts. Paul R. Ried Financial Group, LLC may receive other products and services from Pershing that benefits Paul R. Ried Financial Group, LLC, but not client accounts. Some of these other products and services assist Paul R. Ried Financial Group, LLC in managing and administering client 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), facilitate payment of Paul R. Ried Financial Group, LLC's fees from its client's accounts, and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at Pershing. Paul R. Ried Financial Group, LLC may also receive services from Pershing that are intended to help Paul R. Ried Financial Group, LLC manage and further develop its business. These services may include information technology, regulatory compliance, and marketing. In addition, Pershing may make available, arrange and/or pay for these types of services rendered to Paul R. Ried Financial Group, LLC by independent third parties. Pershing may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of the third party providing these services to Paul R. Ried Financial Group, LLC.

For Pershing accounts Paul R. Ried Financial Group, LLC have an arrangement with Pershing Advisor Solutions through which Pershing provides Paul R. Ried Financial Group, LLC with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as Paul R. Ried Financial Group, LLC in conducting business and serving the best interests of clients. These may also be a benefit to Paul R. Ried Financial Group, LLC, which may otherwise have to pay for such items at its own expense.

Pershing charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt security transactions). Pershing enables Paul R. Ried Financial Group, LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Pershing's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Pershing may be higher or lower than those charged by other custodians and broker/dealers. As part of the arrangement, Pershing also makes available to Paul R. Ried Financial Group, LLC, at no additional charge, certain research and brokerage services, including research services obtained by Pershing directly from independent research companies, as selected by Paul R. Ried Financial Group, LLC. Some research packages may be selected by Paul R. Ried Financial Group, LLC from the Pershing system and do incur an additional charge to Paul R. Ried Financial Group, LLC. For example, these research and brokerage services presently may include those provided by Reuters, Standard and Poor's, and Bloomberg, and may be used by Paul R. Ried Financial Group, LLC to manage accounts and provide advice to all clients regardless as to whether such clients use Pershing.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Paul R. Ried Financial Group, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Paul R. Ried Financial Group, LLC will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Paul R. Ried Financial Group, LLC will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Paul R. Ried Financial Group, LLC's block trading policy and procedures are as follows:

Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Paul R. Ried Financial Group, LLC, or our firm's order allocation policy.

The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Paul R. Ried Financial Group, LLC to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no

later than the morning following the execution of the aggregate trade.

Paul R. Ried Financial Group, LLC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

Funds and securities for aggregated orders are clearly identified on Paul R. Ried Financial Group, LLC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client. No client or account will be favored over another.

Item 13 Review of Accounts

PEAC INVESTMENT ADVISORY PROGRAM

REVIEWS: While the underlying securities within PEAC Investment Advisory accounts are continually monitored, the frequency of reviews for these accounts is often determined based on the individual investments objectives. However, no less than annually you will be contacted to arrange a review of your accounts. In these meetings (or in between these meetings) it is important to notify us of any changes to your personal situation, as this may impact your portfolio strategy. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, significant contributions/withdrawals, the market, political or economic environment.

These accounts are reviewed by the Chief Investment Officer and/or an investment management team member.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance, balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

It is Paul R. Ried Financial Group, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Paul R. Ried Financial Group, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we may also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

As an advisory firm that we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Paul R. Ried Financial Group, LLC has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Paul R. Ried Financial Group, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

