

Item 1: Cover Page

SageGuard Financial Group, LLC Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of SageGuard Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at (615) 859-4567 or by email at: djohnson@sageguardfinancial.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.

Additional information about SageGuard Financial Group, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. SageGuard Financial Group, LLC's CRD number is: 160266

3066 Business Park Circle
Goodlettsville, TN 37072
(615) 859-4567
www.sageguardfinancial.com
djohnson@sageguardfinancial.com

Registration does not imply a certain level of skill or training.

Version Date: 11/13/2019

Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of SageGuard Financial Group, LLC on 01/11/2019. Material changes relate to SageGuard Financial Group, LLC policies, practices or conflicts of interests only.

- The firm has removed language under Technology and Administrative Fees in regard to household accounts. (Item 5).
- The firm has updated their Discretionary Assets Under Management (Item 4.E).
- The firm has updated methods of analysis (Item 8).

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Item 4: Advisory Business

A. Description of the Advisory Firm

SageGuard Financial Group, LLC is a Limited Liability Company organized in the state of Tennessee.

This firm was formed in December 2009. In May 2016, SageGuard Financial Group, LLC became the successor of SageGuard Investment Advisory Services, LLC. The principal owners are Darwin D. Johnson and Paula C. Johnson.

B. Types of Advisory Services

SageGuard Financial Group, LLC (hereinafter "SFG") offers the following services to advisory clients:

Investment Supervisory Services

SFG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SFG creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SFG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SFG will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction; however, it will also manage accounts on a non-discretionary basis wherein it will secure permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Financial Planning Services:

SFG also offers comprehensive financial planning services for individual s, families and businesses. Our Financial Planning services include data gathering and analysis, along with creating a financial plan with specific recommendations and implementation advice tailored to client needs. Specific areas of advice include investment planning, insurance needs assessment and advice, retirement planning, cash now management, debt consolidation, capital needs assessments, educational planning, estate planning, and business planning.

Services Limited to Specific Types of Investments

SFG generally limits its money management to mutual funds, equities, bonds, fixed income and REITs. SFG may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

SFG offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions on investing in certain securities or types of securities; however, if the restrictions prevent SFG from properly servicing the client account, or if the restrictions would require SFG to deviate from its standard suite of services, SFG reserves the right to end the relationship

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. SFG DOES NOT participate in any wrap fee programs.

E. Assets Under Management

SFG has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 247,904,968	\$ 27,544,995	November 2019

Item 5: Fees and Compensation

A. Fee Schedule

Lower fees for comparable services may be available from other sources.

Investment Supervisory Services Fees

Total Assets Under Management	Total Quarterly Client Fee	Total Annual Client Fee	Annual RIA* Fee	Annual IAR** Fee
All assets up to \$250,000	0.45%	1.80%	0.80%	1.00%
\$250,001 to \$750,000	0.40%	1.60%	0.60%	1.00%
\$750,001 to \$1,000,000	0.35%	1.40%	0.40%	1.00%
All assets above \$1,000,000	0.30%	1.20%	0.20%	1.00%

*RIA: Registered Investment Advisor (the firm)

**IAR: Investment Adviser Representative (the representative)

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization. Lower fees for comparable services may be available from other sources.

Financial Planning Services Fees:

In the majority of cases, the firm charges an hourly fee of \$100 per hour, billed in six minute increments, for financial planning services. A minimum of two hours is payable upon receipt of a signed financial planning agreement, with any additional fee owed payable upon presentation of the financial plan. In certain instances, or for those clients who desire it, the firm may charge a fixed fee for financial planning services. Fixed fees are payable 1/3 upfront with the remainder to be paid upon presentation of the financial plan. Fixed fees can range from \$200 to \$2,000 and are based on the complexity of the work required. All financial planning fees are negotiable. Clients may terminate their accounts without penalty within 5 business days of signing the financial planning agreement.

Technology and Administrative Fee:

Each client account is subject to a \$35 technology and administrative fee, annually, payable in December. This fee is deducted directly from the account for any account open on or before December 1st of the current calendar year.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

Payment of Investment Financial Planning Fees

Hourly fees are paid both in advance and in arrears. A minimum of two hours is paid upon receipt of a signed advisory contract, with the remainder of the hourly fees paid upon presentation of the financial plan.

Fixed fees are payable 1/3 upfront with the remainder to be paid upon presentation of the financial plan.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.), except that clients are entitled to free trades per new account in the first 30 days after the account with TD Ameritrade Institutional, Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA (CRD # 5633), is established. Those fees are separate and distinct from the fees and expenses charged by SFG. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

SFG collects investment supervisory services fees in arrears.

Fixed financial planning fees are payable 1/3 upfront with the remainder to be paid upon presentation of the financial plan. Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination. Refunds for fees paid in advance will be returned within fourteen days to the client via check.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

E. Outside Compensation for the Sale of Securities to Clients

Investment adviser representatives of SFG, in their roles as registered representatives and/or licensed insurance agents, may accept compensation for the sale of securities to SFG clients.

1. This is a Conflict of Interest

SFG and its supervised persons if any will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person and SFG an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which SFG receives compensation, SFG will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase SFG recommended products through other brokers or agents that are not affiliated with SFG.

3. Commissions are not the Primary Source of Income for this RIA

Commissions are not SFG's primary or exclusive source of compensation.

4. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

F. IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

An employee will typically have four options: 1. Leaving the funds in your employer's (former employer's) plan. 2. Moving the funds to a new employer's retirement plan. 3. Cashing out and taking a taxable distribution from the plan. 4. Rolling the funds into an IRA rollover account. Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.

7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate. 10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

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

SFG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

SFG generally provides management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Corporations or Business Entities

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

SFG's methods of analysis include fundamental analysis and technical analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

SFG has several investment models detailed in Item 8.B below. These employ Strategic Asset Allocation and Tactical Asset Allocation, which have certain associated risks (immediately below).

Strategic Asset Allocation focuses on long term investments. The rise and fall of certain securities may not react according to predicted trends.

Tactical Asset Allocation is based on specific market anomalies that may change or disappear in the future. Other factors such as risk tolerance, market timing, portfolio size, investment expenses, etc. may also affect the portfolio performance.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

FUNDAMENTAL ANALYSIS

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

TECHNICAL ANALYSIS

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Investment Strategies

CONSERVATIVE GROWTH (MODEL 1)

The primary objective of this strategy is to provide risk-adjusted returns less than 50% of the S&P 500 benchmark, while minimizing market fluctuations and loss of principal. The fixed income portion of the Portfolio provides current income and stability in returns. Since equity styles go in and out of favor over market cycles, diversification across these styles provides broad market exposure and may reduce the volatility of returns. The primary objective of this strategy is to provide a balanced and diversified approach, seeking modest current income & capital appreciation while maintaining a low level of volatility less than half of the S&P 500.

MODERATE GROWTH EXCHANGE TRADED FUNDS (MODEL 2 ETF)

This model is made up of 10-15 moderate growth ETFs in order to create a well-rounded moderate growth portfolio. The primary objective of this strategy is to provide risk-adjusted returns near 50% of the expected return for the S&P 500 benchmark with the potential for a slightly less downside risk versus the total stock market. Since equity styles go in and out of favor over market cycles, diversification across these styles provides broad market exposure and may reduce the volatility of returns. Non-U.S. equities, including emerging markets, further diversify the equity portion of the Portfolio.

AGGRESSIVE GROWTH (MODEL 3)

The primary objective of this strategy is to provide risk-adjusted returns near the expected return of the for the S&P 500 benchmark, with the potential for equal or slightly higher risk than a 100% diversified U.S. equity Portfolio. Since equity styles go in and out of favor over market cycles, diversification across these styles provides broad market exposure and may reduce the volatility of returns. Non-U.S. equities, including emerging markets, further diversify the equity portion of the Portfolio. The fixed income portion of the Portfolio provides current income and may have a moderating effect on the volatility of Portfolio return. The primary objective of this strategy is to provide a balanced and diversified approach, seeking capital appreciation equal to the S&P 500.

MUNICIPAL BONDS (MODEL 4)

The investment objective of the Municipal Bonds Portfolio is to provide current income that is exempt from federal personal income taxes and to preserve investor's principal. Only investors with resources comparable to this of a mutual fund can afford to put the control benefits of owning an individual bond portfolio ahead of the benefits of investing in a mutual fund. The advantages of mutual funds over individual bond portfolios include better diversification, generally lower costs, typically higher after-tax returns, and more efficient management of cash flows and portfolio characteristics. The advantages of individual bonds over mutual funds revolve primarily around the control issues that result from direct ownership. An investor must assign a very high value to those controls aspects to justify the higher cost and additional risk involved in owning individual securities.

DJIA STOCK DIVIDEND (MODEL 5)

The investment objective of the Stock Dividend Portfolio is to provide current income and stability in returns. The Portfolio invests in dividend-paying stocks that are generally higher-quality in nature, with most boasting durable competitive advantages of some kind, such as, economics of scale, patent protection, or iconic brand names.

BIOTECH TD AMERITRADE BLACKROCK (MODEL 6)

The investment model is made provided by third-party model mangers and information providers who are separate form and unaffiliated with TD Ameritrade. This investment model allows us to place funds into a model that is managed through the TD Ameritrade Veo One Platform. The security allocations in this model are in the moderate risk category.

LARGE CAP STOCK BASKET (MODEL 7)

The investment objective of the Large Cap Stock Portfolio is to provide moderate returns over an extended period of time (at least 3-5 years). The Portfolio invests in a selection of

Large Cap stocks that have generally been higher-quality in nature, with most boasting durable competitive advantages of some kind, such as, economics of scale, patent protection, or iconic brand names. The portfolio invests in both Large Cap growth & Large Cap value companies.

MID CAP STOCK BASKET (MODEL 8)

The investment objective of the Mid Cap Stock Portfolio is similar to that of the above Large Cap Portfolio. The primary difference being that it invests exclusively in Mid Cap stocks. Mid Cap stocks as a whole have been shown over time to have higher long-term growth potential than more mature Large Cap stocks. This does however come with increased volatility and should only be considered for investors with a long time horizon or as a small percentage of the overall portfolio. The Portfolio invests in a selection of Mid Cap stocks that have generally experienced substantial growth over the last 5-10 years and may provide continued growth in future years. The portfolio invests in both Mid Cap growth & Mid Cap value companies.

RECESSION MODEL (MODEL 9)

The investment objective is to provide concentrated exposure to specific industry groups. The defensive investment positions will help protect against declines in share prices impacted by economic recessionary periods. This portfolio is constructed of stocks, mutual funds, and ETFs in the utilities, health care, consumer defensive and cyclical industries. Historically, this defensive model can help provide modest returns during an economic downturn. However, during an expansion period phase defensive positions tend to perform below the market.

U.S. STOCK BASKET (MODEL 10)

The investment objective of the U.S. stock Portfolio is to provide moderate returns over an extended period of time (at least 3-5 years). The Portfolio invests in a selection of U.S. stocks that have generally been higher-quality in nature, with most boasting durable competitive advantages of some kinds, such as, economics of scale, patent protection, or iconic brand names. This portfolio is not limited to a specific market capitalization.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

SFG generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).

Equity: Investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the

stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk (the uncertainty that inflation will undermine the performance of the investment), interest rate risk (the risk that the value of an investment will change due to the absolute interest rate level), default risk (the risk associated with a company or individual failing to repay their debt obligations), etc.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SFG nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SFG nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

In addition to being registered as an investment adviser, SFG is also licensed as an insurance agency. Darwin D. Johnson, Charles B. Vance, Jr., David L. Cowee, Jarrod P. Null, Eric J. Viavattene, Jeffrey P. Atchison, Joseph Wehrly, Douglas Horne, Lukas Smith, John Evans and Patrick J. Wehrly are licensed insurance agents. From time to time, SFG and its representative will offer clients advice or products from these activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser.

Mr. Viavattene is an accounting consultant with Dobbins Financial and works for Integrated Trust Systems, a trust data gathering firm. From time to time, he will offer clients advice or products from these activities.

Patrick J. Wehrly is the president of and an income tax preparer for The Offices of Patrick J. Wehrly. From time to time, he will offer clients advice or products from this activity.

Clients should be aware that these services may involve a conflict of interest. SFG always acts in the best interest of the client. Clients are in no way required to implement the plan through any representative of SFG in their capacity as a Certified Public Accountant.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

SFG does not utilize nor select other advisers or third party managers. All assets are managed by SFG management.

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

A. Code of Ethics

SFG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

SFG does not recommend that clients buy or sell any security in which a related person to SFG or SFG has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SFG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SFG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SFG will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of SFG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SFG to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such

transactions may create a conflict of interest. SFG will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The custodian, TD Ameritrade Institutional, Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA (CRD # 5633), was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. SFG will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian.

1. *Research and Other Soft-Dollar Benefits*

SFG receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that SFG must meet in order to receive free research from the custodian or broker/dealer. Furthermore, SFG uses equal research and soft dollar benefits with all clients, regardless of managed account size and at no cost to the clients. All of the soft dollar benefits SFG receives fall within the Safe Harbor in section 28(e) of the Securities Act of 1934. There is no incentive for SFG to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. SFG always acts in the best interest of the client.

Additionally, clients are entitled to 15 free trades per new account in the first 30 days after the account is established.

2. *Brokerage for Client Referrals*

SFG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

SFG will not allow clients to direct SFG to use a specific broker-dealer to execute transactions. Clients must use SFG recommended custodian (broker-dealer).

B. Aggregating (Block) Trading for Multiple Client Accounts

SFG maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing SFG the ability to purchase larger blocks

resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by Darwin D. Johnson, Managing Member. Darwin D. Johnson is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at SFG are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Other than soft dollar benefits disclosed in Item 12 (above), SFG does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SFG clients.

B. Compensation to Non - Advisory Personnel for Client Referrals

SFG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

SFG, with client written authority, has limited custody of client's assets through direct fee deduction of SFG's Fees only. If the client chooses to be billed directly by TD AMERITRADE Institutional, Division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA (CRD # 5633), SFG would have constructive custody over that account. Because client fees will be withdrawn directly from client accounts, for jurisdictions that require the following safeguards, SFG will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

For those client accounts where SFG will have investment discretion, the client has given SFG written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. By granting SFG discretionary authority, the client may not impose and limitations. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SFG discretionary authority via a discretionary investment management clause in the Investment Advisory Contract and/or a limited power of attorney clause in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

SFG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

SFG does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SFG nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

SFG has not been the subject of a bankruptcy petition in the last ten years.