

**Item 1- Cover Page**

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**This brochure provides information about the qualifications and business practices of Fiduciary Management Group, LLC (hereinafter “FMG”). If you have any questions about the contents of this brochure, please contact us at 212-626-6581. 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 FMG also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for FMG is 136612.**

**Item 2- Material Changes**

*Since our last annual amendment filing, dated March 2018, we have no material changes to this brochure.*

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#### **Item 4 – Advisory Business**

A. FMG provides multi-client family office services - defined as a group of professionals that perform and coordinate all the necessary steps to ensure the financial well-being of corporations, organizations, families and individuals with exceptional wealth. FMG assists wealthy families deal efficiently with the great complexities and responsibilities of their wealth. FMG's menu of Family Office services are listed below, some of which are optional. Client and FMG will agree on the precise list of services to be included in the Family Office Services agreement. FMG was formed in 2005 and has been in business since.

B. Advisory services:

- Comprehensive Financial Planning
- Portfolio Management
- Financial Consulting Services
- Asset Allocation Recommendations
- Money Manager Search & Monitoring Services
- Recommendations as to specific securities or other investments not being managed by FMG; and
- Business Management Services

C. FMG also provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written report providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

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

-PERSONAL: Family records, budgeting, risk management, estate planning information and financial goals.

-TAX & CASH FLOW: Income tax and spending analysis and planning for current and future years. FMG will illustrate the impact of various investments on a client's current income tax and future tax liability.

-DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

-RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

-INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

D. No Participation in Wrap Fee Programs. A wrap-fee program is defined as any advisory

program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management and/or advice concerning the selection of other investment advisers) and the execution of client transactions. We do not offer or participate in wrap-fee programs. All of our services are provided on a non-wrap fee basis which means fees and expenses for execution of client transactions charged by the client's broker/dealer and/or custodian are billed directly to the client's account separately from our advisory fees.

- E. FMG gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Implementation of financial plan recommendations is entirely at the client's discretion.

Financial Planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company.

Based on a client's individual circumstances and needs, FMG will create an asset allocation model consistent to the client's needs. Factors considered in making this recommendation include account size, risk tolerance, time frame, etc. FMG will assist the client in reviewing the client's income and expenditures, investment objectives, risk tolerance, liquidity requirements, investment restrictions and other relevant factors.

FMG manages client assets on a discretionary basis. As of February 12<sup>th</sup>, 2019 FMG had \$ 39,351,163.87 in assets under management. Assets under advisement of FMG as it relates to Fiduciary Oversight - including but not limited too- Retirement and Indexed Funds etc. - are considerably more.

**Principal Owner:**

The principal owner of FMG is Ivan T. Thornton.

Ivan T. Thornton was born on August 8<sup>th</sup> 1961. He received his Masters of Business Administration (M.B.A) in Management from The Stern School of Business at New York University in 1997 and his Bachelor of Business Administration (B.B.A) in Finance from Howard University in 1983.

Prior to FMG, Ivan T. Thornton spent ten years at Credit Suisse, where he was a Vice President and a member of the Chairman's Council in the Private Client Services Division. Mr. Thornton's 28 year professional career includes more than seven years at Morgan Stanley as Vice President Financial Consultant (member of the President's Council), and three years as a Financial Consultant at Merrill Lynch.

## **Item 5 – Fees and Compensation**

- A. Fees are negotiable and are based on the requirements of the client and the complexity of services provided. Fees are typically charged based on a percentage of assets under management ranging from 0.75% to 2%. Fees are quarterly debited from the clients account and are charged in arrears.
  - B. Fees can also be charged as a flat fee based on anticipated services and are billed in arrears and after performance of the services have been rendered. Billings for services based on a flat fee are negotiated and agreed upon between FMG and the client. Fixed fees are based on the complexity of services provided. At all times, fees are negotiated and agreed upon with the client before they are charged.
  - C. FMG can assess new clients with an initial fee. This fee is pre-negotiated and fully disclosed with the client. This fee can be charged based upon the complexity, the number of accounts and the cost of due diligence. Fee can also be waved at the discretion of management.
  - D. Financial planning, consulting fees and business management fees will be charged in one of two ways:
    - 1. As a fixed fee, typically, \$750 depending on the nature and complexity of each client's circumstances. 33% of this fee may be due upon signing the financial planning/consulting agreement, with the balance due upon presentation of the financial plan or consulting work to the client.
    - 2. On an hourly basis, ranging from \$250 - \$500 per hour, depending on the nature and complexity of each client's circumstances, as well as the FMG professional conducting the work. If appropriate, an estimate for total hours can be determined at the start of the advisory relationship. 50% of the estimated fee will be due upon signing the advisory agreement, with the balance (based on actual hours) due upon presentation of the plan to the client.
  - E. Negotiability of Fees: In certain circumstances, FMG fees will be negotiable. Negotiating factors include, but are not limited to, the total scope of services provided, the amount of assets under management and the client's relationship to FMG and its staff members.
- Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a) (1) of the Investment Advisers Act of 1940, as amended).
- Termination of Advisory Relationship: A client agreement may be cancelled at any time, by either party, for any reason, upon receipt of 5 days written notice. Upon termination of any client relationship, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.
- F. Mutual Fund & ETF Fees and Expenses: All fees paid to FMG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or

ETF's 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. FMG does not accept or receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. All such fees and expenses are billed directly to the client's account by the third-party and we do not receive any portion of such fees and expenses.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Fiduciary Management Group does not accept performance based fees.

#### **Item 7 – Types of Clients**

The types of clients that FMG has are high net worth individuals and families, corporate retirement plans, Taft-Hartley accounts and nonprofit organizations. The required minimum deposit to establish an account is typically 500k. However, it can be reduced at the discretion of FMG. In order to open an account, a new account application and state identification is required but no cash minimum is in place

#### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

A. Advisory Services:

FMG provides continuous advice to a client regarding investment of client funds based on the individual needs of the client as well as the client's attitude towards risk and the clients stated goals and objectives. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, FMG develops a client's personal investment policy and creates and manages a portfolio based on that policy. FMG will manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client.

B. FMG will create a portfolio consisting of one or all of the following: individual equities, bonds, other investment products, ETF's

FMG will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. The ETF's will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

C. Risk of Loss – FMG manages risks associated with respect to its clients maintaining accounts on margin by continues oversight in risk analysis.

## **Item 9 – Disciplinary Information**

The U.S. Securities and Exchange Commission issued an order canceling FMG's investment adviser registration with the Commission, on 02/06/2013.

Cancellation was brought about due to an administrative oversight by an FMG service provider. Correction was immediately made and registration was reinstated by the SEC.

## **Item 10 – Other Financial Industry Activities and Affiliations**

- A. Fiduciary Management Group, LLC or any of its management persons are not registered, or have an application pending to register, as a broker dealer or a registered representative of a broker-dealer.
- B. Fiduciary Management Group, LLC or any of its management persons are not registered, or have an application pending to register, as a commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. In addition to investment advisory services, FMG may provide the following services to clients:
  - Record keeping and reporting;
  - Business planning;
  - Budget planning;
  - Financial education for family members;
  - Identifying and evaluating investment opportunities;
  - Estate planning;
  - Insurance planning;
  - Multigenerational wealth planning; and
  - Bill payment;

Certain employees of FMG may spend as much as 25% of their time on these other services.

FMG can recommend The Law Office of Thomasina Thornton to advisory clients in need of legal services. Legal services provided by the Law Office of Thomasina Thornton are separate and distinct from the advisory services of FMG. There are no referral fee arrangements between The Law Office of Thomasina Thornton and FMG for these recommendations. No FMG client is obligated to use The Law Office of Thomasina Thornton for any legal services as no law firm client is obligated to use FMG for any advisory services.

FMG can recommend John H. Howell, CPA to advisory clients in need of accounting services. Accounting services provided by John H. Howell, CPA are separate and distinct from the advisory services of FMG. There are no referral fee arrangements between John H. Howell and FMG for these recommendations. No FMG client is obligated to use John H. Howell, CPA for any accounting services, as no accounting client is obligated to use FMG for any advisory services.

FMG will refer clients to Infinex Investments, Inc. in need of insurance related products and services. Insurance products and services provided by Infinex Investments, Inc. are separate and distinct from advisory services of FMG. No FMG client is obligated to use Infinex Investments, Inc. for its insurance products and services. FMG will receive compensation for certain products purchased from Infinex Investments, Inc. via a licensed insurance agent.

- D. Clients can also receive investment advice on a more limited basis. This can include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing client's existing portfolio, or any other specific topic. FMG also provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, FMG provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

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

FMG has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. FMG's Code of Ethics establishes high standards of ethical conduct expected of advisory personnel and compliance with federal and state securities laws. FMG's Code of Ethics stresses that no person employed by FMG shall prefer his/her own interests to those of advisory clients and prohibits the use of material non-public information. To supervise compliance with its Code of Ethics, FMG requires that anyone associated with the firm's advisory practice with access to advisory recommendations provide initial and annual securities holdings reports and quarterly transaction reports of all reportable transactions to the firm's Chief Compliance Officer. FMG's Code of Ethics also provides for sanctions when appropriate. Clients may obtain a copy of the firm's Code of Ethics upon request by contacting FMG.

#### **Item 12 – Brokerage Practices**

FMG does have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid. Clients could direct FMG as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that FMG will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. In a directed brokerage account, the client may pay higher brokerage commissions because FMG may not be able to aggregate orders to reduce transaction costs, since the client directed FMG to use a broker dealer of their choosing.

Fiduciary Management Group participates in the Pershing Advisor Solutions Program for Registered Investment Advisors and Family Offices ('PAS') program, sponsored by Pershing, LLC, NASD member broker dealer. Clients in need of brokerage and custodial services will have



Pershing recommended to them. As part of the PAS program, FMG receives benefits that it would not receive if it did not offer investment advice.

#### **ADDITIONAL COMPENSATION**

FMG participates in the Pershing PAS program. While there is no direct linkage between the investment advice given by FMG and participation in the PAS program, economic benefits are received which would not be received if PAS did not give investment advice to clients. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving PAS program participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access to an electronic communication network for client order entry and account information; access to proprietary and third-party research; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. Additional benefits received through participation in the PAS program can depend upon the amount of transactions directed to, or amount of assets custodian by, Pershing, LLC.

#### **Item 13 – Review of Accounts**

- A. **REVIEWS:** While the underlying securities within Family Office and Portfolio Management Services accounts are continuously monitored, these accounts are reviewed at least quarterly by FMG. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. Ivan T. Thornton is the individual responsible for reviewing, monitoring and managing the accounts.
- B. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, market activity, political or economic environment.
- C. **REPORTS:** Clients receive monthly statements and confirmations of transactions from Pershing Portfolio Management Services. Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for at the inception of the advisory relationship.

#### **Item 14 – Client Referrals and Other Compensation**

- A. Other than the receipt of fees as described in Item 5 of this brochure, Fiduciary Management Group receives no other compensation in connection with providing investment advice.
- B. Fiduciary Management Group does not directly or indirectly compensate anyone or receive any compensation for client referrals.

#### **Item 15 – Custody**

Fiduciary Management Group does have custody of the accounts only when it comes to debiting quarterly fees from client accounts otherwise FMG does not have any other custody of the accounts.

Pershing Advisor Solutions sends monthly statements to clients as well as tax documents at the end of each year. Pershing Advisor Solutions also sends clients notifications of any account transaction on a daily basis.

#### **Item 16 – Investment Discretion**

FMG has discretionary authority to manage securities accounts on behalf of clients, but it does so by communicating the strategy behind the transaction.

Before assuming such authority, FMG meets with the client, executes a Pershing Advisor Solutions New Account Application, presents the client with a copy of the Form ADV Part 2A, and executes a suitability form.

#### **Item 17 – Voting Client Securities**

A. Proxy Policy Disclosure: As a matter of policy and practice, FMG does not have any authority for the voting of any advisory client proxies for portfolio securities. The responsibility for receiving and voting client proxies is either retained by the client or the responsibility of the independent managers. In the event any client may request assistance about the proxy voting process, FMG may provide information to assist the client but the client, or independent manager, maintains the responsibility for receiving and voting any client proxies.

B. FMG does not have any authority for the voting of any advisory client proxies for portfolio securities. The client will receive their proxies or other solicitations directly from their custodian.

#### **Item 18 – Financial Information**

A. FMG does is not required to solicit prepayment of fees from clients.

B. FMG has discretionary authority on clients' accounts but FMG does not custody client funds or securities, or require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. FMG is compensated on a fee based only depending on the client's assets under management. Therefore, there is nothing likely to impair our ability to meet contractual commitment to clients.

C. FMG has not been subject to bankruptcy ever.