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**Form ADV Part 2A: Disclosure Brochure**

## **American Retirement Planning Group Inc.**

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This brochure provides information about the qualifications and business practices of American Retirement Planning Group Inc. If you have any questions about the contents of this brochure, please contact us at 800-530-8788. 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 American Retirement Planning Group Inc is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

American Retirement Planning Group Inc is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, American Retirement Planning Group Inc. will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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## Item 4. Advisory Business

American Retirement Planning Group, Inc. (ARPG) was formed over 20 years ago. The reason: We feel the need for knowledgeable investment advice and financial planning is critical to accomplish your goals. When you are preparing for your retirement and need to invest funds, investing with a proven methodology and doing proper financial planning can make a remarkable difference in your financial future.

ARPG offers many fee based money management programs (listed below) in which we use our in-house Tactical Asset Allocation Management Program. Tactical Asset Allocation as defined by a Vanguard institutional research report is "a dynamic strategy that actively adjusts a portfolio strategic asset allocation based on short-term market forecasts". You can use Tactical Asset Allocation on any investment account that has a variety of investment choices. Why Tactical Asset Allocation? In a nutshell, we believe that there are times when you need to move your investments to the sidelines and keep them in more conservative investments, like money market accounts. Tactical Allocation helps us identify when to reallocate your funds. We will work with all investments, mutual funds, annuities, stocks, bonds and insurance.

ARPG tailors advisory services to individual needs and desires. You can place restrictions on securities or services.

ARPG is incorporated in the State of Nevada. Dwight A. Machael, ARPG's founder is the senior shareholder with 95% of the stock, along with Heather Light, who functions as the senior administrative bookkeeper for ARPG, who has 5% of the shares. No one outside the company owns stock and there are no subsidiaries of the company.

We have been an SEC or State Investment Advisor since 1991. As of 12/31/10 ARPG manages \$67,000,000.00 on a discretionary basis and \$5,000,000.00 on a non-discretionary basis.

Because we do financial planning we need financial products and investment platforms for our clients. Therefore, we are also affiliated with a broker-dealer. All investment advisors at ARPG are also registered representatives of SagePoint Financial, Inc. (SagePoint) an independent broker-dealer. SagePoint has built a solid reputation, helping advisory firms like ARPG through an open architecture model and commitment to technology and service. SagePoint is registered with the Financial Industry Regulatory Authority (FINRA) as a broker-dealer engaged in the offer and sale of securities products. SagePoint is owned by Advisor Group, Inc.

Next is a list of six advisory services that we offer. Many of our clients use more than one advisory service.

### **A. Vision 2020 Advisor Program (V2A)**

We offer the Vision2020 Advisor Program (V2A) which provides comprehensive investment management of your assets through the application of our strategic asset allocation and planning software, as well as the provision of execution, clearing and custodial services through Pershing, LLC.

V2A provides risk tolerance assessment, efficient frontier plotting, fund profiling, performance data, portfolio optimization, and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and/or discussions that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This

portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, and/or variable annuity sub-accounts (certain restrictions may apply) or other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

V2A is offered as a discretionary account, where ARPG is authorized to manage all trades in the account without seeking your consent for each transaction.

For further V2A details, please see the V2A Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in V2A. Please read it thoroughly before investing.

## **B. Premier Advisory Service Program A & B**

ARPG offers the Premier Advisory Program to suitable clients who seek to maintain an advisory account of load and no-load mutual funds and other equity (stock) and debt (bond) securities. ARPG will use its strategic asset allocation program to manage assets in Premier Accounts. Premier is offered to ARGP by SagePoint and Pershing, LLC.

Premier is offered as a discretionary account where we are authorized to manage all trading in the account without seeking your consent for each transaction. You will, of course, receive custodian services and confirmation for each transaction from Pershing, LLC and in no event will ARPG accept or maintain custody of your funds or securities.

## **C. 401k Plus**

ARPG has a financial planning program called 401(K) Plus. This program is for individuals who participate in a retirement plan where they work, where they have to choose from different mutual funds or variable annuity separate accounts. These plans are normally called 401(k), 403(b), 457 Profit Sharing Plans, and Simple IRA's. You will provide us with their investment options, and ARPG will notify you by e-mail, phone or letter when we think you should change the 401(k) asset allocation.

What is the Investment objective and style for 401(k) Plus? Because these are retirement funds, we will have an objective for accounts of moderate long-term growth. Investors who want a more aggressive objective will not be selected for 401(k) Plus. Investment style will be of Tactical Asset Allocation.

What other services are provided with the 401K Plus

1. Each 401(k) client will receive a free analysis of all their investments to help ensure investments are coordinated into one concise investment allocation and objective. This coordinates your 401(k) to your total assets. If you choose, you may have your other assets managed the same way as your 401(k) in our other managed account programs as described in our brochure ADV Part 2A.
2. If you are within 5 years of retirement, you will receive retirement income analysis to better help you project your retirement income the day you retire.
3. IRA rollovers are provided for individuals who leave their existing employer or retire. We will explain how the IRA rollover works and your different options. After the retirement plan is rolled over to the IRA we will continue to manage your assets the same way as our 401(k) Plus Program.

Who has my assets? When they are under our financial planning 401(k) Plus Program, your retirement account is held by a Trust Company, or Insurance Company.

How much control do you have on my assets? You have complete control of your 401(k). We will notify you to make the changes we recommend. Upon signing a Financial Planning Agreement with ARPG you will tell us how to communicate with you, either by e-mail, phone, or send a letter on fund switches. You also give us permission to access information on your account through your plan services to make sure you made the requested changes and provide a quarterly performance statement. We do not have authorization to place funds in your account or withdraw funds. However, we can assist you with the proper paperwork to service your account.

If I am not happy, how do I terminate our agreement? At any time you can call, write, or fax us to terminate. We will assist you in any way.

#### **D. SupervisionPlus**

SuperVisionPlus is for individuals who are implementing a retirement financial plan where the chosen accounts have investment choices. An example of these investments are Mutual Funds (family of funds), Variable Annuity Separate Accounts (funds within a variable annuity), Variable Life Separate Accounts (funds within a variable life contract), or Index Annuity Options (investment options within a fixed annuity). These plans can also be IRA's, SEP/IRA's, Roth IRA's, Simple IRA's, ERISA Qualified Annuities, Non-Qualified Annuities (after tax monies), Non-qualified Variable Life Insurance, or Mutual Funds. The primary service of SuperVisionPlus is Tactical Asset Allocation, re-balancing, and asset protection of your financial investments to help you meet your retirement plans investment goals, and objectives.

The investment objective and style for SuperVisionPlus will be moderate, long-term growth. Investors who want a more aggressive objective will not be selected for SuperVisionPlus. Investment style will be a Tactical Asset Allocation.

ARPG will direct the investment and reinvestment of the assets in the Account(s) in accordance with the information provided by you. ARPG will execute a copy of the agreement acknowledging receipt of same and agreeing to manage account investments on a discretionary basis in accordance with your investment objectives. We will be available to you on an ongoing basis to consult with you regarding your account and any changes in your financial circumstances or investment objectives.

#### **Other Services**

1. As a SuperVisionPlus client, you can receive a free analysis of all your investments to help ensure investments are coordinated into one concise investment allocation and objective. This coordinates all your investments to your total assets. If you choose, you may have your other assets allocated the same way as your SuperVisionPlus in our other advisory programs. If your situation is more complex, we will provide you with a complete financial plan.
2. If you are within 5 years of retirement, you will receive retirement income analysis to better help you project your retirement income the day that you retire.
3. IRA rollovers will be provided for individuals who leave their existing employer or retire. We will explain how the IRA rollover works and your different options after the retirement plan is rolled over to an IRA.

When you are under our financial planning SuperVisionPlus Program, your investment accounts are held by a Trust Company, Insurance Company, Mutual Fund Company, or Pershing, LLC (brokerage). At no time is your investments custodian ARPG.

You have complete control of SuperVisionPlus. We do not have authorization to place funds in your account or withdraw funds. However, we can assist you with the proper paperwork to service your account.

### **Client's Responsibilities**

You would agree to provide financial information regarding pertinent matters as requested by ARPG from time to time. You would also agree to discuss needs and goals and projected future needs and goals. You acknowledge that ARPG cannot adequately perform its services unless you perform such responsibilities. You would agree to permit ARPG to consult with and obtain information about your situation from your accountant, attorney, and other advisors. Rest assured we will contact you before we contact other trusted advisors with the information we are requesting on your behalf. ARPG and its IARs shall not be required to verify any information obtained from you, your attorney, accountant, or other advisors, and is expressly authorized to rely thereon.

### **Validity of Financial Planning Advice/Financial Plan**

The recommendations given during any financial planning consultation or contained in any financial plan or plan updates, are valid as of the date of the consultation, plan or plan updates, and are not valid for any period of time beyond such date.

### **Conflicts of Interest**

You acknowledge the following:

1. ARPG is also affiliated with SagePoint Financial, Inc. (SagePoint), a securities broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA"), and that IARs who advise you are also associated with Adviser as securities representatives registered with SagePoint.
2. Various IARs are also agents for various insurance companies.
3. ARPG representative may recommend to you that you purchase mutual fund securities, variable annuities, or variable life, and that representative may recommend investments which have a load or sales commission; and
4. A conflict may exist between the interest of ARPG and the interest of you.

If you decide to implement any of the recommendations through ARPG in any of the above listed capacities, you hereby consent to the above described conflicts of interest and to receipt by ARPG, its branch managers and its IARs of fees for providing financial planning services as provided herein. Additionally, you consent to the receipt by Adviser and its IARs of any sales commissions attributable to such transactions (as listed previously) as are generated by implementation of any recommendations.

You are under no obligation to act on the recommendations of the Adviser or its IARs. If you elect to act on any recommendations, you are under no obligation to affect any investment, insurance, real estate or securities transaction through Adviser or its IARs.

### **Termination of SuperVisionPlus**

Any services provided to you in connection with the SuperVisionPlus financial planning service are indefinite from the date hereof. However, either party may terminate the SuperVisionPlus Agreement upon thirty (30) days' notice by registered mail to the address set forth herein except that you may terminate the Agreement without penalty within five business days of the date hereof. Upon termination, no refund will be made for services completed other than within the first five days of the date hereof.

### **E. Timing Services**

Many have invested in a mutual fund group or variable annuity in the past and just want us

to manage their existing investments using our Tactical Asset Allocation service. To be accepted into our timing services, these accounts need to be at least 2 years old, if these securities paid an up-front commission to a selling broker. Accounts we can manage under this program are load or no-load mutual funds, and variable insurance separate accounts. Each program will be tailored for your investment objectives and risk tolerance.

#### **F. Financial Consultation**

Many times you need individual consultation which requires solving extraordinary problems and additional services not listed above. For these services an hourly fee will be charged. The maximum fee is \$175.00 an hour. You will be informed of any charges ahead of these consultations.

ARPG also consults on Life Insurance and Fixed Annuity programs on an hourly basis. You will be informed of any charges ahead of these consultations. No refund will be made after work has been completed. The maximum fee is \$175.00 an hour.

#### **G. Retirement Plan Services**

ARPG also provides Financial Planning Services in the form of consulting to sole proprietorships, partnerships, corporations and non-profit organizations on retirement plans where the plan recipients self-direct their own investments. These plans are normally defined contribution plans under Internal Revenue Services code Section 401(A)(K) or 403(b). ARPG is considered a fiduciary by ERISA when consulting on retirement plans. Listed below are the services that ARPG can provide to trustees and plan participants. Not all services are required on every plan, however, plan trustees and advisor may select some or all of the services below.

1. Selecting investment objectives for retirement plan.
2. Analyses of various retirement plans and cost of retirement plans.
3. Selection of retirement plan.
4. Help plan trustees select and interview plan administrators.
5. Help plan trustees select an investment committee.
6. Train investment committee members.
7. Present various mutual funds or variable annuity separate accounts to Investment committee members.
8. Once plan and investments have been selected, enroll participants in person. Enrollment meeting will be conducted with participant and spouse if desired.

Enrollment meeting will:

1. Set risk tolerance
2. Select Portfolio
3. Prepare paperwork for submission to administrator

Ongoing Services by Advisor

1. Meet with employees as needed (quarterly, semi-annually).
2. Review investments with plan trustees as needed.
3. Review and assist in resolving problems with plan administrator.
4. Review and assist in resolving plan design problems with plan administrator.
5. Conduct an annual meeting on the 401(k) with plan trustees and investment committee.
6. Assist terminated employees with IRA rollover options.
7. Assist new eligible employees with enrollment.
8. Provide an 800 phone number for employees to call ARPG for investment advice.

Plan Sponsor Agrees to:

1. Not knowingly allow unlicensed advisors or employees to give investment advice to participants.
2. Notify advisor of problems with participants.
3. Complete required paperwork for new participants.
4. Urge employees with investment questions to call us at (800) 530-8788.

### **Assets Under Management**

As of December 30, 2011, we manage \$58,645,922 in client assets on a discretionary basis and \$4,176,400 in client assets on a non-discretionary basis.

## **Item 5. Fees and Compensation**

### **A. Vision2020 Advisor Program (V2A)**

We offer V2A as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see the V2A Wrap Fee Program Brochure for a complete list of transaction charges.

Or choose:

We offer V2A as an account where no separate transaction charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

All should include:

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your custodian account. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

The Program offers both a wrap and an unbundled pricing structure. Please note that the same or similar services may be available elsewhere at a lower cost to you.

**Wrap Pricing:** The wrap pricing structure allows you to pay an all-inclusive fee for management, execution and administrative services. You should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided under the Program, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately.

**Unbundled Pricing:** As an alternative to the wrap pricing structure, the transaction charges can be unbundled from the advisory and administrative fees. This pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity. Depending on the level of trading activity in the account, you may or may not pay higher total costs than the wrap pricing structure.

For further details on the Program, including costs, please refer to the VISION2020 Advisor Schedule H Wrap Brochure.

## **ADDENDUM: VARIABLE ANNUITY SUB-ACCOUNT ADVISORY SERVICES**

An Addendum A to the VISION2020 Advisory Client Services Agreement ("Advisory Agreement"), will modify the Advisory Agreement as set forth below. All capitalizations herein shall have the same meanings as in the Advisory Agreement.

Adviser's Advisory Representative(s) utilizing the VISION2020 Advisor Program sponsored by SagePoint may provide variable Annuity Sub-Account services. The Advisory Representative will obtain the necessary financial data from you to assist you in determining suitability for investment in Program. The information provided by you will include a brief description of the investment objectives, guidelines and financial objectives for the Program VA(s). The Advisory Representative will be available to you on an on-going basis to monitor any changes in your financial circumstances or investment objectives.

You retain Adviser to manage the Program VA(s) through one of the following mechanisms:

### **VA PROGRAM COMPENSATION**

As a participant in the VA Program, you shall pay Account Fees for Program VA(s) in the account. Program VA(s) is not assessed transaction fees since the reallocation of transactions are placed directly with the Variable Annuity sponsor. A portion of the Account Fees will be paid to SagePoint for its administrative services provided in sponsoring the Program.

In the event that the Advisory Representative received a selling commission with respect to any Program VA within two years of the date of this addendum, the Advisory Fee for the services described herein shall be offset. In order to determine the transactions subject to this fee exclusion, the Advisory Representatives and you will complete the Addendum A schedule together with attaching supporting documentation evidencing the actual date of purchase of Program VA(s) within the past two years.

### **A. Schedule of Account Fees**

<b>Asset Size</b>	<b>Account Fee Range Minimum and Maximum</b>
\$50,000 - \$99,999.99	0.250% - 2.50%
\$100,000 - \$249,999.99	0.200% - 2.30%
\$250,000 - \$499,999.99	0.175% - 2.05%
\$500,000 - \$749,999.99	0.150% - 1.80%
\$750,000 - \$1,249,999.99	0.125% - 1.55%
\$1,250,000 - \$1,999,999.99	0.100% - 1.30%
\$2,000,000 - \$4,999,999.99	0.075% - 1.05%
\$5,000,000 - \$24,999,999.99	0.050% - 1.05%
Over \$25,000,000	0.025% - 0.80%

Fees are negotiable

In addition, you may incur certain charges imposed by third parties other than Adviser in connection with Program VA(s); including but not limited to internal Variable Annuity sponsor fees, as well as 12b-1 or other distribution Fees (trail commissions) on certain underlying sub-accounts. In addition, there may be certain deferred sales charges on previously purchased variable annuities as well as IRA and Qualified Retirement Plan fees.

For further details on the Program, including costs, please refer to the VISION2020 Advisor Schedule H Wrap Brochure.

**B. Premier Fees A & B**

The Premier Account is a non-commission and advisory fee account with two distinct options. Under Option A certain transaction costs are paid by ARPG whereas you pay all transaction costs under Option B. The Adviser provides investment advisory services with securities execution, custodial and other administrative services provided by SagePoint and its clearing broker dealer, Pershing, LLC.

The annual management fee for the Adviser's investment advisory services is negotiable. Such investment advisory services will be described in detail in the Investment Advisory Agreement provided to you. The annualized investment management fee is a percentage of assets in the account and will be charged according to the following schedule:

**Schedule of Premier Fees - Option A**

<b><u>Portfolio Value Breakpoints</u></b>	<b><u>Maximum Advisory Fee Schedule</u></b>	<b><u>Quarterly Reporting and Auto-Fee Debiting Annual Fee*</u></b>	<b><u>Auto-Fee Debiting only Annual Fee</u></b>
From \$ 0 - \$249,999	2.00%	.20%	.06%
Next \$250,000- \$499,999	1.90%	.14%	.06%
Next \$500,00 - \$999,999	1.75%	.07%	.04%
Next \$1,000,000 - 1,999,999	1.50%	.05%	.03%
Next \$2,000,000 +	1.25%	.05%	.03%

\*election selected by you for the quarterly reports mentioned below could result in the Advisor charging a higher advisory fee.

**Schedule of Premier Fees - Option B**

<b><u>Portfolio Value Breakpoints</u></b>	<b><u>Maximum Advisory Fee Schedule</u></b>	<b><u>Auto-Fee Debiting only Annual Fee</u></b>
From \$ 0 - \$ 249,999	2.00%	25 bps
Next \$ 250,000- \$499,999	1.90%	20 bps
Next \$ 500,00 - \$999,999	1.75%	15 bps
Next \$ 1,000,000 - 1,999,999	1.50%	10 bps
Next \$ 2,000,000 +	1.25%	Bps

\*election selected by you for the quarterly reports mentioned below could result in an additional charge to your account in the amount of \$37.50 per quarter (\$150 annually).

The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

In addition to the investment advisory fee, you will be charged transaction fees pursuant to a fixed schedule for trade execution based upon the option chosen. These transaction charges are paid to Pershing, LLC and are partially retained by Pershing, LLC for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to SagePoint for its supervisory services. These transaction charges represent the only payment to SagePoint and Pershing, LLC for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to you. If the account is opened with securities previously purchased through SagePoint or the Adviser, SagePoint and the Adviser may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through SagePoint or the Adviser, SagePoint and/or the Adviser may already have received commissions on the sale.

\*At your option, a quarterly report will be generated by Pershing, LLC which is in addition to monthly account statements. This report provides a market perspective on the most recently completed quarterly activity, and a portfolio performance summary using Standard & Poor 500 and Lehman Brothers Bond indices as benchmark comparisons. The report also reflects holdings by asset type, contributions, withdrawals, and a description of each position held with value, gain and loss, and yield information.

#### **OPTION A (\$50,000 Minimum)**

Rule 12(b)-1 or service fees paid by "load" waived mutual funds will be retained by SagePoint. SagePoint will assess a transaction charge to the Adviser for each "load" waived mutual fund transaction in excess of 10 during the referenced twelve month period. In addition, a transaction fee will be assessed to the Adviser for each no-load mutual fund transaction. The fact that the Adviser pays this transaction fee may affect the frequency of transactions recommended by Adviser to you.

The transactions fees will be assessed to you for all stock, options and fixed income transactions executed in the account.

The annual charge for the quarterly reporting service begins at .2% and is reduced based on the size of the account. The charge is deducted from management fees charged to your account. In the event you elect not to receive a quarterly report, an annual charge for the automated billing service will be deducted from management fees charged to your account. The annual charge for this service begins at .06% and is reduced based on the size of the account. The annual charge for automated billing is included in the charge for optional quarterly reporting if elected.

Quarterly reporting is not available for accounts that hold options.

#### **OPTION B (\$25,000 Minimum, Not available for ERISA and IRA accounts)**

There is an annual administrative charge beginning at .25% and is reduced by the size of the account. This charge is deducted from management fees charged to your account.

A portion of any Rule 12(b)-1 or service fees paid by "load" waived funds to SagePoint may be re-allowed to the SagePoint registered representative on the account. The Client in this account pays all transaction fees.

The annual charge for this the quarterly reporting service is \$150.00. The fee is charged \$37.50 per quarter to your account.

Quarterly reporting is not available for accounts that hold options.

### **C. 401k Plus Fees - What is the Fee?**

Our financial planning fees are based on how often we need to meet. Other factors include your experience, the percent your 401(k)'s assets are to your net worth, the time to retirement, and the importance these assets have on your future retirement income. Here is our schedule:

<u>Quarterly Fee</u>	<u>Example of Service</u>
\$145.00	Notify when to make changes. Quarterly phone review, quarterly reports, annual meeting.
\$245.00	Notify when to make changes. Quarterly phone review, quarterly reports, semi-annual meetings.
\$445.00	Notify when to make changes. Quarterly reports, quarterly meetings

How does the individual pay their fee for 401(k) Plus? Fees are billed quarterly in arrears. On some retirement plans fees may be deducted from the plan.

### **D. Supervision Plus Fees**

For services provided on an ongoing basis, you shall pay an annual fee mutually agreed upon and payable throughout the course of the year on a quarterly basis. Fees are billed quarterly in arrear. In some cases fees can be deducted from an account you choose.

The fee may be adjusted on the anniversary date of each year. The services provided for the above fee will include, but not be limited to, a periodic in-depth financial analysis comprising your needs, allocation modeling and periodical re-optimization (at the discretion of the Advisor or specific request by you).

#### **1. Additional Fees and Expenses:**

Mutual fund investments in the programs that we offer were either purchased by you prior to our affiliation, or part of an existing retirement plan are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

2. Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of SagePoint and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as

opposed to others (for example, in the case of mutual funds, those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our firm in connection with providing you with any advisory service that we offer.

#### **E. Timing Services**

Fees for timing will be a maximum of 1% per year, .25% paid quarterly at the end of the quarter. In order to accommodate smaller accounts, there will be an annual minimum fee of \$200.00. You will not be charged for services after the day services terminate and you will receive a full refund if they terminate the contract within five business days of signing. After five days refund will be on a prorated basis.

##### **1. Additional Fees and Expenses:**

Mutual fund investments in the programs that we offer were either purchased by you prior to our affiliation, or part of an existing retirement plan are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

2. Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually. These fees are in addition to the fees and expenses referenced above.

Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

3. In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of SagePoint and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our firm in connection with providing you with any advisory service that we offer.

#### **F. Financial Consultation**

The maximum hourly fee will be \$175.00 per hour. Fee is negotiable. You will be kept apprised of the fee or given a maximum fee before consultation. Fee will be paid after work is completed.

#### **G. Retirement Plan Services**

Compensation for the services above is normally paid by directing the plan's mutual fund or variable annuity commissions, or trail commissions, to the advisor. Many record keepers are now providing direct payment for services to advisor. Plan sponsor will be disclosed the commissions or

fees paid to the advisor for services. If the commissions above are not sufficient to cover the services, advisor may received an hourly fee of \$175.00 per your for services. If hourly fees are charged, you will not be charged more than \$500.00, six months in advance. Before any hourly fee is charged, plan sponsor will approve the charge through the signing of your advisory agreement.

These service fees will never exceed .25% per quarter of the plans value. (1% per year)

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

Not applicable. We do not charge performance-based fees.

## **Item 7. Types of Clients**

ARPG deals with and provides investment advice to individuals, High Net Worth Individuals, Pension and Profit Sharing Plans.

Below are the recommended minimum investment amounts for each advisory service's provided. Many times ARPG, SagePoint and/or Pershing, LLC may allow lower minimums because of your needs or total assets from all accounts exceed minimums.

A. V2020 Advisor (V2A)  
\$50,000

B. Premier A & B  
A - \$50,000  
B - \$25,000

C. 401k Plus  
None

Supervision Plus  
None

Timing Services  
\$10,000

Financial Consultation  
Not Applicable

Retirement Plan Services  
None

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

When analyzing investments that may be right for you, we use both Fundamental and Technical Analysis. Fundamental Analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to predict the direction of the economy and therefore the stock market. Technical Analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical Analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

Once the Fundamental and Technical Analysis is completed we create a Tactical Asset Allocation strategy. We use Tactical Asset Allocation in all advisory accounts. Tactical Asset Allocation is a dynamic strategy that actually adjusts a portfolio's strategic asset allocation based on short-term market forecast. To determine the forecast ARPG monitors twenty indicators weekly, and determines what the asset allocation should be for your portfolio given your risk tolerance. For example, Tactical Asset Allocation in a major up trend of equities places a percentage of your asset allocations in equities. When equities are in a major down trend, Tactical Asset Allocation places that same allocation in a money market or short-term bond investment. Why? Because our investment strategy is to produce gains in value over the long-term avoiding large losses in portfolio value. This strategy sometimes creates more trading and more taxes or taxable events in non-qualified accounts (not a retirement account or IRA) than a buy-hold strategy.

We use individual stocks, bonds, exchange traded funds, mutual funds and money market accounts and insurance companies separate accounts. Each of these securities involves risk.

### **Associated Risks With Our Method of Analysis**

When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable but we can not guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using Tactical Asset Allocation Analysis, we review indicators to determine trends in security prices and make our investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

When pursuing a long-term strategy, we are assuming the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested will go down over time even if the overall Financial Markets advance. In addition, purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

### **Additional Security Type Risks**

Stocks - Investing in stocks involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: which is the risk that the value of your investment may change with the introduction of new laws or regulations.

Bonds - Investing in bonds involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: which is the risk that the bond issuer may be unable to pay you the

contractual interest or principal on the bond in a timely manner or at all.

- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Mutual Funds - Investing in mutual funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Listed above are some of the primary risks associated with the way we recommend investments, please do not hesitate to contact us to discuss these risks and others in more detail.

Investing in securities involves risk of loss that you should be prepared to bear.

## **Item 9. Disciplinary Information**

None.

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

All representatives of our firm that provide advice to you ("Advisory Representatives") are associated with SagePoint Financial, Inc. ("SagePoint") as Registered Representatives. SagePoint is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by SagePoint. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and you are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

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

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and the principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We may recommend securities to you or buy or sell securities for your account at or about the same time we may buy or sell the same securities in our own account. As such, there may be instances where our interests may appear to be placed ahead of yours. To mitigate this conflict, our firm policy prohibits us from receiving a better price on our order, if you and we invest in the same security on the same side of the market on the same day.

## **Item 12. Brokerage Practices**

As described in Item 10, our Advisory Representatives are also Registered Representatives of SagePoint, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, SagePoint requires that all investment advisory activities that we conduct be processed through SagePoint's clearing relationships with Pershing, LLC. As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched 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 in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

## **Item 13. Review of Accounts**

For management, securities are reviewed every business day by ARPG and if any changes are needed, they will be made that business day. Triggering factors include but are not limited to, the state of the markets, price momentum, relative strength, group relative strength, volume, accumulation, distributions, earnings and earnings potential. In the case of mutual funds, the funds

are reviewed to see if they are meeting expectations on a basis of risk versus reward. The only reviewer is the ARPG and is the sole decision maker for all financial accounts. When opening up the account and anytime thereafter, you can select quarterly or annual reviews. Because of your geographic location or time schedules, reviews can be in person, via teleconference or telephone.

For financial planning services, you can receive an annual review and consultation. Such review and consultation will contain specific advice concerning the changes in your investments that we believe you should make and specific advice concerning the manner in which you can make these changes. The only review is ARPG. Again, because of your geographic location or time schedules, reviews can be done in person (preferred) or via teleconference or telephone.

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

As discussed previously, all our Advisory Representatives are Registered Representatives of SagePoint. This arrangement requires us to offer you advisory services and programs sponsored or approved by SagePoint. SagePoint sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, SagePoint may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that SagePoint sponsors which may be more expensive for us to use.

In addition, SagePoint offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

## **Item 15. Custody**

Not applicable, we do not maintain custody of your assets. Your account assets are maintained at Pershing, LLC

## **Item 16. Investment Discretion**

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in your Client Agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

## **Item 17. Voting Client Securities**

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

## **Item 18. Financial Information**

In certain circumstances our Advisory Representatives may use investment discretion in your account, subject to your approval. We are well capitalized in full compliance with applicable regulations and do not foresee any financial conditions that may impair our fulfillment of reasonable obligations or contractual commitments to you.

## Item 19. Requirements for State-Registered Advisers

Listed below are the Investment Advisor Representatives who may provide advice on your advisory account with ARPG. Included is their education and business background.

### **Dwight Alfred Machael**

Year of Birth: 1948

Formal Education: Golden Gate University, San Francisco, California

- B.A., Management
- Post graduate formal education New York Inst. of Finance, New York
- General Securities Course

Business Background:

- 1978-1982 Dean Witter (Reynolds), Associate Vice President, Investments
- 1982-1989 Shearson Lehman Hutton, Regional Director-Retirement, Planning Consultant
- 1989-1991 Paine Webber, Divisional V.P.
- 1993 -1997 Linsco Private Ledger, Registered Principal.
- American Retirement Planning Group, Inc., Investment Adviser Representative
- January 1997 to October 2005 SunAmerica Securities, Inc., Registered Principal, American Retirement Planning Group, Inc., Investment Adviser Representative
- October 31, 2005 to January 20, 2008 -AIG Financial Advisors, Inc. Registered Principal, American Retirement Planning Group, Inc., Investment Adviser Representative
- January 20, 2008 to Present - SagePoint Financial, Inc. Registered Principal, American Retirement Planning Group, Inc., Investment Advisor Representative

The representative above is also Life and Annuity agent and engage in selling life, annuities, index, life and annuities, and long-term care and disability insurance to help you complete your financial planning objectives. Insurance agents generally receive commissions or hourly fees for these activities.