

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

FIRM BROCHURE

PFC CAPITAL GROUP, INC.
DBA PRIVATE FINANCIAL COUNSELING

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Item 2 Material Changes

There have been no material changes.

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Item 4 Advisory Business

Private Financial Counseling (“PFC”) provides investment advisory and supervisory services as well as Comprehensive financial planning for individuals, and tax planning and advice, estate planning advice, leverage planning and employment benefits planning.

Item 5 Fees and Compensation

Services provided by PFC are offered for:

- A percentage of assets under management;
- Hourly charges;
- Fixed fees (not including subscription fees)

Fees for assets under management are payable quarterly, in advance, and according to the following schedule:

Equity And Balanced Portfolios:

First \$6 Million		1%
Next \$6-10 Million	.75 of	1%
On Assets Over \$10 Million	.50 of	1%

Fixed Income Portfolios:

First \$5 Million	.60 of	1%
Next \$5 Million	.45 of	1%
Next \$15 Million	.40 of	1%
Over \$25 Million	.35 of	1%

Mutual Fund Fees and Expenses: All fees paid to PFC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds 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. A client could invest in a mutual fund directly, without the services of PFC. In that case, the client would not receive the services provided by PFC which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and the fees charged by PFC to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

We do not charge *Performance-Based fees* for our investment advisory services.

Item 7 Types of *Clients*

PFC provides services to individuals, Trusts, Estates and Charitable Organizations, Corporations and other business entities.

We develop common stock candidates for purchase in two ways: (1) by an analysis of 5 to 10 year growth potential by industry group and secondarily, by company within each desirable industry group; and (2) by general research which isolates additional fast growing companies which are not necessarily in the desirable industry groups identified above.

Once desirable candidates have been identified by the above process, we then look for dividend growth and appreciation potential. We generally rely on Value Line to determine the former and in-house technical analysis to determine the latter.

We then fit the desired candidates to a particular client's financial needs and income tax circumstances.

The sources of information we use can be broken into three general categories: Publications, advisory services and charts of price and volume. Publications such as the Wall Street Journal, Barrons, and Forbes are monitored to detect changing economic and industry group fundamentals. Advisory services like Charles Schwab & Co., Value Line and Bank Credit Analyst are used to complement our own in-house research capabilities.

We manage securities in relation to the 4 to 5-1/2 year economic cycle. We attempt to be fully invested in common stock during the bull market phase (2 to 3-1/2 years) and in a combination of U.S. Treasury bills and common stock during the bear market phase. Purchases made are expected to be held from 6 months to 1-1/2 years on the average. However, many will be held longer if they prove to be very successful.

Short term trading is not generally an objective. Where tax considerations warrant, we attempt to invest for long term capital gains.

Item 9 Disciplinary Information

None.

Item 10 Other Financial Industry Activities and Affiliations

PFC is affiliated with Charles Schwab & Co., which provides custody services, portfolio management services, and investment research.

Code of Ethics

PFC has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. PFC and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. PFC will provide a copy of the Code to any client or prospective client upon request.

Conflicts of Interest

We have developed and maintain a strict conflict of interest policy in accordance with SEC regulations. Our policy is to place the interests of our clients above that of the firm and its principals and employees with respect to the recommendation, purchase and sale of securities. Many of the securities we purchase and maintain in our clients' accounts are also purchased for accounts maintained for principals and employees of the firm. However, all transactions of this kind are executed in our clients' favor to ensure that there are no conflicts of interest. For example, in the event that the same security is traded on the same day for a client account as well as a principal or employee account, such transactions will be executed in the client account first.

Many clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker and they will instruct adviser to execute all transactions through that broker. In the event that a client directs adviser to use a particular broker or dealer, it should be understood that under those circumstances adviser will not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

The Custodian and Brokers We Use

Private Financial Counseling (“we”/“our”) does not maintain custody of your assets that we manage/on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a brokerdealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab”)

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians").

Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

Services That Benefit You.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to request that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us. We have approximately \$136 million in client assets under management, and we do not believe that requesting our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Our review of investment advisory accounts covers two aspects:

First, is the monitoring of the account transactions to be sure they are executed promptly and correctly. Upon acceptance of a new client, we verify that all cash and securities are transferred to, or currently reside with, the brokerage account or money market fund assigned to that client. Thereafter, each transaction made to that account is closely monitored to make sure the brokerage house has carried out the transaction as requested. Upon receipt of the monthly statement from the broker or money market fund, the statement is reconciled with our in-house records for each account to make sure that the correct account balance is reflected on the brokerage house and money market-fund statement.

The second aspect of monitoring is the securities held in a client portfolio. We monitor the price and volume movements of each security daily as a routine matter. When sales are contemplated, some securities are monitored intra-day. We routinely monitor company fundamentals through a review of company reports and fundamental services such as Value Line. This monitoring is done by portfolio managers.

Charles Schwab & Co.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Custody at Charles Schwab & Co.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

Item 16 Investment Discretion

We accept discretionary authority to manage investments in securities accounts. Clients may limit our discretionary authority.

Proxy Voting

PFC will have the authority to vote proxies on behalf of its clients and will strive to vote proxies in the best interests.

PFC's policy is generally to vote all proxies from a specific issuer the same way for each client absent reasonable restrictions from a client.

PFC will consider the impact on shareholder value and the issuer's business practices when making voting decisions.

PFC will generally vote in favor of routine proposals that may include but are not limited to the selection of auditors and election of directors, absent conflicts of interests that are not adequately addressed. PFC will generally vote against poison proposals (staggered boards, special voting shares, etc.) and other techniques that concentrate power or may cause management or board entrenchment.

PFC maintains written policies and procedures, records of proxy votes and information regarding the manner in which a client's proxies were voted is available to the client upon request. Clients may make their request by telephone by calling (310) 556-2055

Item 18 Financial Information

N/A

Item 19 Requirements for State-Registered Advisers

N/A.