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3/31/2012

Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients and “The Planning Group.” This Brochure provides information about our qualifications and business practices.

***This brochure provides information about the qualifications and business practices of The Planning Group. If you have any questions about the contents of this brochure, please contact us at (480) 596-1580. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.***

***Additional information about The Planning Group also is available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.***

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

## Material Changes

1. This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
2. We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).
3. If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer Reid Johnson at (480) 596-1580 or [Reid@ThePlanningGroup.com](mailto:Reid@ThePlanningGroup.com).

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# **Advisory Business**

## **Firm Description:**

The Planning Group of Scottsdale, LLC d/b/a The Planning Group (hereinafter “TPG”) is an investment adviser based in Scottsdale, Arizona. We are organized as a limited liability company and have been providing planning and advisory services to our clients since 1998. We are currently registered with the United States Securities and Exchange Commission (SEC). TPG offers its personalized services to individuals, small companies, and other business entities.

## **Principal Owner**

Reid S. Johnson is the 100% owner of TPG.

## **Financial Planning**

Fee based financial planning is a comprehensive relationship between you and TPG which incorporates many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning relationship provides the opportunity to have quarterly face to face meetings. Additional meetings and meetings with your other advisors (attorneys, accountants etc.) may be included in this service.

Depending on your needs and objectives, your formal written financial plan may cover:

- General Financial Planning
- Educational Fund Planning
- Retirement Planning
- Risk Management
- Estate Planning
- Business Succession Planning
- Business Planning
- Corporate Retirement Planning
- Insurance Planning

Your financial plan will consist of observations, assumptions, strategies, as well as recommendations. You may be presented with an updated, formal written plan on an annual basis, or more often if requested.

You may chose to implement all or any part of the plan through us or an advisor or broker dealer of your choice.

### **Portfolio Management Services**

TPG provides limited discretionary, and occasionally non-discretionary, portfolio management services on a continuous basis. The investment advice provided is custom tailored to meet the needs and investment objectives of the client. Portfolios constructed by TPG primarily consist of individual securities, exchange traded funds (ETFs), mutual fund shares, equity securities, corporate debt securities, municipal securities, US government securities, derivatives, and/or interest in partnerships, and private equity investments if TPG determines such investments to be in the best interest of the client. A percentage of the investments in a client's portfolio may be managed by a third-party manager if TPG determines this would be in the best interest of the client. TPG provides continuous supervision and re-optimization of the portfolio as changes in the market conditions and client circumstances may require.

### **Third Party Money Managers**

TPG has established agreements with third party money managers offering a wide range of advisory services including asset allocation, tactical management, market timing and portfolio management. TPG investment advisors may select a money manager based on the client's needs. TPG will be available to meet with the client on a ongoing basis regarding assets being managed by third party managers. Clients should be aware that the solicitor or sub-advisor fees paid to TPG differ among recommended money manager programs. There are conflicts of interest that may affect the independent judgment of TPG in the recommendation of one money manager program over another. Generally TPG is

compensated by the advisory fee paid to TPG. However, there could be a situation where may be compensated by a sub advisor fee or sales commission.

Under such an arrangement, the third party manager will manage the client's account directly; however, TPG may override any recommendations made by the third party manager where TPG does not deem such recommendation(s) made by the third party manager to be in the best interest of the client.

Fee schedules vary and are published within their own contracts and disclosure documents, including their respective Form ADV, Part 2. Fees are calculated on an annual basis and are payable monthly in arrears. With written notice clients may terminate these contracts at any time.

### **Private Equity Investments**

TPG may recommend to its client's private equity investment funds or other specific private equity investments that meet their investment objectives. TPG will only present a client with a private investment it deems suitable to the client's particular circumstance. Frequently, with a private equity investment fund, the entity designated to manage the fund assets will be exempt from registration as a registered investment adviser. TPG will not be involved in selection or monitoring of the underlying individual securities of private equity investment funds and, instead, will rely solely on the expertise of the entity designated to manage the assets (this entity may or may not be a registered investment adviser). However, TPG will monitor the organization, investment philosophy, and performance of the manager or issuer with respect to each private investment.

### **Seminars**

From time-to-time, TPG may conduct workshop seminars or webinars. Although many of the seminars are conducted on a no fee, no obligation basis, TPG does reserve the right to charge an admission fee to cover the expenses associated with the workshop. When an administration fee is charged, all participants are charged. This fee is dependent on the cost

of materials and other expenses involved but will not exceed \$100 per attendee or married couple. Attendees or clients who wish to re-attend may do so at no additional charge. The fee is typically paid in advance of attending the workshop or on the attendees' arrival. Additionally, TPG may share costs of seminars with sponsors of products it may recommend.

### **Types of Investments**

TPG may offer advice on any other financial product that they deems appropriate in order to address the individualized needs, goals and objectives of its client.

In addition, the firm may also offer investment advice with respect to products that may not constitute "securities," such as alternative investments, life insurance and annuities. It also takes into consideration tax and estate planning issues, which may not constitute "investment advice."

TPG may also provide advice to certain clients relative to investment in private investment funds, including private investment funds sponsored by affiliates of TPG thereby creating a conflict of interest. Various risk factors and liquidity restraints associated with any such private investment are disclosed in the corresponding investment documents and will be described by TPG.

As of 3/31/2012, TPG manages approximately \$ 106,824,718 in assets for approximately 250 clients. Approximately \$ 104,628,988 is managed on a discretionary basis, and \$ 2,195,729 is managed on a non-discretionary basis.

## **Fees and Compensation**

### **Financial Planning Fee**

Financial planning services are priced according to the degree of complexity associated with your situation. The maximum fee charged for this service will not be more than 2% of your current total net worth. If you elect to open an advisory account so that we can assist you in implementing your financial plan, you will also pay a separate additional fee for ongoing investment advisory services as described below.

### **Investment Advisory Fees**

Fees shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter.

The billing inception date is determined as the date assets to be managed are received by the custodian. The fee will be assessed pro rata in the event the services commenced at any time other than the first day of a calendar quarter.

The annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under management. The fee schedule will depend upon the program selected by the client. The advisory fee charged shall vary depending upon the market value of the assets under management and the specific type of investment management services to be rendered

TPG reserves the option to charge a set-up fee of up to 50% of a client's annual fee for the first year for new clients to compensate for the financial planning , investment analysis, and other services provided.

Under our current arrangement with Fidelity, the advisory fee is inclusive of trade execution, although the fee tier is not determined by the number of transactions in a client's account.



Due to the timing of the receipt of asset valuations from third parties, fees for certain asset classes (private equity investment funds or other specific private equity investments, for example), accounts with valuations that have not been delivered within 30 days of quarter-end, will be billed on cost basis plus or minus any additional investments or redemptions until that account's valuation is made available to us. From then on, we will bill on that amount at the next quarter billing plus or minus any additional investments or redemptions in the quarter until the next valuation is received.

Our advisory fee is negotiable and arrangements with any particular client may differ from those described above. TPG, at its sole discretion, may charge a lesser management fee based upon certain criteria (i.e. existing financial planning client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). However, no increase in the annual fee percentage shall be effective unless you have accepted them in writing.

TPG or the client may terminate the management agreement within five days of the date of acceptance with no penalty to the client. After the five-day period, either party, upon 30 days written notice to the other, may terminate the management agreement. Upon receipt of a client's written request for termination at our main office, the management fee will be prorated for the quarter in which the cancellation notice was given and any unearned fees will be refunded to the client.

### **Advisory Fee Payment Options**

As indicated in our advisory agreement with you, there are two options you may select to pay for our services:

- Direct debiting (preferred): at the inception of the relationship and each quarter thereafter, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract with you. The custodian does not validate or check our fee, its calculation on the assets on which the fee is based and then "deducts" the fee from your account(s) or, if you have more than one account, from the account you have designated to pay our advisory fees.

Each month, you will receive a statement directly from your custodian showing all transactions, positions and credits / debits into or from your account; the statements after the quarter end will reflect these transactions, including the advisory fee paid by you to us.

- Pay-by-check: At the inception of the Account and each quarter thereafter, we issue you an invoice for our services and you pay us by check or wire transfer within 15 days of the date of the invoice.

### **Additional Fees and Expenses:**

Advisory fees payable to us may not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management. Fees charged are by the broker/dealer custodian. We do not receive, directly or indirectly any of these fees charged to you. They are paid to your broker, custodian or the mutual fund or other investment you hold. The additional fees and expenses may include:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Deferred sales charges (charged by MFs);
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions ;
- Among others that may be incurred.

## **Performance-Based Fees and Side-By-Side Management**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged only as disclosed in the previous section.

## **Types of Clients**

### **Account Minimums**

As of the date of this filing, the minimum account size is \$100,000 per account or \$250,000 per household. Accounts opened prior to March 31, 2011 that are less than \$100,000 are grandfathered into the existing Advisory platform.

We have the discretion to waive the account minimum. In limited cases, accounts of less than \$100,000 may be accepted when we anticipate that a client will add additional funds to the accounts bringing the total to \$100,000 within a reasonable time. Other exceptions to the minimum account size may apply to our employees and their relatives, or relatives of existing clients.

### **Description**

TPG provides services primarily to individuals and families. We also provide services to trusts, estates, and business entities. Our typical client is one who is planning for retirement, or managing portfolio distributions in retirement. We emphasize:

- Retirement planning, asset accumulation and retirement income stream planning;
- Advising fiduciaries of trusts and estates on investments and asset allocation;
- Planning assistance for those undergoing life changes such as death of a partner or divorce;

- Employee benefit plan questions, including 401(k) plan investment allocation, health plans and stock plans;
- General financial planning, including budgeting and college funding planning.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Analysis:**

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, analysis software, annual reports, prospectuses, filings with the Securities and Exchange Commission, and Company press releases.

### **Investment Strategies:**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First In First Out) accounting method for

calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss:**

All investment programs have certain risks that are borne by the investor. We will do our very best to mitigate these risks through the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

Our investment approach constantly keeps the risk of loss as a key priority. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds may fall, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric Company, which generates its

income from a steady stream of customers who buy electricity no matter what the economic environment.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties may not be as liquid.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its debt obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining value.

## **Disciplinary Information**

We do not have any material legal, financial or other "disciplinary" item to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

This statement applies to TPG, and every TPG employee.

## **Other Financial Industry Activities and Affiliations**

TPG is the sole shareholder of Ives Asset Management, an SEC registered investment adviser. Reid Johnson is the 100% shareholder of TPG.

Reid Johnson is the sole owner and President of Meridian United Capital, LLC, a Broker/Dealer registered with the Financial Industry Regulatory Authority.

Reid Johnson is a co-owner of Gentry Asset Advisors, LLC, a wealth planning firm.

Mr. Johnson is also the President of Strategic Wealth Planning, LLC, the President of Centurion Wealth Solutions, LLC, the President of Oasis Wealth Management, LLC, the Owner of Meridian Capital Services, LLC and the President of Strategic Planning Group of Scottsdale. These companies are licensed insurance agencies specializing in offering insurance and advisory consulting services.

Reid Johnson is also the owner of Altair, LLC (“Altair”), which is an administrative services firm that manages investment-related limited liability companies, including C. Tvedt Investments, LLC and P. Vandermeer Investments LLC (“Vandermeer”). These pooled investment vehicles may invest in securities or other investment-related products. As Managing Partner of Altair and, ultimately, the limited liability companies for which Altair provides its services, Mr. Johnson receives compensation for the services he provides while acting in this capacity.

As such, Mr. Johnson is involved in the sale of insurance-related products in his capacity as an affiliate with the above referenced firms.

Mr. Johnson is also the owner of Meridian Services LLC, which is an administrative services firm that manages investment-related limited liability companies, including Meridian Insured Fund I LLC, Series A-F, R. Sperling Investments, LLC (and LLC II), J Neale Investments, LLC (and LLC II), C. Chontoin Investments, LLC, D. Ehrlich Investments, LLC, E. Barranger Investments, LLC, S. Kowal Investments, LLC, C. Warden Investments, LLC, C. Steinbrecher Investments, LLC, J. McCollum Investments, LLC, and R. Dugan Investments, LLC.

Mr. Johnson is also the owner Oak Canyon Capital Inc., which is an administrative services firm that manages investment-related limited liability companies, including A. Bieter Investments LLC, G. Jarger Investments LLC, L. Ingle Investments LLC, E. Peterson Investments LLC, P. Bugher Investments, LLC, C. Wakefield Investments, LLC, Y. Hess Investments, LLC, E. McCollum Investments, LLC, C. Randel Investments, LLC, and J Erickson Investments LLC.

Reid S. Johnson is a managing partner of Eagle Creek Fund, LLC, a private equity offering formed to acquire Indian real estate. Mr. Johnson may, in the future, establish additional investment-related limited liability companies.

Clients should refer to the offering memorandum for more information on the compensation structures of these entities. Additionally, the Schedule D of Form ADV

provides detailed information on these managed limited liability companies. Clients of TPG may also be investors in these various pooled investment vehicles. Clients are hereby advised that fees charged by TPG are separate and apart for any fees charged by the private investments.

Reid Johnson is the Manager of Private International Wealth, LLC, a company that pursues investment opportunities overseas.

Mr. Johnson is Vice President and 50% owner of Strategic Global Partners, Inc., an outsourcing firm located in India which also manages Oak Creek Canyon, LLC a firm set up to purchase real estate in India.

Lastly, Mr. Johnson is the President/Owner of Meridian Foundation Inc & the Flying Heart Foundation, Inc. which are charitable service organizations.

Reid Johnson's time spent in connection with the above outside business activities varies throughout the year; however, it is estimated that he spends at least 90% of his working hours on activities related to TPG.

TPG may also recommend, on a non-discretionary basis, that qualified clients allocate a portion of their investment assets among private investment funds, including private investment funds for which TPG and or one or more of its related persons serves in a General Partner or Managing Member capacity.

## **Code of Ethics**

As required by regulation (and because it's good business), we have adopted a Code of Ethics ("Code") that governs a number of potential conflicts of interest we may face when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client (or Prospective Client) and to maintain a Culture of Compliance within our firm.



An additional benefit of our Code is to detect and prevent violations of securities laws, and our obligation to diligently monitor your accounts.

Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and on-going monitoring of employee activity.

Our Code includes the following:

- Requirements related to client confidentiality;
- Prohibitions on:
  - Insider trading (if we are in possession of material, non-public information);
  - Rumor mongering;
  - The acceptance of gifts and entertainment that exceed our policy standards;
- Reporting of gifts and business entertainment;
- Pre-clearance of employee and firm transactions;
- Reporting (on an on-going and quarterly basis) all personal securities transactions of our employees; and,
- On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time).

Our Code does not prohibit personal trading by employees (or our firm). As you may imagine, as a professional investment adviser, we often follow our own advice. As a result, we may purchase or sell the same or similar securities (or securities that are suitable for an employee or related account but not suitable for any client, including you) at the same time that we place transactions for your account and the accounts of our other Clients.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn.: Chief Compliance Officer.

The Chief Compliance Officer of TPG is Reid Johnson. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## **Brokerage Practices**

### **Selecting Brokerage Firms**

TPG may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. TPG will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. TPG relies on its broker to provide its execution services at the best prices available.

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

Clients pay for any and all custodial fees in addition to the advisory fee charged by TPG.

### **Directed Brokerage**

In circumstances where a client directs TPG to use a certain broker/dealer, the following may apply: TPG's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients, and potential conflicts of interests arising from brokerage firm referrals.

### **Best Execution**

TPG reviews the execution of trades through each custodian for each quarter. The review is documented in *TPG Compliance Manual*. Trading fees charged by the custodians are also reviewed on a quarterly basis. TPG does not receive any portion of these trading fees.

### **Soft Dollars**

TPG utilizes the services of custodial broker dealers. Economic benefits are received by TPG which would not be received if TPG did not give investment advice to clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to TPG's accounts, ability to conduct "block" client trades,

electronic download of trades, balances and positions, duplicate and batched client statements, and the ability to have advisory fees directly deducted from client accounts.

### **Order Aggregation**

Most trades are low-load or no-load mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Review of Accounts**

### **Investment Management**

Your Investment Adviser Representative will monitor your accounts on an ongoing basis. Reviews are typically conducted quarterly or upon your request to ensure that the advisory services provided are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Contributions and withdrawals;;
- Market movement;
- Security specific events; and/or;
- Changes in your risk/return objectives.

We will contact our clients at least annually to review previous services and/or recommendations and to discuss the impact resulting from any changes in your financial situation and/or investment objectives. You are provided with transaction confirmation notices and regular summary account statements directly from the broker/dealer or custodian for your accounts.

### **Financial Planning**

For financial planning clients, reviews are conducted on an as needed basis and we will provide reports summarizing our analysis and conclusions as requested by you or otherwise agreed upon in writing.

## **Client Referrals and Other Compensation**

### **Incoming Referrals**

TPG has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### **Referrals Out**

TPG receives solicitor fees from third party money managers it recommends.

### **Other Compensation**

Your advisor may have a financial industry affiliated business as an insurance agent. Your advisor may also be a Registered Representative of a Broker/Dealer. From time to time, our advisors will offer clients advice or products from those activities. They will receive commissions on the products sold through this business. To avoid having two charges assessed to the same asset, the commissioned asset will not be included in the Assets Under Management for billing purposes until a reasonable time has passed. As an alternative, the commission received may be off-set an equivalent portion of the advisory fee, so that the fee assessed remains the same.

Clients are not required to purchase any financial products.

# **Custody**

## **Account Statements**

All assets are held at qualified custodians which means the custodians provide account statements directly to clients at their address of record at least quarterly.

## **Performance Reports**

TPG also provides periodic performance reports to its clients. These reports are provided for your convenience and consolidate the performance reported by your qualified custodian. Although we make every effort to ensure the accuracy of this information, in some instances the performance quoted on our reports may vary slightly from the custodian's. This is typically caused by variation in the reporting period. Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by TPG. For tax and other purposes, the custodial statement is the official record of your account(s) and assets

## **Net Worth Statements**

Clients are occasionally provided with net worth statements. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not immediately material to the financial tasks.

# **Investment Discretion**

## **Discretionary Authority for Trading**

TPG accepts discretionary authority to manage securities accounts on behalf of clients. TPG has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. TPG does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

### **Limited Power of Attorney**

A limited power of attorney is considered to be a trading authorization for this purpose. You sign a limited power of attorney with the chosen custodian so that we may execute the trades that you have approved.

## **Voting *Client* Securities (i.e., Proxy Voting)**

### **Proxy Votes**

TPG does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, TPG will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Financial Information**

### **Financial Condition**

A balance sheet is not required to be provided in this ADV 2 because TPG does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1200 per client and six months or more in advance.

## Privacy Statement

TPG maintains physical, electronic, and procedural safeguards that comply with federal standards to protect its clients' nonpublic personal information ("information"). Through this policy and its underlying procedures, TPG attempts to secure the confidentiality of customer records and information and protect against anticipated threats or hazards to the security or integrity of customer records and information.

It is the policy of TPG to restrict access to all current and former clients' information (i.e. information and records pertaining to personal background, investment objectives, financial situation, tax information/returns, investment holdings, account numbers, account balances, etc.) to those employees and affiliated/nonaffiliated entities who need to know that information in order to provide products or services to the client. TPG may disclose the client's information if TPG is: (1) previously authorized to disclose the information to individuals and/or entities not affiliated with TPG, including, but not limited to the client's other professional advisors and/or service providers (i.e. attorney, accountant, insurance agent, broker-dealer, investment advisor, account custodian, etc.); (2) required to do so by judicial or regulatory process; or (3) otherwise permitted to do so in accordance with the parameters of applicable federal and/or state privacy regulations. The disclosure of information contained in any document completed by the client for processing and/or transmittal by TPG in order to facilitate the commencement/continuation/termination of a business relationship between the client and a nonaffiliated third party service provider (i.e. broker-dealer, investment advisor, account custodian, insurance company, etc.) including information contained in any document completed and/or executed by the client for TPG (i.e. advisory agreement, client information form, etc.) shall be deemed as having been automatically authorized by the client with respect to the corresponding nonaffiliated third party service provider.

TPG permits only authorized employees and affiliates who have signed a copy of TPG's Privacy Policy to have access to client information. Employees violating TPG's Privacy Policy will be subject to TPG's disciplinary process. Additionally, whenever TPG hires other organizations to

provide services to TPG's clients, TPG will require them to sign confidentiality agreements and/or the Privacy Policy.

Should you have any questions regarding the above, please contact the compliance officer at (480) 596-1580

## **Business Continuity Plan**

### **General**

TPG has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.