

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

**Phil D. Wheat, CFP, Registered Investment Advisor and also  
DBA Financial Group - Investment Advisors**

"Registered" does not imply a certain skill level or training

[www.philwheat.com](http://www.philwheat.com)

**6401 South Custer Road, Suite 2000, McKinney, TX 75070  
(214) 385-2415 Toll-Free (866) 955-0065; Fax (214) 385.2434**

*This brochure has been prepared by Financial Group – Investment Advisors (the “advisor”), March 1, 2011. This brochure provides information about the qualifications and business practices of Phil Wheat. If you have any questions about the contents of this brochure, please contact us at 214.385.2415. 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 Phil Wheat also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The brochure is meant to provide you with a description of the investment advisory services offered. It is provided in place of the Investment Adviser Form ADV, and you should read this brochure carefully as it contains important information about services, fees, methods of analysis, and other relative issues. Investment Advisor Form ADV and/or a document entitled Personal and Professional Biographical Information will be provided to you to give you additional information concerning the Investment Advisor. Financial Group – Investment Advisors is a DBA of Phil D. Wheat and is the same business entity as Phil D. Wheat – Registered Investment Advisor.*

Item 2 Material Changes

There have been no material changes to the brochure since the last annual update which took place March 2011.

<b>3. Table of Contents</b>	
<b>Item #</b>	<b>Page</b>
1. Cover Page	1
2. Material Changes	2
3. Table of Contents	3
4. Advisory Business	4-6
A. Advisory Firm	
B. Advisory Services Offered	
C. Individualized Plan	
D. Wrap Fee Programs	
E. Client Assets Under Management	
5. Fees and Compensation	6-7
A. Advisory Service and Financial Planning Fees	
B. Payment Method	
C. Other Fees	
D. Fee Timing	
E. Other Advisory Compensation	
6. Performance-Based Fees and Side-by-Side Management	8
7. Types of Clients	9
8. Methods of Analysis, Investment Strategies and Risk of Loss	10
9. Disciplinary Information	11
10. Other Financial Industry Activities and Affiliations	12
A. Registered Representative	
B. Other Registrations	
C. Other Financial Industry Affiliations	
D. Compensation	
11. Code of Ethics, Participation or Interest in <i>Client</i> Transactions and Personal Trading	13-15
A. Code of Ethics	
B. Advisor Material Conflict of Interest	
C. Advisor Investments	
D. Timing of Buying/Selling Practices of Advisor	
12. Brokerage Practices	16-17
A. Broker-Dealer Affiliations	
1. Soft Dollar Arrangements	
2. Brokerage for Client Referrals	
3. Directed Brokerage	
B. Aggregate Client Orders	
13. Review of Accounts	18
A. Account Review	
B. Review of Accounts	
C. Reporting	
14. Client Referrals and other Compensation	19
15. Custody	20
16. Investment Discretion	21
17. Voting Client Securities	22
18. Financial Information	23
19. Requirements for State-Registered Advisors	24

**A. Advisory Firm**

Phil D. Wheat is the sole owner of Financial Group – Investment Advisors, which began doing business in 1996.

**B. Advisory Services Offered**

Phil D. Wheat (herein after referred to as “Advisor”) provides full service financial planning and consulting services in the following areas:

- pre-retirement and post retirement financial consulting
- customized investment allocation plans
- investment and estate planning
- corporate retirement plans
- advisory services
- business continuation and executive/owner benefit planning
- educational and special needs funding strategies

**Financial Planning**

The Planning service integrates your:

Personal Investments	Insurance
Retirement	Company Benefits
Social Security	Estate
Cash Flow	and other aspects of your finances

You are provided a written comprehensive financial plan that is presented to you to illustrate your current financial situation and objectives, and to provide you with specific recommendations of how your goals can best be attained. The plan will include as many of the areas above as the client wishes.

**Investment Advisory Service**

Clients of the adviser may participate in the Advisory Service as offered by the adviser. Under this program assets are held in a brokerage account at Pershing, LLC. This account shall be known as an Investment Management Account.

**Advisory Service for Company Retirement Plans**

- Investment Analysis, Selection and Monitoring
- Asset Allocation Planning
- Retirement Planning

**C. Individualized Plan**

Each investment plan is developed around each client’s unique goals. Our Process includes:

- Determining the timing targets of the clients goals
- Analyzing the individual risk/return comfort level

- Developing specific investment strategies to match the clients total situation
- Monitoring the investments mix in an ongoing manner
- Providing ongoing, meaningful communication between the Advisor and the Client
- Assuring the investment plan is in concert with the total financial and family situations as they are now and as they evolve

**D. Wrap Fee Programs**

The Investment Advisory Service described in Section B above is the only Wrap Fee Program offered by the Advisor.

**E. Client Assets Under Management**

The advisor manages client assets on a non-discretionary basis. As March 1, 2011 the amount of client assets under management was \$44,505,190.00

Unless otherwise provided for, the Client will pay the Advisor a fee based on the Advisor's hourly rate charge. Any hourly charges will be calculated by rounding time spent to the nearest one-quarter hour.

### **Complimentary Consultations and Discounted Fees**

Complimentary consultations: The Advisor may provide complimentary consultations to such people as referrals from professional advisors and/or clients, as well as to attendees of seminars or classes at which the Advisor has taught. These consultations are provided to discuss specific issues and concerns of such persons' financial affairs.

### **A. Advisory Service and Financial Planning Fees**

The Adviser is registered as an Investment Advisor providing fee based financial planning services. Recommendations made by the Advisor in the financial plans and management services are impartial and independent, and no affiliated company participates in any way in the financial planning services provided by the Advisor.

100% of the Advisory billings are from fees for services described in this document.

### **Financial Planning Fees**

Instead of the hourly fee, a fee may be flat fee or a fee based on your current income, non-working assets, interest in business ventures, and the value of your investments. The fee for the comprehensive financial plan will range from \$2,000 to \$5,000. Alternatively, a different fee schedule may be negotiated between the Client and the Advisor. The fee for the plan will be payable 50% upon the signing of the Agreement Contract, and 50% upon delivery of the written plan.

**Satisfaction Guarantee:** The Advisor guarantees your satisfaction with the format and content of the written financial plan at the time of its delivery, and if we are not able to rewrite the plan to your satisfaction, then the Advisor will return the total of all fees paid which pertain to the written plan in question. The client agrees to return the original plan along with any and all copies of the plan to the Advisor to obtain a full refund.

### **Fees for Investment Advisory Service**

Annual fees per account will not exceed the following maximums:

2.25% for total Client assets in the Investment Management Account up to \$250,000

1.75% for amounts in the account over \$250,000 and up to \$500,000

1.25% for amounts in the account above \$500,000 and up to \$1,000,000

1.00% for amounts in the account above \$1,000,000 and up to \$5,000,000

0.75% for amounts in the account above \$5,000,000 and up to \$10,000,000

0.50% for amounts in the account above \$10,000,000

Alternatively, a different fee schedule may be negotiated between the Advisor and the Client.

### **B. Payment Method**

The fees shall be deducted from the client's Investment Management Account on a quarterly basis, unless otherwise instructed by the client.

### **C. Other Fees**

There are no fees paid to the Advisor by the client that are not explained in this document. The client will incur mutual fund fees imposed by the funds themselves.

### **D. Fee Timing**

Quarterly fees will be due and payable on the first business day of the calendar quarter as advanced payment for that quarter's Advisory Service. If the advisory contract is terminated the prepaid fee will be pro-rated for the quarter in which the account was terminated with said fee being returned to the client at the end of the quarter.

### **E. Other Advisor Compensation**

1. We select mutual funds by criteria, such as past total return performance as well as risk, diversification and volatility measures. Broker compensation is not a selection criteria because we do not use "sales charge" funds. If a fund has a sales charge, we will not recommend it unless the fund company will waive the sales charge in an Advisory Service account. Some funds have what is known as a 12b-1 charge as a part of their annual fee structure. This is normally in the 0.25% range. Some part of 12b-1 fees comes to the broker as compensation. If the fund family offers the same fund without 12b-1 fees, we either recommend the non-12b1 version fund, or if the version without the 12b-1 fee has become available after its counterpart was already in place in an account, we subtract the 12b-1 fee from client fees on a quarterly basis.

2. The Advisor is a Limited Partner of his broker-dealer. As such, he receives a share of profits of United Planners on an annual basis.

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

The Advisor does not accept performance-based fees.

The Advisor is authorized and licensed to advise individuals, trusts, or retirement plans whom are interested in the following types of investments:

- Individual Stocks (exchange -listed securities and OTC)
- United States Government, Corporate and Municipal Bonds
- Money Market Funds and CDs
- Mutual Funds
- General Account and Variable Annuities
- General Account and Variable Life Insurance
- Professionally Managed Accounts including WRAP Accounts
- Direct Participation Programs

In connection with making investment recommendations to clients, the Advisor uses the methods and strategies shown below. With each method is a description of material risks inherent with the method. Material risks are those risks that combine significance with some genuine possibility of occurrence (example: my car may have a sudden flat tire that could cause me to swerve into traffic which could cause physical harm).

- **Modern Portfolio Theory Method and Strategy**– The basis for this Modern Portfolio Theory regarding managing an investment portfolio is constructing a mix of dissimilar assets, with these assets continually increasing and decreasing in value in patterns somewhat dissimilar to one another. This is designed to allow a portfolio to benefit from selling assets that are relatively high in value and buying assets that are relatively low in value.

**Risk of Loss:** A substantial risk with this method is relying on such historical relationships of asset classes and the behavior of these assets becoming similar instead dissimilar. This could result in buying assets when they are relatively low in value and these assets remaining low or even going lower in actual value for a sufficient period of time whereby said assets must be sold to fund a withdrawal need. This risk of loss is material in that it is possible and could cause harm to the client including a permanent loss in the value of securities he/she purchases.

- **Asset Allocation Theory Method and Strategy**– This method is a sub-set of Modern Portfolio Theory Method and is concerned with formatting a portfolio of dissimilar assets in accordance with a client’s return/volatility profile. The client and the Advisor review the historical behavior of individual asset classes as well as combinations of dissimilar assets in order to arrive at an asset allocation (mix of assets) suitable to the client’s comfort with relative volatility and portfolio long-term performance.

**Risk of Loss:** A significant risk with this method can occur if asset classes behave significantly different from their historic behavior resulting is so much of a diversified portfolio decreasing in value simultaneously and remaining at a low level that no asset has either retained its original value nor increased in value by the time assets must be sold to fund a withdrawal need. This risk is material because it is possible and could cause actual harm to the client.

- **Dollar Cost Averaging Method and Strategy** – Dollar Cost Averaging involves buying assets incrementally with a fixed dollar amount being invested. An example would be buying \$10,000 of XYZ mutual fund on the first market day of every month for three months. The reason for implementing this method and strategy is to attempt to avoid the risk of buying all shares of a security at a peak price by assuring an average price for the parameters of the strategy (average of first monthly market days prices over the three month period). This strategy does not assure a profit, nor protect against loss.

**Risk of Loss:** A material risk of this strategy is losing the opportunity of securing a lower than this “average” price. An example would be if the price for the first purchase point was the lowest of the period. Such would be the case with a security whose price continually increased during the Dollar Cost Averaging period. This risk is material because it is possible and it is harmful to the client if the lowest possible price is not obtained.

Item 9      Disciplinary Information

The Advisor has no disciplinary events.

**A. Registered Representative**

Phil is, and future investment advisory representatives will also be, registered representatives offering securities through United Planners Financial Services of America (“United Planners”), a registered securities broker-dealer, member of the Financial Industry Regulatory Authority (“Finra”) and the Securities Investor Protection Corporation (“SIPC”). Should clients implement recommendations through Advisory Representatives, Advisory Representatives may receive commissions in addition to the advisory fees. Commissions paid through United Planners may be higher or lower than at other broker/dealers. Additionally, account maintenance costs and transaction costs may be higher or lower at United Planners than at other broker/dealers. Clients are not obligated to implement recommendations through Advisory Representatives or through United Planners.

**B. Other Registrations**

The Advisor is not registered nor does he have an application pending to register, as a futures commission merchant, commodity pool operator, or an associated person of the foregoing entities.

**C. Other Financial Industry Affiliation**

The Advisor is a Registered Principal and Limited Partner of United Planners Financial Services of America, a Limited Partnership (United Planners). As such, the Advisor places securities trades through United Planners for his clients. Any variable life insurance and variable annuity business done by the Advisor is also placed through United Planners, although the actual contracts are issued and serviced by insurance companies.

The Advisor also places life insurance business through the Plus Group of Plano Texas, which is a life and disability insurance brokerage organization. The Advisor has a brokerage arrangement with the Crump insurance agency, although the Advisor has used Crump for only one case as of March 2011.

**C. Compensation**

The Advisor does not receive compensation from other investment advisors nor does he have a business relationship with another advisor which creates a material conflict of interest.

## **A. Code of Ethics**

The Adviser subscribes to the Financial Planning Association's Code of Ethics. It is stated as follows:

### **Introduction**

This Code of Ethics is an expression of the financial planning profession's recognition of its responsibilities to the public, to clients, to colleagues, and to employers. These principles apply to all Financial Planning Association (FPA) members and provide guidance to them in the performance of their professional services.

### **Principle 1 - Integrity**

**An FPA member shall offer and provide professional services with integrity.**

FPA members may be placed by clients in positions of trust and confidence. The ultimate source of such public trust is the FPA member's personal integrity. In deciding what is right and just, an FPA member should rely on his or her integrity as the appropriate touchstone. Integrity demands honesty and candor, which must not be subordinated to personal gain and advantage. Within the characteristic of integrity, allowance can be made for innocent error and legitimate difference of opinion; but integrity cannot co-exist with deceit or subordination of one's principles. Integrity requires an FPA member to observe not only the letter but also the spirit of this Code.

### **Principle 2 – Objectivity**

**An FPA member shall be objective in providing professional services to clients.**

Objectivity requires intellectual honesty and impartiality. It is an essential quality for any professional. Regardless of the particular service rendered or the capacity in which an FPA member functions, an FPA member should protect the integrity of his or her work, maintain objectivity, and avoid subordination of his or her judgment that would be in violation of this Code.

### **Principle 3 - Competence**

**An FPA member shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which the designee is engaged.**

One is competent only when he or she has attained and maintained an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation or client referral is appropriate. In addition to assimilating the common body of knowledge required and acquiring the necessary experience, an FPA member shall make a continuing commitment to learning and professional improvement.

### **Principle 4 - Fairness**

**An FPA member shall perform professional services in a manner that is fair and**

**reasonable to clients, principals, partners, and employers and shall disclose conflict(s) of interest(s) in providing such services.**

Fairness requires impartiality, intellectual honesty, and disclosure of conflict(s) of interest(s). It involves a subordination of one's own feelings, prejudices, and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

**Principle 5 - Confidentiality**

**An FPA member shall not disclose any confidential client information without the specific consent of the client unless in response to proper legal process, to defend against charges of wrongdoing by the FPA member or in connection with a civil dispute between the FPA member and client.**

A client, by seeking the services of an FPA member, may be interested in creating a relationship of personal trust and confidence with the FPA member. This type of relationship can only be built upon the understanding that information supplied to the FPA member or other information will be confidential. In order to provide the contemplated services effectively and to protect the client's privacy, the FPA member shall safeguard the confidentiality of such information.

**Principle 6 - Professionalism**

**An FPA member's conduct in all matters shall reflect credit upon the profession.**

Because of the importance of the professional services rendered by FPA members, there are attendant responsibilities to behave with dignity and courtesy to all those who use those services, fellow professionals, and those in related professions. An FPA member also has an obligation to cooperate with fellow FPA members to enhance and maintain the profession's public image and to work jointly with other FPA members to improve the quality of services. It is only through the combined efforts of all FPA members in cooperation with other professionals, that this vision can be realized.

**Principle 7 - Diligence**

**An FPA member shall act diligently in providing professional services.**

Diligence is the provision of services in a reasonably prompt and thorough manner. Diligence also includes proper planning for and supervision of the rendering of professional services.

*This FPA Code of Ethics was derived from the Code of Ethics and Professional Responsibility © 2003 Certified Financial Planner Board of Standards, Inc., All rights reserved.*

*For more information about the Advisor's code of ethics, please request a copy of my Code of Ethics.*

**B. Advisor Material conflict of Interest**

The Advisor does not recommend to clients, or buy or sell for client accounts, securities in which

he has a material financial interest.

### **C. Advisor Investments**

The Advisor and Advisor Employees invest in securities from time to time. If security transactions are to take place for clients during the same time period as those of the Advisor or any of the Advisor's employees, it is the procedure of the Advisor to place the clients' trades before those of the Advisor and/or the trades of any employees. This "client first" mandate is followed regardless of whether the security trades taking place consist of the same securities, similar securities or dissimilar securities.

In addition, neither the Advisor nor any Advisor employee transact any security business whereby the Advisor or employee buy or sell securities to or from its own client accounts.

### **D. Timing of Buying/Selling Practices of Advisor**

The Advisor invests in securities from time to time, and does so through United Planners. If security transactions are to take place for clients during the same time period as those of the Advisor and/or any of the Advisor's employees, it is the procedure of the Advisor to place the clients' trades before those of the Advisor and/or the trades of Advisor employees. This "client first" mandate is followed regardless of whether the security trades taking place consist of the same securities, similar securities or dissimilar securities.

### **A. Broker-Dealer Affiliation**

Phil Wheat is a registered representative of United Planners, which necessitates United Planners keep and maintain certain records and perform other compliance functions in relation to the advisory activities of the Advisor. These obligations require United Planners to coordinate with and have the cooperation of certain custodians and/or broker-dealers. Accordingly, United Planners has established a list of custodian or brokerage firms in which Phil Wheat's client assets may be placed, and the Advisor's client custodial choices will be limited to that list.

The Advisor's selection of broker-dealer and clearing firms is less challenging than it otherwise would be because the advisor pays transaction costs and IRA fees. Were this not the case and the client were paying these costs and fees, the Advisor would have to combine scrutinizing client costs as well as quality of the broker-dealer and clearing firms operations.

The Advisor, therefore, selects his broker-dealer solely on how these entities' operations allow the Advisor to best serve his clients.

While the Advisor does not participate in any formal soft-dollar arrangements with any of these firms, the Advisor does receive some economic benefits through its participation in their programs. These benefits are typically not available to retail account holders with these firms. Further, these benefits are generally not contingent on the number of accounts, number of transactions or amount of revenue to the brokerage/custodial firms and are available to any investment advisor using their custody and execution. These benefits include the following products and services which are provided without cost or at a discount:

Issues such as costs passed on through broker-dealer and/or clearing entity costs and fees for things the Advisor might benefit from "soft dollar" arrangements, such as company and/or vendor provided meetings have no bearing on the clients' costs. "Soft dollar" arrangements are, however, documented and scrutinized so as to avoid potential conflict for other reasons, such as the selection of recommended investments.

#### **"Soft Dollar" Arrangements:**

The Advisor occasionally attends educational sessions offered by insurance companies where a meal is provided. The Advisor occasionally discusses investment and/or financial planning issues with mutual fund companies, estate planning attorneys and/or qualified plan administrators for which the Advisor does not pay a fee. While the Advisor does not participate in any formal soft-dollar arrangements with any of these entities, the Advisor does receive some potential economic benefits by furthering his knowledge and proficiency in investment and financial planning matters. These interactions are not contingent on the number of accounts, number of transactions or amount of revenue the other entities attribute to a relationship with the Advisor. As part of its fiduciary duties to clients, the Advisor endeavors at all times to put the interests of its clients first. You should be aware, however, that the receipt of economic benefits by the Advisor in and of itself creates a potential conflict of interest and may indirectly influence the Advisor in encouraging you to use these entities' products or services.

**Brokerage for Client Referrals:** The Advisor has no conflicts of interest when selecting or recommending broker-dealers other than in order for the Advisor to place security trades, the Advisor must be affiliated with the brokerage firm with which the client has a brokerage account.

**Directed Brokerage:** The Advisor's clients are not required to direct brokerage to the Advisor's brokerage firm or any entity with which the Advisor may be directly or indirectly affiliated except that in order for the Advisor to place security trades, the Advisor must be affiliated with the brokerage firm with which the client has a brokerage account.

**B. Aggregate Client Orders**

The Advisor does not aggregate client orders.

**A. Account Review**

Accounts are reviewed on a monthly basis.

**B. Review of Accounts**

The Advisor reviews each Advisory Service client account during the periodic reporting process. This takes place approximately once per month, but no less frequently than nine times per year. In addition to these reviews, the Advisor reviews such portfolio statistics as prices and price to earnings ratios on days when the US markets are open.

In addition to periodic account reviews, the Advisor reviews client accounts when deposits or withdrawals are made as well as whenever indicated by client circumstances, such planning for life events, such as education or retirement.

**C. Reporting**

Account reports are sent on a monthly basis. The monthly reports contain: Allocation Targets, Comparison of Current Allocation to Allocation Targets, Money in and out of the account, the Annualized Internal Rate of Return, and Any communication necessary between the Advisor and the Client.

- A.** Nobody who is not a client provides an economic benefit to the Advisor for providing investment advice or other advisory serviced to his clients.
- B.** The Advisor anticipates having one or more solicitors who will be paid by the advisor for referrals who become Investment Advisory Service clients.

The Advisor's clients will receive monthly or quarterly account statements directly from a qualified custodian, or broker-dealer. The clients will also receive monthly or quarterly statements from the Advisor. The client is urged to compare the account statements received from the custodian/broker-dealer with the statements received by the Advisor.

Item 16 Investment Discretion

The Advisor does not accept discretionary authority to manage securities accounts on behalf of clients.

We will not be required to take any action or render any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which clients assets may be invested. Clients are responsible for voting all proxies. Any proxies received by us on behalf of the client will be promptly forwarded to the client.

**A.** The Advisor does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

**B.** The Advisor does not have discretionary authority or custody of client funds or securities, nor does he require prepayment of more than \$1,200 in fees per client, six months or more in advance.

**C.** The Advisor has not been the subject of a bankruptcy petition.

**The Advisor is an SEC Registered Advisor.**