

# **Addington Financial Group**

**510 Boiler Point Road  
Cypress Springs Village, TX 75480**

**866.220.7788**

**[www.addingtonfg.com](http://www.addingtonfg.com)**

## **Form ADV Part 2 Brochure**

**April 3, 2012**

This Brochure provides information about the qualifications and business practices of Addington Financial Group. If you have any questions about the contents of this Brochure, please contact us at 866.220.7788 or [laura@addingtonfg.com](mailto:laura@addingtonfg.com). 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.

Addington Financial Group is a registered investment adviser. Registration as an investment adviser does not constitute an endorsement of the firm by securities regulators nor does it indicate that the adviser has attained a particular level of skill or ability. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Addington Financial Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## 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, Laura Lee Addington 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

The following paragraphs describe the Firm's advisory services.

### DESCRIPTION OF SERVICES AND FEES

Addington Financial Group is a registered investment adviser based in Cypress Springs Village, Texas. The Firm is organized as a sole proprietorship. Addington Financial Group has been providing investment advisory services since 1996. Laura Lee Addington is the Firm's owner. The Firm offers the following investment advisory services, which are personalized to each client:

- Managed account services

Financial planning services are not offered separately, but are included in conjunction with managed account services.

### MANAGED ACCOUNT SERVICES

Addington Financial Group offers discretionary and non-discretionary managed account services. The Firm's investment advice is tailored to meet clients' needs and investment objectives. If you retain the Firm for managed account services, an investment adviser representative will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship.

Managed Account Services provide clients with programs for investing their funds in response to their long-term needs. These programs typically begin with the development of a profile of the Client and a review of market data. This results in the formation of an investment model. The model serves to illustrate the interaction between a Client's objectives and constraints and the risk-reward alternatives of the market. A review of the model with the Client guides the development of a suitable investment policy. In turn, this investment policy serves as the blueprint for an investment plan. The outgrowth of this process is a set of reasonable working guidelines for the management of an investment portfolio. Portfolios constructed by Addington Financial Group typically include, but are not limited to stocks, bonds, mutual funds, and U.S. government securities. With the Client's approval, Addington Financial Group will then implement the plan in accordance with currently prevailing market conditions and the Client's expectations. Once the portfolio is constructed, Addington Financial Group will provide continuous supervision and rebalancing of the portfolio, as changes in market conditions and the Client's circumstances warrant. In addition, reports are prepared periodically for all accounts. These reports serve as the basis for monitoring the interim progress of the account.

If you participate in the Firm's discretionary portfolio management services, Addington Financial Group requires you to grant the Firm discretionary authority to manage your account. Discretionary authorization will allow the Firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with the Firm, a power of attorney, or trading authorization forms. You may limit the Firm's discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing Addington Financial Group with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with Addington Financial Group, the Firm must obtain your approval prior to executing any transactions on behalf of your account.

Managed Account Services will be billed as a percentage of assets under management. Typically these fees are billed and payable quarterly in arrears based on the value of your account on the last day of the quarter. The Client will be advised of the payment arrangement prior to implementation of advisory services. In all cases this fee arrangement will be based on the following schedule:

Assets Under Management	Annual Fee
Up to \$100,000	3.0% to 1.5%
\$100,001 to \$1,000,000	2.5% to 1.0%
\$1,000,001 to \$2,000,000	1.5% to 0.75%
Over \$2,000,000	Negotiable

### **FINANCIAL PLANNING SERVICES**

Addington Financial Group offers broad-based, modular, and consultative financial planning services as an additional benefit to clients utilizing its managed account services. Financial planning is not offered as a separate and distinct service. Financial planning services may include risk management (life, health, disability and long-term health care insurance), tax, estate, investment, education, and retirement planning. The Firm does not charge an additional fee for these services.

Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain the Firm for financial planning services, an investment adviser representative will meet with you to gather information about your financial circumstances and objectives. The Firm may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives.

### **ASSETS UNDER MANAGEMENT**

Discretionary assets under management held by Addington Financial Group are approximately \$59,200,000.

Addington Financial Group does not have any assets under management on a non-discretionary basis.

## **Item 5 Fees and Compensation**

All fees are subject to negotiation.

The specific manner in which fees are charged by Addington Financial Group is established in a client's written agreement with Addington Financial Group. Addington Financial Group will generally bill its fees on a quarterly basis. Clients are billed in arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Addington Financial Group to directly debit fees from client accounts. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Addington Financial Group's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Addington Financial Group's fee, and Addington Financial Group shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Addington Financial Group considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

### **Termination of Contract**

A Client may terminate an advisory agreement by giving 30 days written notice. There is no penalty for early termination. If the termination occurs within five days of signing the advisory contract, a full refund will be made of all amounts paid. If the termination occurs after this five-day period, any unearned amounts will be prorated and refunded to the Client. If the Client terminates the advisory agreement during a quarter, the Client will be charged a pro-rata portion of the advisory fee for the quarter up to the date of termination.

### **General Information on Advisory Services and Fees**

All fees paid to Addington Financial Group for Managed Account and Financial Planning Services are separate and distinct from the fees and expenses charged by mutual funds to its 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.

The Client is under no obligation to act on the Firm's investment/financial recommendations. Moreover, if the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction(s) through Addington Financial Group. The Client is free to select any brokerage firm or insurance agency or similar sales agency Client desires for implementation of the advice and recommendations provided by the firm.

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory Client.

Although fees charged by Addington Financial Group are believed to be reasonable and competitive, lower fees for comparable services might be obtained from other sources.

Addington Financial Group will never have custody of the Clients' assets because the services of an outside, independent custodian are used.

Addington Financial Group does not represent, warranty or imply that the services or methods of analysis used by the firm can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.

### **TYPES OF INVESTMENTS**

Addington Financial Group offers advice on the following types of investments: equity securities, corporate debt securities, certificates of deposit, municipal securities, investment company securities (mutual funds), U.S. government securities, interests in partnerships investing in real estate, and any other investment that the Firm deems appropriate in order to address the individualized needs, goals, and objectives of the Client. You can find a detailed description of these investments and their risks in Item 8.

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

Addington Financial Group does not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. The Firm's fees are calculated as described in the Advisory Business section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

Addington Financial Group provides portfolio management services to individuals and high net worth individuals.

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

The statements below summarize the Firm's core beliefs and how they interact with Addington Financial Group's methods of analysis and investment strategies. These core beliefs are the underlying principles used in constructing your Investment Policy. Policy design, implementation, continuous monitoring and, as necessary, modification, are an integral part of the wealth management process. The Firm's success should not be measured by performance statistics, but rather by clients' success in achieving their goals.

### **Risk and Return Measures**

Addington Financial Group believes in the use of appropriate mathematical measures of risk and return. The primary measure of risk should be standard deviation, which is a statistical measure of volatility. The primary measure of risk-adjusted return is the Sharpe Ratio. Duration, not maturity, is the appropriate measure of a bond's exposure to interest rate risk (within narrow rate changes). The Firm does not rely on classic technical analysis and market timing

### **Active Versus Passive**

Addington Financial Group uses a mix of active and passive management strategies. In general, the Firm manages portfolios using traditional, quantitative and behavioral finance active strategies combined with passive strategies.

### **Asset Allocation**

Addington Financial Group believes that the portfolio policy, or the mix of asset classes, is a significant determinant of long-term portfolio performance. Because of the overriding importance of the strategic asset allocation, the Firm rejects managers who do not have clearly defined philosophies or who diverge from their stated policies.

The Firm strives to maintain a strategic asset allocation and only infrequently revising that allocation. Addington Financial Group also rebalances to the strategic asset allocation. However, the influence of taxes and transaction costs leads to the conclusion that rebalancing with fairly wide bands of latitude is the most appropriate solution.

### **Optimization**

Addington Financial Group uses mathematical optimization to design a strategic asset allocation model. It uses investment software called a portfolio optimizer. Addington Financial Group believes that an optimizer is simply a tool to be used by a knowledgeable wealth manager. The goal is to create a portfolio that is the most efficient and will produce the most return in relation to the amount of risk the Client is willing to accept.

### **Time Diversification**

Addington Financial Group believes that the relative risk of increasing equity exposure decreases as the time horizon of the goal increases. The Firm does not believe that any "investment" should be made for a goal with less than a five-year time horizon. Funds required in fewer than five years should be placed in money markets or fixed income securities (e.g., CDs, Treasuries) with maturity dates equal to or less than the time when the Client anticipates needing the money.

## **IMPLEMENTATION**

Among other investments, the Firm uses public and institutional mutual funds to implement its strategies. These mutual funds are selected and evaluated based on their philosophies, processes and people. Once selected, a mutual fund manager should be allowed periods of under-performance if the fund remains consistent to its philosophy and process. The fund should be

replaced immediately if its strategy strays significantly from the stated philosophy or process. Evaluation of mutual fund managers should entail a detailed review of all available pertinent information, including both fundamental qualitative attribution and return factor analyses. Performance is measured against appropriate benchmarks, not broad market indices.

### ***On-going Management***

The Firm revises strategic allocations on an ongoing basis as a result of revised assumptions or changing client circumstances or goals. The Firm attempts to educate clients, always remaining sensitive to the volatility of each one's expectations. Addington Financial Group's responsibility is to assure that the client "stays the course" and does so with a minimum of emotional pain. The focus should always be the client and the achievement of his goals, not the performance of the portfolio.

### ***Risk of Loss***

Investing in securities involves risk of loss that you should be prepared to bear. The Firm does not represent or guarantee that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. In addition, the Firm cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Portfolios constructed by Addington Financial Group include, but are not limited to stocks, bonds, mutual funds, municipal bonds, and U.S. government securities. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger and more established companies ("large cap") tend to be safer than smaller start-up companies ("small cap"). Nevertheless, size alone is not an indicator by itself of the safety of an investment.

Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return. A major risk of bonds is that the issuer may not be financially able to make payments as they come due. Furthermore, the value of bonds tend to go down as interest rates rise.

Although U.S. government securities are typically backed by the full faith and credit of the United States, their value may fluctuate depending upon direction of interest rates. Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds



generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities.

A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

## **Item 9 Disciplinary Information**

Addington Financial Group has been registered and providing investment advisory services since 1996. Laura Lee Addington has been registered as either an investment adviser representative or registered representative since 1987. Neither the Firm nor Laura Lee Addington has any reportable disciplinary information.

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

Addington Financial Group has not provided information on other financial industry activities and affiliations, because the Firm does not have any relationship or arrangement that is material to its advisory business or to its clients.

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

Addington Financial Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Addington Financial Group must acknowledge the terms of the Code of Ethics annually, or as amended.

Addington Financial Group anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Addington Financial Group has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Addington Financial Group, its affiliates and/or clients, directly or indirectly, have a position of interest. Addington Financial Group's employees and persons associated with Addington Financial Group are required to follow Addington Financial Group's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Addington Financial Group and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Addington Financial Group's clients.

In addition, the Code requires pre-clearance. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Addington Financial Group will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt

transactions, based upon a determination that these would materially not interfere with the best interest of Addington Financial Group's clients of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Addington Financial Group and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Addington Financial Group's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Addington Financial Group will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Addington Financial Group's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Laura Addington.

It is Addington Financial Group's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Addington Financial Group will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Addington Financial Group is not dually registered.

## **Item 12 Brokerage Practices**

For some Clients, particularly those Clients who do not already utilize a custodian, Addington Financial Group may recommend a broker. There is no requirement that a Client use the broker recommended. In recommending a broker, Addington Financial Group attempts to minimize the total cost for all brokerage services, and will generally recommend Fidelity Investments or Schwab Institutional. It may be the case that the recommended broker charges a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. It may also be the case that the total costs of all services provided by the recommended broker might be higher than can be obtained from another source. If Addington Financial Group determines, in good faith, that such total costs are reasonable in relation to the value of the brokerage and research services provided by such broker, viewed in terms of Addington Financial Group overall responsibility to Clients, the broker will be recommended.

Addington Financial Group frequently recommends the brokerage and custodial services of Fidelity Investments, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. The Firm believes that Fidelity Investments provides quality execution services for you at competitive prices. Price is not the sole factor considered in evaluating best execution. Addington Financial Group also considers the quality of the brokerage services provided by Fidelity Investments, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and customer service. In

recognition of the value of research services and additional brokerage products and services provided, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

In selecting or recommending a broker-dealer, Addington Financial Group considers the value of research and additional brokerage products and services a broker-dealer has provided or will provide to clients and the Firm. Receipt of these additional brokerage products and services are considered to have been paid for with "soft dollars." Because such services could be considered to provide a benefit to Addington Financial Group, it may be a conflict of interest in directing your brokerage business. Fidelity provides Advisor Channel software for use in trading in client's accounts. This software also allows downloading to client reporting software and otherwise assists with back-office support.

Addington Financial Group does not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

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

#### **REVIEW OF ACCOUNTS/REPORTS TO CLIENTS**

Each account is reviewed quarterly by Ms. Addington. The account may be reviewed more often depending upon the complexity of the client's portfolio, its performance, as well as changes in the economy, market conditions, tax laws, or the client's needs. The occurrence of a major event in the life of a client (e.g. death, disability, inheritance, employment status change, marital status change, retirement, etc.) will also be a triggering factor that causes the adviser to review the account. Reviews with the client are performed at least annually.

Quarterly performance reports will be given to the Client, along with any other pertinent information, from the custodian. The Firm will provide performance reports to Clients on an as needed basis, and at the Client's request.

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

Addington Financial Group does not receive any compensation from any third party in connection with providing investment advice to you nor does the Firm compensate any individual or firm for client referrals.

### **Item 15 Custody**

Addington Financial Group directly debits your account(s) for the payment of advisory fees. The Firm does not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the qualified custodian holding your funds and securities at least quarterly. The account statements from your custodian will indicate the amount of the Firm's advisory fees deducted from your account(s) each billing period.

Addington Financial Group urges you to carefully review such statements and compare such official custodial records to the account statements that are provided to you. Those statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 Investment Discretion**

Addington Financial Group usually receives discretionary authority from the client at the onset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. You can learn more about our discretionary authority by reading Item 4.

When selecting securities and determining amounts, Addington Financial Group observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies (mutual funds), Addington Financial Group's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Addington Financial Group in writing.

## **Item 17 Voting Client Securities**

As a matter of firm policy and practice, Addington Financial Group does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Addington Financial Group may provide advice to clients regarding the clients' voting of proxies

## **Item 18 Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Addington Financial Group's financial condition. Addington Financial Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 Requirements for State-Registered Advisers**

Please refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

# **Laura Lee Addington**

*CRD# 114584*

## **Addington Financial Group**

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Cypress Springs Village, TX 75480**

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**April 3, 2012**

### **FORM ADV PART 2B BROCHURE SUPPLEMENT**

This brochure supplement provides information about Laura Lee Addington that supplements the Addington Financial Group brochure. You should have received a copy of that brochure. Please contact Laura Addington at 866.220.7788 or [laura@addingtonfg.com](mailto:laura@addingtonfg.com) if you did not receive Addington Financial Group's brochure or if you have any questions about the contents of this supplement.

Additional information about Laura Lee Addington, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

### Laura Lee Addington

*Year of Birth :* 1960

*Formal Education after High School:*

- Wade's College, Dallas, TX, 1979, Associate of Arts
- American College, Bryn Mawr, PA., 1996, Master of Science in Financial Services

*Business Background for Past Twenty Five Years:*

- Addington Financial Group, Scroggins, TX,  
1996 - Present, Sole Proprietor/Chief Compliance Officer
- FSC Securities Corp., Atlanta, GA  
1996 - 2002, Registered Representative
- American Express/IDS Financial Services, Minneapolis MN  
1986-1996, Registered Representative

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP marks:



- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP professionals provide financial planning services at a fiduciary standard of care. This means CFP professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Item 3 Disciplinary Information**

Ms. Laura Lee Addington does not have, nor has she ever had, any disciplinary events that are subject to disclosure.

### **Item 4 Other Business Activities**

Laura Lee Addington does not receive any additional compensation for providing advisory services beyond the fee based compensation she receives through Addington Financial Group.

Ms. Addington is not actively engaged in any other business or occupation (investment-related or otherwise) beyond her capacity as sole proprietor of Addington Financial Group. Furthermore, Ms. Addington does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

### **Item 5 Additional Compensation**

Ms. Addington does not receive any additional compensation for providing advisory services beyond that received as a result of her capacity as sole proprietor of Addington Financial Group.

### **Item 6 Supervision**

Addington Financial Group has in place written supervisory procedures that are reasonably designed to detect and prevent violations of the securities laws, rules and regulations. Ms. Addington is the Principal, Chief Compliance Officer, and sole advisory representative of Addington Financial Group.; therefore, supervision is not required.

### **Item 7 Requirements for State Registered Advisers**

Laura Addington does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.