

**The Focus Group Advisors, LLC**

**(doing business as)**

## **FG Wealth Management**

**117 West 5th Street, Suite 402  
Bartlesville, OK 74003**

**(918) 336-7877  
(918) 336-7878**

**March 28, 2014**

### **FORM ADV PART 2A BROCHURE**

**This Brochure provides information about the qualifications and business practices of FG Wealth Management. If you have any questions about the contents of this Brochure, please contact us at the phone number listed above. 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 our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for FG Wealth Management is 117845.**

**FG Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Item 2 Summary of 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. Since our last annual updating amendment dated March 15, 2013, we have made the following material changes to this Disclosure Brochure:

We have amended this Disclosure Brochure to disclose our substantially increased use of third party advisors, which has caused our assets under management to decline from \$94 million at January 31, 2013 to \$1.2 million at December 31, 2013,

We have amended this Disclosure Brochure to reflect our new fee structure for assets under management under our Portfolio Management Services, which has changed from a tiered structure to a flat rate structure not to exceed 2% per annum.

If you have any questions, please contact Robert Marlowe, Chief Compliance Officer of our firm, at (918) 336-7877.

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## Item 4 Advisory Business

### Description of Services and Fees

The Focus Group Advisors, LLC, doing business as **FG Wealth Management**, is a registered investment adviser based in Bartlesville, Oklahoma. We are organized as a limited liability company under the laws of the State of Oklahoma. We have been providing investment advisory services since 2005. Jon Nettles, Daniel Vise, and Robert Marlowe are our principal owners. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services Using Other Advisors**
- **Portfolio Management Services**
- **401K Portfolio Management Service**
- **Pension Consulting Services**
- **Private Wealth Management**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Brochure, the words "we", "our" and "us" refer to The Focus Group Advisors, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Portfolio Management Services Using Other Advisors

As part of our investment advisory services, we primarily recommend that you use the services of a third party investment adviser ("TPA") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific TPA or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPA's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We periodically monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the TPA. The advisory fee you pay to the TPA is established and payable in accordance with the ADV Brochure provided by each TPA to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each TPA. As such, a conflict of interest may arise where our firm or our Associated Persons may have an incentive to recommend one TPA over another TPA with whom we have more favorable compensation arrangements or other advisory programs offered by TPAs with whom we have less or no compensation arrangements.

You will be required to sign an agreement directly with the recommended TPA(s). You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA. You should review each TPA's ADV Brochure for specific information on how you may terminate your advisory relationship with the TPA and how you may receive a refund, if applicable. You should contact the TPA directly for questions regarding your advisory agreement with the TPA.

As of December 31, 2013, the primary TPA's used by FG Wealth Management are The Institute of Wealth Management, LLC, Regal Investment Advisors, LLC, The Pacific Financial Group, Inc. and CLS investments, LLC. We also use other TPA's to a lesser extent.

### **Portfolio Management Services**

We also offer other discretionary portfolio management services and in limited circumstances, we may manage assets on a non-discretionary basis. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we 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.

As part of our portfolio management services, we may use one or more money managers to manage a portion of your account. The money manager(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts, and we may hire and fire any money manager without your prior approval. Our ability to hire and fire money manager(s) on your behalf is based on you granting our firm discretionary authority, which is typically granted by the investment advisory agreement you sign with our firm or trading authority forms.

Our fee for portfolio management services is based on a percentage of your assets we manage and is not to exceed 2.00% on an annual basis. Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to review your statements that you receive from the qualified custodian. If you find any inconsistent information with the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this Brochure.

### **401K Portfolio Advisory Service Using Other Advisors**

We may recommend that 401K participants use a third part adviser (TPA) for discretionary portfolio management services. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPA or investment program. Factors that we may take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPA's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We periodically monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

On an annualized basis, our fee for 401k advisory services is based on the fee schedule above under Portfolio Management Services and billed quarterly in advance. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a billing period. Payment of the 401k service fees may also be made by you directly to us, upon invoice, or by the qualified custodian holding your funds and securities, provided you supply written authorization permitting the fees to be paid directly from the account.

Either party may terminate the management agreement upon 30 days' written notice to the other. Unearned fees will be promptly refunded to you.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as: Diversification; Asset allocation; Risk tolerance; and, Time horizon. Our educational seminars may include other investment-related topics specific to the particular plan.

The compensation arrangement for these services is negotiated on a case-by-case basis and billed quarterly in advance. All terms, including services to be performed, fees, and fee payments will be outlined in the pension consulting agreement.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents. Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Either party to the pension consulting agreement may terminate the agreement upon 30-days notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

### **General - Advisory Services to Retirement Plans and Plan Participants**

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status.

The services we provide to your Plan are described above, and in the service agreement that you have previously signed. Our compensation for these services will be clearly stated in the service agreement. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we

provide to the Plan or Participants, unless the plan sponsor directs us to deduct our fee from the plan or directs the plan record-keeper to issue payment for our fee out of the plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

#### *Status*

In providing services to the Plan and Participants, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 of ERISA. To the extent we perform fiduciary services, we are acting as a fiduciary of the Plan as defined in Section 3(21) under ERISA.

#### **Private Wealth Management**

We charge a negotiated flat fee for the delivery of our Private Wealth Management service and once set; it becomes fixed with potentially an annual increase not to exceed 3% and will be assessed quarterly. The fee is subject to annual review and can be re-set upon mutual agreement of both parties. The fee may vary from advisor to advisor and from one geographic area to another based on the following factors:

1. Client's adjusted net worth (net worth less the equity value of the home);
2. Complexity of client's financial affairs;
3. Time and labor required to fulfill the service commitment to a particular client or group of clients;
4. Professional skills and capacities of the advisor in delivering these services;
5. Time limitations imposed by the client or by the circumstances;
6. Nature and length of the advisor's professional relationship with the client;
7. Experience, reputation and ability of the advisor performing the services;
8. Other compensation the advisor may be receiving from the client while providing these services;
9. Any other factor which may be unique to the client;
10. Competitive issues within differing geographic areas or markets.

It is our policy to provide maximum flexibility between the advisor and their clients based upon the uniqueness of the client's needs, local markets and client preferences. Therefore, the fee may, and most likely will, vary from advisor to advisor and from one geographic area to another and could be more or less than the fee being assessed by other advisors affiliated with the Firm offering same or similar services. The range of Private Wealth Management fees being assessed is available upon request. We evidence supervision of Private Wealth Management annually via the "Annual Affirmation of Deliverables" form. Advisory fees may be suspended if this form is not signed annually (with a 3 month grace period) by the client, IAR, and supervising principal.

Private Wealth Management ("PWM") is a fee-based ongoing financial planning program designed to assist a client with a number of critical consulting-related services that we believe are important to a client creating and maintaining a sound financial plan, including the creation of both a Financial Plan and an Implementation Plan, together with initial and ongoing corresponding Investment Planning, Estate Planning and Insurance Planning consulting and review services, and ongoing Progress Reports pertaining to each such component to assist the client with maintaining (and/or revising/updating) his/her/their plan and achieving their goals. The terms and conditions for participation in PWM are set forth in the Private Wealth Management Agreement between our firm and the client. With respect to estate planning and accounting matters, we shall act as a facilitator between the client and his/her designated professionals. Neither our firm nor our Associated Persons act in the capacity attorneys or as accountants. No portion of PWM should be construed as legal or accounting advice. Rather, the client should defer to his/her/their attorney or accountant.

**PWM Fee:** The fixed PWM fee is payable on a quarterly basis, in advance. The amount of the fee shall vary depending upon the level and scope of the consulting services required by each client. However, similarly situated clients may pay differing fees. The PWM fee may be subject to a maximum of three percent (3%) annual increase.

**Implementation: Separate and Additional Fees:** No client is under any obligation to implement any of our recommendations, including investment, insurance, tax, estate planning or otherwise. The PWM fee does not include the fees that may be incurred by the client for implementation of any of our recommendations. Our recommendations may be implemented at the client's exclusive discretion with the corresponding professional adviser(s) of the client's choosing (i.e. investment adviser, securities broker, insurance agent, accountant, attorney, etc.) of the client's choosing. If requested by the client, we may recommend the services of other professionals for implementation purposes, including our investment advisory and/or insurance services and those of unaffiliated professionals, including attorneys and accountants. The client is under no obligation to engage the services of any such recommended professionals. Separate and additional commissions and/or fees shall be incurred for all such implementation services.

**Conflict of Interest:** The recommendation that a client engage us for investment advisory, securities brokerage and/or insurance implementation services presents a conflict of interest. No client is under any obligation to engage us or any of our affiliates for implementation services. If we are engaged to provide any implementation services, a portion of the consulting services shall generally include the ongoing review (and the consideration thereof as part of the overall PWM consulting process) of investment and/or insurance related products and/or services previously provided by us on a separate commission and/or fee basis. *Please note:* The above conflict may not be applicable if the representative is not registered/licensed to sell insurance products on a commission basis.

### **Types of Investments**

We primarily offer advice on mutual funds and ETFs (exchange traded funds). However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. We may also advise you on any type of investment that we deem appropriate based on your stated goals and objectives, including advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2013, we manage \$988,156 in client assets on a discretionary basis, and \$233,086 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges when purchasing or selling securities. These charges and fees are typically imposed by the custodian through whom your account transactions are executed. We do not share in any portion of the transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

### **Compensation for the Sale of Investment Products**

Persons providing investment advice on behalf of our firm may be licensed as independent insurance agents. These persons may earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do 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. Our 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**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, and charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

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

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

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.

Additionally, 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 strongly 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**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our 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. We 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.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend mutual funds and ETFs. However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. 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.

*Mutual funds and exchange traded 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 and ETFs 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. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

*Exchange traded funds* differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. During time of extreme market volatility ETF pricing may lag vs. the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day) however there is no guarantee this relationship will always occur.

## **Item 9 Disciplinary Information**

The Focus Group Advisors, LLC has been registered and providing investment advisory services since 2005. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

### **Associated Persons as Insurance Agents**

Persons providing investment advice on behalf of our firm may be licensed as independent insurance agents.

**Associated Persons as Investment Adviser Representatives with another Investment Adviser**

Persons providing investment advice on behalf of our firm may also be registered as investment adviser representatives with Regal Investment Advisors, LLC, an investment adviser registered with the SEC.

**Recommendation of Other Advisers**

We may recommend that you use a third party adviser ("TPA") based on your needs and suitability. We will receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Brochure.

**Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

**Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## Item 12 Brokerage Practices

FG Wealth Management and the Investment Advisers that we might recommend to you maintain relationships with several broker-dealers/custodians. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we or the recommend advisor has an existing relationship. Such relationships may include benefits provided to our firm, including, but not limited to, market information and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### Research and Other Soft Dollar Benefits

In selecting or recommending a broker-dealer, we will consider the value of research and additional brokerage products and services a broker-dealer has provided or will provide to our clients and our firm. Receipt of these additional brokerage products and services are not considered to have been paid for with "soft dollars." Because such services could be considered to provide a benefit to our firm, we may have a conflict of interest in directing your brokerage business. We could receive benefits by selecting a particular broker-dealer to execute your transactions, and the transaction compensation charged by that broker-dealer might not be the lowest compensation we might otherwise be able to negotiate.

Products and services that we may receive from broker-dealers may consist of research data and analyses, financial publications, recommendations, or other information about particular companies and industries (through research reports and otherwise), and other products or services (e.g., software and data bases) that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Consistent with applicable rules, brokerage products and services consist primarily of computer services and software that permit our firm to effect securities transactions and perform functions incidental to transaction execution. We use such products and services in our general investment decision making, not just for those accounts for which commissions may be considered to have been used to pay for the products or services.

### Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities

transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Item 13 Review of Accounts**

Jon A. Nettles, Managing Member; Daniel Vise, Managing Member; and Robert Marlowe, Managing Member/CCO will conduct all reviews. We will monitor your accounts on a periodic basis and will conduct account reviews at least quarterly to ensure the portfolio mix is 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,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will not provide you with additional or regular written reports in conjunction with account reviews. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

As disclosed under the "Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do 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 independent qualified custodian (s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

You should review the statements from your account custodian(s) to confirm that the information is accurate. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this Brochure.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

### Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, this section is not applicable.

## 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 nonaffiliated 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, third party advisors, sub-advisors, and third party service providers that prepare performance reports.

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.