

# **Haberling Financial Group**

## **Brochure**

(Part 2A of Form ADV)

**Haberling Financial Group, Inc.**

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This brochure provides information about the qualifications and business practices of HABERLING FINANCIAL GROUP, INC. If you have any questions about the contents of this brochure, please contact Haberling Financial Group, Inc. 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 HABERLING FINANCIAL GROUP, INC. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Updated 06/25/2015

## Material Changes

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### Annual Update

The Material Changes section of this Brochure will be updated annually, and when material changes occur.

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### Material Changes since the Last Update

- In June 2015 the firm added a Model Portfolio Managed Account, please refer to Item 4 Advisory Business for more information.

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### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 509-735-7507 or by email at: [info@hfginvest.com](mailto:info@hfginvest.com)

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# Advisory Business

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## Firm Description

Haberling Financial Group, Inc. was founded in 1983.

HABERLING FINANCIAL GROUP, INC. provides personalized confidential investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client to determine financial objectives after which the consulting may include identification of financial problems, retirement planning analysis, portfolio management, estate planning, tax planning, insurance planning and education funding.

HABERLING FINANCIAL GROUP, INC. works as a fiduciary with its investment advisory clients.

HABERLING FINANCIAL GROUP, INC. is a fee-only investment management firm. The firm does not sell commissionable annuities and insurance nor does it recommend the purchase of stocks, bonds, non-traded REITs or limited partnerships for a commission. The firm provides portfolio management services. **The firm does not pay finder's fees to other professionals or to clients for referrals.**

The firm provides investment management by assisting the client with selecting one of five investment models. The models are labeled 1-5, 5 being the highest risk and return. The firm consults with the client and makes a recommendation as to which model is appropriate based upon factors such as: client's objective, client's time horizon, client's return objective, client's experience, client's risk tolerance and a present value calculation to determine if the client is on track for retirement. The client makes the final decision as to their model selection. HABERLING FINANCIAL GROUP, INC. does not act as a custodian of client assets. The client always maintains asset control. HABERLING FINANCIAL GROUP, INC. places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement or a financial plan. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

**The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management may be beneficial to the client and to determine whether the client and the firm are a compatible fit.**

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**Principal Owners**

Ty Haberling is a 65% stockholder. Ben Messinger and T. Michael Tallman are each 10% stockholders. Robert Lagonegro, William Wang and Stephen Palm are each 5% stockholders.

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**Types of Advisory Services**

HABERLING FINANCIAL GROUP, INC. provides investment advisory and wealth management services. As of 12/31/2014, HABERLING FINANCIAL GROUP, INC. manages approximately \$332,000,000 in assets for approximately 700 clients. Approximately 99% of all relationships are managed on a discretionary basis.

On more than an occasional basis, HABERLING FINANCIAL GROUP, INC. furnishes advice to clients on matters not involving securities, such as taxation issues, and trust services that often include estate planning.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities. Executive Summaries are created for each client in order to summarize their goals and objectives.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the categories of client relationships:

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**Advisory Service Agreement- Long-term Relationship**

Most clients choose to have HABERLING FINANCIAL GROUP, INC. manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement generally includes a financial plan, quarterly performance reporting and periodic reviews.

The financial plan may include, but is not limited to:

- Net worth and cash flow statement
- Determine appropriate asset allocation plan
- Review of all investment accounts
- Review of income tax return

- Review of insurance needs
- Prepare multiple retirement and contingency planning scenarios
- Estate planning review
- Review of Education Funding Analysis.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

1.50% on the first \$250,000.  
 1.00% on the next \$250,000;  
 0.60% on amounts over \$500,000

Fees are negotiable.

The minimum annual fee is \$1,000. Current client relationships may exist where the fees are different than the fee schedule above.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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### **Retainer Agreement**

In very limited circumstances at the sole discretion of the Advisor, a *Retainer Agreement* is executed in lieu of an *Advisory Service Agreement* when it is more appropriate to work on a fixed-fee basis. The annual fee for a *Retainer Agreement* is determined after the scope of the work has been determined and is *NEGOTIABLE*.

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### **Asset Management**

Assets are invested primarily in no-load or load waived mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a clearing fee for stock and



bond trades. HABERLING FINANCIAL GROUP, INC. does not receive any portion of the clearing fees.

HABERLING FINANCIAL GROUP, INC. does not receive 12b1 fees for any mutual funds. Over 95% of our accounts are held at either Pershing Advisor Services, TIAA/CREF HFG receives no 12b1 fees from these or any other custodians.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through HABERLING FINANCIAL GROUP, INC.

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### **Sub-Advisory Relationship**

HFG provides investment management services to clients facilitated in a collaborative effort with an unaffiliated independent investment advisory firm, Investment management Associates, Inc. (IMA).

Under the Sub-Advisory relationship HFG will manage client accounts in accordance with the model portfolio investing criteria and metrics provided by IMA. Although IMA will receive a portion of the advisory fees charged by HFG, this collaborative management approach will not increase the management fee charged to the client.

Under this arrangement, each account is held at an unaffiliated brokerage firm or custodian and is registered to the client. The custodian maintains physical custody of all funds and securities of the account, and the client retains all rights of ownership

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying HABERLING FINANCIAL GROUP, INC. in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

HABERLING FINANCIAL GROUP, INC. may terminate any of the aforementioned agreements at any time by notifying the client in writing

## Fees and Compensation

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### Description

HABERLING FINANCIAL GROUP, INC. bases its fees on a percentage of assets under management.

Fees are negotiable.

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### Fee Billing

Investment management fees are billed quarterly, in *ARREARS*, meaning that we invoice the client *AFTER* the three-month billing period has *ENDED*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client authorizes the custodian in advance to direct debiting of their investment account. The fees are calculated based upon the client's fee arrangement with HABERLING FINANCIAL GROUP, INC.

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### Other Fees

Custodians may charge transaction/clearing fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

HABERLING FINANCIAL GROUP, INC., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### Expense Ratios of Mutual Funds and Exchange Traded Funds

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These costs are in addition to the management fees paid by the client to HABERLING FINANCIAL GROUP, INC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. HABERLING FINANCIAL GROUP, INC. attempts to use mutual funds and exchange traded funds with low operating expenses in most instances. There are occasions where the firm believes it is beneficial to use a fund that has higher than normal operating expenses. This is the exception and not the rule.

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**Past Due Accounts and Termination of Agreement**

HABERLING FINANCIAL GROUP, INC. reserves the right to stop work on any account that is more than 30 days overdue. In addition, HABERLING FINANCIAL GROUP, INC. reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in HABERLING FINANCIAL GROUP, INC.'s judgment, to providing proper financial advice.

**Performance-Based Fees**

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HABERLING FINANCIAL GROUP, INC. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment or portfolio that may carry a higher degree of risk to the client.

**Types of Clients**

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**Description**

HABERLING FINANCIAL GROUP, INC. provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations and business entities.

Client relationships vary in scope and length of service.

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**Account Minimums**

The minimum account size is \$250,000 of assets under management.

HABERLING FINANCIAL GROUP, INC. has the discretion to waive the account minimum.

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

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**Methods of Analysis**

The firm's primary method of analysis is fundamental and quantitative.

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

Other sources of information that HABERLING FINANCIAL GROUP, INC. may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Zacks Research System and Standard & Poor's.

HFG has entered in to an agreement with Investment Management Associates, Inc. (IMA) to provide investment advisory services on a sub-advisory level. In return for a portion of the advisory fees charged IMA will provide asset management strategy information to HFG.

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### **Investment Strategies**

Haberling Financial Group's portfolio management strategy utilizes a core and satellite approach. This means that we use managed and indexed global large cap mutual and exchange-traded funds as the core investments, and then add actively-managed funds where we believe there is additional opportunity. Portfolios are globally diversified to control the risk associated with traditional markets. Each Portfolio is managed under the "Evidence Based" approach, we target asset classes that offer a value proposition. We do not limit our investment choices to fixed income and equities, but will also utilize real estate, commodities and hedging strategies within our investment management method.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations and executed by the selection of one of five investment risk models called HFG Model 1 to HFG Model 5. Model 1 is the lowest risk and Model 5 is the highest risk. The client may change Model strategy with written confirmation.

In some instances Haberling Financial Group has created a customized portfolio consistent with the client's objective.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of any investment security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it. This lengthy process must be completed before a profit can be generated. The drilling company carries a higher business risk than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

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### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Other Financial Industry Activities and Affiliations

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### Affiliations

The firm's advisors are no longer registered representatives with a broker-dealer.

## Code of Ethics, Participation or Interest in Client Transactions, Personal Trading and Conflicts of Interest

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### Code of Ethics

The employees of HABERLING FINANCIAL GROUP, INC. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request.

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### **Participation or Interest in Client Transactions**

HABERLING FINANCIAL GROUP, INC. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the HABERLING FINANCIAL GROUP, INC. *Compliance Manual*.

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### **Personal Trading**

The Chief Compliance Officer of HABERLING FINANCIAL GROUP, INC. is Bob Lagonegro. The Compliance Manager is Steve Palm. Steve reviews all employee trades each quarter. His trades are reviewed by Bob Lagonegro.

The personal trading reviews ensure that the trades of employees do not affect the markets, and that clients of the firm receive preferential treatment. Since most employee transactions are relatively small mutual fund or exchange-traded fund trades, or stocks of large publicly traded companies, the trades do not affect the securities markets.

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### **Conflicts of Interest**

HABERLING FINANCIAL GROUP, INC. (THE FIRM) has two primary potential conflicts of interest.

First, Mr. Haberling is a significant shareholder and director of a community bank located in the Tri-Cities named Community First Bank. Mr. Haberling receives between \$3,000 and \$18,000 per year in director fees that are based upon his attendance and bank performance. Even though Mr. Haberling is not paid for referring individuals to the bank there is a potential conflict of interest in the event Mr. Haberling does refer clients to the bank. Per the HABERLING FINANCIAL GROUP, INC. compliance manual and the firm's Code of Ethics he is required to disclose his relationship with the bank to clients.

The second potential conflict of interest is standard for most fee-based advisory firms. Because the firm's revenues are based upon assets, there is a potential conflict of interest recommending clients not to pay-off debt or other methods to keep excess capital in their investment account.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

Haberling Financial Group recommends that our clients use the Bank of New York/Pershing LLC. as a custodian for their brokerage accounts. HABERLING FINANCIAL GROUP, INC. recommends custodians based on the proven integrity and financial responsibility of the firm, the best execution of orders at reasonable clearing fees and the accuracy in providing electronic downloads into our portfolio management system. The firm receives no portion of the clearing fees from any custodian. The firm attempts to be diligent in reducing all expenses incurred by the client. The firm also custodies assets at TIAA-

CREF for IRA and Roth accounts, Advisors Resources for those clients that require no load annuities, American Funds for 401K Accounts..

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**Clearing & Execution Fees**

HABERLING FINANCIAL GROUP, INC. primarily uses open end mutual funds, exchange traded funds and listed securities. HABERLING FINANCIAL GROUP, INC. reviews trading fees for competitiveness annually. HABERLING FINANCIAL GROUP, INC. does not receive any of the clearing and execution fees.

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**Soft Dollars**

The firm receives free stock research from Bank of New York/Pershing. HABERLING FINANCIAL GROUP, INC. estimates that it saves \$2,000 per year for the research provided. This is an immaterial expense to our business operations. In summary, soft dollar compensation is not a material factor in our selection of custodians for our clients.

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**Order Aggregation**

In the event HABERLING FINANCIAL GROUP, INC. purchases an exchange traded fund or listed security for multiple clients it is completed through a group purchase so that all clients receive the same price per share.

## Review of Accounts

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**Quarterly Reviews**

Account reviews are performed at least quarterly by advisors Haberling, Messinger, Tallman, Lagonegro and Palm. Account reviews are performed more frequently when market conditions dictate.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications at least annually and clients receive performance reports at the end of each calendar quarter. The quarterly reports include a performance report, holdings report and an allocation report. Reports generated for a client review generally include the aforementioned reports in addition to an Executive Summary Report that has commentary on every wealth management subject the firm is examining for the client. Other reports generated for a review may include a net worth statement, unrealized



and realized gains reports, on track retirement analysis report, beneficiary update report, and a summary of objectives.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

HABERLING FINANCIAL GROUP, INC. has been fortunate to receive many client referrals over the years. The referrals came from current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does NOT compensate referring parties for referrals. We do thank clients and professionals for their referrals and in some cases provide a gift of limited value not to exceed \$100 per year.

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### **Referrals Out**

When the firm refers clients to other professionals such as attorney, accountants, insurance agents, bank lending officers the firm does NOT accept referral fees or any form of compensation from other professionals when a prospect or client is referred to them.

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### **Other Compensation**

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

## **Custody**

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### **Account Statements**

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



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**Performance Reports**

HABERLING FINANCIAL GROUP, INC. collects information from our clients' custodians in order to provide combined holdings and performance reports to the client. In order to confirm the accuracy of the information, clients should compare the account statements received directly from their custodians to the consolidated quarterly reports provided by HABERLING FINANCIAL GROUP, INC.

## Investment Discretion

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**Discretionary Authority for Trading**

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

Discretionary trading authority facilitates placing trades in client accounts on their behalf so that we may promptly implement their investment strategy.

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**Limited Power of Attorney**

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

## Voting Client Securities

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**Proxy Votes**

HABERLING FINANCIAL GROUP, INC. does not vote proxies on securities for their clients. Clients are expected to vote their own proxies.

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

## Financial Information

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**Financial Condition**

HABERLING FINANCIAL GROUP, INC. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided to clients because HABERLING FINANCIAL GROUP, INC. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance. However, for

disclosure purposes as of 12/31/2014 HFG had more than \$300,000 of working capital and available lines of credit of \$100,000 for day to day operations and has no long-term debt on its balance sheet.

## **Business Continuity Plan**

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### **General**

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

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### **Disasters**

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

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### **Alternate Offices**

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

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### **Loss of Key Personnel**

The firm has buy-sell agreements partially funded with life insurance to provide for a smooth transition of ownership in the event of a death of an owner. The firm employs multiple advisors so a client would not be without advisory services. The firm employs a team approach to working with clients.

## **Information Security Policy**

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### **Information Security**

HABERLING FINANCIAL GROUP, INC. maintains an information security policy to reduce the risk that client personal and confidential information may be breached.

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### **Privacy Notice**

HABERLING FINANCIAL GROUP, INC. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect may include information about personal finances, information about health to the extent that it is needed for the investment management process, information about

transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ firewalls, secure data and password encryption techniques in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will provide or offer the *Privacy Policy* to clients annually.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

HABERLING FINANCIAL GROUP, INC. requires that advisors in its employ have a bachelor's degree in either: finance, accounting or economics and demonstrate knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.

- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- Conform to the CFP Board of Standards Code of Ethics
- Complete ongoing continuing-education requirements

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**J. Tyler Haberling, CFP®****Personal and Educational Background:**

- Date of birth: 12/14/1959
- Graduate of Central Washington University 1983 with degrees in Accounting and Finance and minor in Economics.
- CFP (Certified Financial Planner) designation-completed in 1986
- CIMA (Certified Investment Management Analyst) designation in 1999 from Wharton Business School
- Investment Strategist Certificate Oct 2004. IMCA Educational program.

**Business Experience:**

- Financial Planning Profession (1983 to present)
- Served as Chairman of Community First Bank from 1997-2008 and continues as a director.

**Disciplinary Information:** None

**Other Business Activities/Outside Compensation:**

- Mr. Haberling is a majority (65%) owner of Haberling Financial Group, Inc.
- Mr. Haberling is a shareholder and director of Community First Bank. He earns between \$3,000 and \$18,000 per year as a director for Community First Bank.
- Mr. Haberling owns 10-25% interest in Commercial Fueling, LLC.

**Supervision:**

J. Tyler Haberling is supervised by Robert Lagonegro, Chief Compliance Officer. Robert reviews Mr. Haberling's activities through our client relationship management system.

**SUPERVISOR'S contact information:**

509-735-7507 robert@hfginvest.com

**Arbitration Claims:** None

**Self-Regulatory Organization or Administrative Proceeding:** None

**Bankruptcy Petition:** None

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**Benjamin D Messinger, CFP®****Personal and Educational Background:**

- Date of birth: November 30, 1970
- Graduate of Eastern Washington University, BA Finance, Economics minor
- Certified Financial Planner designation awarded June 2008

**Business Experience:**

- Financial Planning professional since February 1997

Disciplinary Information: NONE

**Other Business Activities:**

- Mr. Messinger is minority (10%) owner of Haberling Financial Group, Inc.

**Other Non-Business Activities:**

Mr. Messinger serves as a director of the Kennewick School District. This is an elected position. Compensation is waived.

Additional Compensation: NONE

**Supervision:**

Benjamin D. Messinger is supervised by J. Tyler Haberling. He reviews Benjamin's work through frequent office interactions. He also reviews Benjamin's activities through our client relationship management system.

J. Tyler Haberling's contact information:  
(509)735-7507 [ty@hfginvest.com](mailto:ty@hfginvest.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**T. Michael Tallman, CFP®****Personal and Educational Background:**

- Date of birth: 03/30/1972
- BS in Finance, University of Wyoming-1995

**Business Experience:**

- Financial Planning. (2004 – present)
- Bank Loan Officer (1998 – 2004)
- Bank Assistant Trust Administrator (1994 – 1997)

Disciplinary Information: none

**Other Business Activities:**

- Mr. Tallman is a minority (10%) owner of Haberling Financial Group, Inc.

Additional Compensation: NONE

**Supervision:**

- T. Michael Tallman is supervised by, J. Tyler Haberling who reviews Mike Tallman's work through frequent office interactions. He also reviews Mike's activities through the client relationship management system.

SUPERVISOR'S contact information:

509-735-7507 [ty@hfginvest.com](mailto:ty@hfginvest.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Robert Lagonegro, CFP®****Educational Background:**

- Date of birth: 09/07/1964
- Graduate of University of Washington, 1987 with degree in Business and a Finance concentration.
- CFP (Certified Financial Planner) designation-completed in 2010

**Business Experience:**

- Financial Planning Profession (2005 to present)
- Insurance and Banking (1990 to 2005)
- Sporting News (1989-1990)
- Banking (1987 to 1988)

Disciplinary Information: None

**Other Business Activities:**

- Mr. Lagonegro is a minority (5%) owner of Haberling Financial Group, Inc.

Additional Compensation: None

**Supervision:**

Bob Lagonegro is supervised by Ty Haberling. He reviews Mr. Lagonegro's work through frequent office interactions. He also reviews Mr. Lagonegro's activities through our client relationship management system.

SUPERVISOR'S contact information:

509-735-7507 [ty@hfginvest.com](mailto:ty@hfginvest.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None



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**Stephen Palm****Educational Background:**

- Date of birth: April 6, 1974
- Graduate of The Master's College, 1997 with degree in Business Administration with emphasis in Finance.

**Business Experience:**

- Financial Planning Profession (2007 to present)
- Commercial Banking and Finance (1997 to 2007)

**Disciplinary Information:** None

**Other Business Activities:**

- Mr. Palm is a minority (5%) owner of Haberling Financial Group, Inc.

**Additional Compensation:** None

**Supervision:**

Stephen Palm is supervised by Ty Haberling. Ty reviews Mr. Palm's work through frequent office interactions and through our client relationship management system.

**SUPERVISOR'S contact information:**

509-735-7507 [ty@hfginvest.com](mailto:ty@hfginvest.com)

**Arbitration Claims:** None

**Self-Regulatory Organization or Administrative Proceeding:** None

**Bankruptcy Petition:** None

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**Kenneth P. Hansen, CPA®****Educational Background:**

- Born 1968
- Graduate of University of Washington, 1990 with degree in Business and an Accounting concentration.

**Business Experience:**

- Hansen Financial Capital Management, LLC, President 07/2013 to 03/2015
- Fluor Corp Government Group, Controller 1/2011 to 04/2015
- Fluor Corp Government Group, Assistant Controller 02/2006 to 01/2011
- Fluor Corp Government Group, Accounting Manager 08/1999 to 02/2006

**Professional Designation:****Certified Public Accountant (CPA)**

A Certified Public Accountant (CPA) primarily provides financial audit services, including attesting to the reasonableness of disclosures, freedom from material misstatements and adherence to applicable generally accepted accounting principles. To become a CPA, a candidate must pass the Uniform Certified Public Accountant Examination set by the American Institute of Certified Public Accountants and administered by the National Association of State Boards of Accountancy. Typically, eligibility to sit for the examination requires a candidate to have a Bachelor's Degree that includes a minimum number of qualifying credit hours in accounting and business administration plus an additional one year study. Candidates are also required to have public accounting work experience, with minimum requirements varying from state to state. Applicants for CPA status must also complete a special examination on ethics, including a review of state specific rules for professional practice. All CPAs are required to take continuing education courses. The requirements vary by state but usually require 120 hours of continuing education every three years with at least 20 hours taken every year. Many states require CPAs to take an ethics course during every renewal period, with courses ranging from 2-8 hours.

**Disciplinary Information:** None

**Other Business Activities:**

- Accountant

Kenneth P. Hansen is an accountant or Certified Public Accountant (CPA). If Kenneth P. Hansen determines that a client is in need of tax or accounting services, the client may be referred to his accounting firm or practice. In addition, if accounting or tax clients of Kenneth P. Hansen are in need of financial planning or other advisory services, he acting in his separate capacity as an accountant may refer or recommend investment services available through Haberling Financial.

Clients are not obligated in any manner to use the services or an accounting firm recommended or owned by Kenneth P. Hansen.

Additional Compensation: None

Supervision:

Kenneth P. Hansen is supervised by Ty Haberling. He reviews Mr. Hansen's work through frequent office interactions. He also reviews Mr. Hansen's activities through our client relationship management system.

SUPERVISOR'S contact information:

509-735-7507 [ty@hfginvest.com](mailto:ty@hfginvest.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None