

# Professional Advisory Group, Inc.

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Regulatory ADV Disclosure  
Brochure

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This Brochure provides information about the qualifications and business practices of Professional Advisory Group, Inc. If you have any questions about the contents of this Brochure, please contact us at (770) 998-8721. 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.

Professional Advisory Group, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Professional Advisory Group, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with Professional Advisory Group, Inc. who are registered, or are required to be registered, as investment advisor representatives of Professional Advisory Group, Inc.

## Item 2

### Material Changes

There are no material changes to report since our last annual brochure which was dated March 31, 2011 and was distributed to all advisory clients. In 2012, we will begin reporting directly to the State of Georgia versus the SEC due to recent changes in regulations.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Our Brochure may be requested by contacting us at our main number. We may further provide other ongoing disclosure information about material changes as necessary at any time without charge.

### Item 3

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## Item 4

### Advisory Business

Randal L. Berry is the president and sole owner Professional Advisory Group, Inc. (PAG/ The Firm). PAG was established in May 2005 (operating as Professional Advisory Services, LLC from August 1998 to April 2005). He has also been a Registered Representative with PPA Investments, Inc. since 1984.

The firm provides wealth management services that include financial planning and fee-based asset management services. The services are provided to individuals, corporations, defined benefit, profit sharing plans, endowments, and charities.

We seek to have a long-term relationship that is candid, respectful, and mutually beneficial. Our commitment is simply to use our unique resources to bring clarity and confidence to your life. At PAG, we believe being independent of product solutions allows us the freedom to give objective advice and provides broader solutions that meet our clients' needs. Our people, processes, and advice support our belief that clients should have a comprehensive plan that clearly defines actionable steps and measures the progress of the plan.

The firm provides comprehensive financial planning services for an hourly or project-based fee and fee-based asset management services for no-load, load-waived funds, CDs, government bonds, and other registered investment advisors.

The firm manages both discretionary and non-discretionary assets. As of December 31, 2011, total assets under management were \$38,799,400 of which \$24,333,000 were discretionary funds managed on a fee basis, \$2,899,800 were non-discretionary funds managed on a fee basis, and \$11,566,600 were in variable insurance-based products.

### Financial Planning and Analysis Service

We believe everyone benefits from a comprehensive plan that addresses the areas listed below, clarifying the steps to achieve those goals and then monitoring progress to increase the probability of success. As we assess your personal situation, we will ascertain which of the following will be necessary to review in order to achieve your goals and develop/maintain your priorities:

- |                              |                                |                                |
|------------------------------|--------------------------------|--------------------------------|
| ▪ Investments                | ▪ Equity Compensation Issues   | ▪ Estate Distribution Planning |
| ▪ Asset Protection/Insurance | ▪ Retirement Planning          | ▪ Choice of Executor & Trustee |
| ▪ Debts & Mortgages          | ▪ Business Succession Planning | ▪ Choice of Power of Attorney  |
| ▪ Cash Flow                  | ▪ Gifting to others            | ▪ Proper Titling of Assets     |
| ▪ Tax Planning               | ▪ Education Planning           | ▪ Charitable Gifting           |

It is our intention to act as your personal CFO to coordinate your financial affairs. We believe in providing advice **only** in areas where we have the professional competence and resources. Acting as your personal CFO, we will coordinate with other professionals when our your needs are outside our staff's expertise. We will annually review the above subjects that pertain to you.

Any reasonable restrictions that you may wish to impose on our management of your account(s) need to be requested in writing and, if accepted, will be confirmed in writing. Please note that, if you specify any restrictions, your account(s)'s performance may differ from the performance of accounts without restrictions, possibly producing lower overall results. You represent that your Client Account Form and IPS information is accurate and complete in all material respects. You agree to notify us in writing of any

change in your information, including reasonable modifications to existing restrictions, or of any change that may affect the manner in which we should allocate or invest the assets in your account.

## Item 5

### Fees and Compensation

#### Financial Planning and Financial Analysis Fees

Hourly Financial Planner Fees range from \$150-\$300 an hour; Para-Planner Fees are \$125 an hour. Project fees may be quoted as a flat fee instead of an hourly charge. These usually range from \$2,500 - \$10,000 but may be more based on the scope of the project. Any planning fees not covered by the Asset Management Fees (see below) are quoted on Schedule 1 of the Advisory Agreement. The fee will be committed to as long as the scope or information provided in the beginning does not change. Financial planning fees will be billed directly to the client.

#### Asset Management Fees

##### Core Portfolio Asset Management Service

##### Fee Schedule:

Asset Range Breakpoints	Annual Percent
First \$1,000,000 of assets under management	1.00%
Next \$2,000,000 of assets under management	.75%
Next \$2,000,000 of assets under management	.50%
Next \$5,000,000 of asset under management	.40%
Amounts over \$10,000,000	.30%

The specific manner in which fees are charged by the Firm is established in a client's written agreement in Schedule 2 of the Advisory Agreement. Fees are based on a percentage of assets under management and calculated at an annual rate and billed in arrears on a quarterly basis. Fees are based on the assets in the account per the schedule above and, in some instances, may be negotiated based on such items including, but not limited to, legacy assets, large cash balances, perceived liability of portfolio, and limited services required. Asset management fees are deducted directly from the client's respective account but can be charged to another Pershing account if desired by the client.

The initial fee is due following the first calendar quarter. The period for which such payment will be made will run from the opening date through the last day of the full calendar quarter and will be prorated. Thereafter, the quarterly fee is based on the account asset value on the last day of the respective calendar quarter. Termination of the contract will not affect any liabilities or obligations of the parties from transactions initiated before termination of this Agreement or a client's obligation to pay advisory fees. A full refund will be provided without penalty if the client terminates the contract within five business days of signing with the Firm.

#### Margin

Fees are debited directly from client accounts and are calculated using the total assets in the account as shown on the client custodial statement, including any assets purchased on margin. If there is a net debit cash balance in the account as a result of using margin, the cash balance will be excluded from the fee calculation. Net positive cash balances in type 1 (cash account) and type 2 (margin account) are included in the fee calculation.

**Deposit/Withdrawal pro-rated**

All deposits and/or withdrawals made during the calendar quarter will be prorated and charged as applicable.

**Core Portfolios other fee disclosures**

The firm, in its sole discretion, may 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, scope of engagement, negotiations with clients, etc.).

**Custodial and Other Fees**

In addition, brokerage and custodial fees are charged by Pershing, LLC for some transactions and for other custodial services. Clients must check with the custodian for what fees apply to their situation. PAG does not share in these custodial fees. Some funds have a 12b1 servicing fee they will pay to the broker dealer and may be paid to the PAG. The availability of 12b1 fees is not factored in choosing a fund, and PAG will use the least expensive share class available at the custodian for the client.

**Vision Portfolios Asset Management Services****Fee Schedule:**

Envestnet Trading & Reporting Platform Fee Annual Percent	PPA Asset Management Fee Annual Percent	Custodial Fee Per Account Per Year
0.35%	1.00%	\$150

PAG may place Vision Clients into the EnVestnet Platform. When utilized, asset management fees will be taken out in advance on a quarterly basis. The fee will be calculated on the accounts initial value and the subsequent quarter end value. Contributions and withdrawals in excess of \$10,000 during a given quarter are prorated. Transaction fees are included in the Vision portfolios platform.

**Other random fee disclosures**

The minimum PAG annual fee for EnVestnet accounts is \$1,000. Accordingly, a client may pay an effective rate greater than the rate specified in the fee schedule shown above.

**Mutual Fund Fees for Both Management Programs:**

In addition, mutual fund fees are charged for their management and expenses related to running the fund. See individual prospectuses for the fees charged on each fund. PAG will use the least expensive class of shares available. Many of the funds used are advisor or institutional class shares. These shares have minimums of \$1,000,000 - \$5,000,000 per account. The fund companies will treat PPA Investments, Inc. as a whole to meet the minimum vs. the end client. This enables us to purchase the institutional class shares for our clients, saving as much as 20-40% of the funds retail class shares management fee. In the event a less expensive class comes available, PAG will move its model into the less expensive fund class. Tax considerations and transaction cost will be factored in before moving an existing client into the new share class.

PAG'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 PAG's fee, and PAG does not receive any portion of these commissions, fees, and costs. Please see Item 10 and Item 12 for more information on brokerage and associated entities' fees/compensation and potential conflicts of interest.

#### **Item 6**

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

PAG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7**

### **Types of Clients**

PAG provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, trusts, and other U.S. and international institutions.

#### **Item 8**

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

It is our belief that risk is a fact of life and managing risk is vital to the decision making process. Accordingly, your Investment Policy Statement will be established around your goals and volatility profile.

### **Portfolio Structure**

The portfolio will be constructed and allocated based on a risk budget between market risk (beta), meaning risk naturally associated with stock or bond market returns and active risk, which comes from the pursuit of non-market related return (alpha) through active, skilled portfolio management.

Through a Core and Satellite approach to portfolio construction, we will separate the three primary sources of risk of equity market, interest rate, and active management to seek additional return opportunities and/or lower volatility within the given risk profile target stated on Schedule 1 of the Investment Policy Statement.

#### **Core Asset Class Exposure:**

The Core asset classes provide exposure to the more efficient asset classes which are broadly representative of the market risk and interest rate risk.

#### **Satellite Asset Classes Offer**

- Low correlations to traditional equity and fixed income markets
- High risk premiums: risks taken tend to be well compensated
- Barriers to entry: complex, less efficient markets better opportunities for excess returns

## Manager Selection Process and Measures

### Manager performance and Qualitative Analysis

Evaluate Risk	Conduct Style Analysis
<ul style="list-style-type: none"> <li>▪ Total risk and market risk</li> <li>▪ Risk-adjusted returns</li> </ul>	<ul style="list-style-type: none"> <li>▪ Returns-based style analysis</li> <li>▪ Holdings-based style analysis</li> </ul>
Evaluate Performance	Analyze Qualitative Aspects
<ul style="list-style-type: none"> <li>▪ <b>Attribution</b> <ul style="list-style-type: none"> <li>► How is performance driven by stock selection, sector selection or momentum?</li> <li>► Is performance derived from one sector or is value being added across many <b>sectors</b>?</li> <li>► Is there a repeatable/consistent process?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Portfolio management team</b> <ul style="list-style-type: none"> <li>► Does that team have stability, experience and expertise?</li> <li>► Is the team that built the track record still in place today?</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Performance in various market environments</b> <ul style="list-style-type: none"> <li>► Has the manager performed well in different market environments?</li> <li>► Does the manager provide downside protection during negative markets?</li> <li>► Does the manager deliver upside performance during positive markets?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Philosophy and strategy</b> <ul style="list-style-type: none"> <li>► Is the philosophy based on buying businesses, rotating sectors, riding momentum trends or making macroeconomic predictions?</li> <li>► What is the time horizon for an investment and resulting turnover?</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Relative performance</b> <ul style="list-style-type: none"> <li>► How is performance relative to a peer group?</li> <li>► How is performance relative to a benchmark?</li> <li>► How closely does a manager's performance track the relative benchmark?</li> <li>► How does fund performance complement the other funds in the portfolio?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Research and decision-making process</b> <ul style="list-style-type: none"> <li>► Does the team or an individual have responsibility for decisions?</li> <li>► Is the portfolio constructed from a top-down or bottom-up process?</li> <li>► How does the manager evaluate risk?</li> <li>► What is the sell discipline?</li> </ul> </li> </ul>

No single evaluation measure is adequate to evaluate a manager's performance. Measures need to be interpreted within the context of portfolio holdings and changes over time.

### Manager and Portfolio Risk Measures

Market Risk (Systematic)	Specific Risk (Non-Systematic)
<ul style="list-style-type: none"> <li>▪ Risk associated with market volatility.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business risk associated with stocks in a portfolio.</li> </ul>
Beta	R-Squared
<ul style="list-style-type: none"> <li>▪ Used to measure only the market or systematic risk associated with the portfolio.</li> <li>▪ Measure the volatility of a security's return relative to a market index</li> <li>▪ Beta of 1.0 indicates that the portfolio's risk is equal to that of the market.</li> <li>▪ Betas greater than 1.0 equal higher risk levels; portfolios with betas less than 1.0 have a lower risk level than the market.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A correlation measure that can tell you if you are using the appropriate index as your benchmark.</li> <li>▪ By checking the R-squared, you will be able to spot questionable betas.</li> </ul>



## Risk Adjusted Return Measures

Alpha	Sharpe Ratio
<ul style="list-style-type: none"><li>▪ Used to measure the risk-adjusted return that is attributable to a manager's investment decisions instead of the market's movement.</li><li>▪ Shows what the reward is for taking a certain amount of unsystematic risk.</li></ul>	<ul style="list-style-type: none"><li>▪ To Calculate: divide the portfolio's total excess return by the portfolio's standard deviation of returns.</li><li>▪ Indicates excess return per unit of total risk.</li></ul>

## Investment Risk

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to, the following:

- **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 a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- **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. The company risk can result in bankruptcy and the industry risk can result in returns significantly below the general market.

## Portfolio Implementation

### Core Portfolios

For portfolios of \$500,000 or more, the portfolio will be personalized to your return and volatility profile, cash needs, and legacy holdings held with us. The overall allocation will be set and the investments will be implemented across the accounts with a set criteria taking into consideration trading and tax efficiency. Less tax efficient assets will have a higher priority to be allocated to tax-deferred or exempt accounts and more tax efficient assets going into taxable accounts. The overall allocation will take precedence over tax and trading considerations.

### Vision Portfolios

For portfolios up to \$500,000, the portfolios will take into consideration return and volatility targets, contributions, and anticipated withdrawals. An overall asset allocation target will be established and the accounts will be rebalanced periodically. Taxable implications and cash needs will be considered but will be addressed on a case-by-case basis.

## Core Portfolio Review and Services

### Daily

- Download and reconcile your accounts from Pershing.
- Update your cost basis and transaction history for tax purposes.
- Upload your accounts to our trading system for rebalancing and tax accounting.
- Handle your account service needs or issues with the custodians.

### Weekly

- The portfolio will be reviewed weekly to see if the investor's asset allocation is within the stated minimum/maximum range of the policy.

### Additional Core Portfolios Reviews and Services

- Taking the following into account: transaction costs, the portfolio's deviation from its target, and taxes, the advisor will rebalance the portfolio back within the minimum/maximum range or to the target as he deems appropriate. The advisor will continue to monitor the portfolio's status until trades are made to bring the portfolio to the target.
- To remain consistent with the asset allocation guidelines established by the Investment Policy Statement and to factor in tax-loss harvesting at the end of each year, the Advisor shall review the portfolio in the last quarter of the year to make any changes deemed appropriate for taxes, the portfolios risk return, and client's budgeting needs.
- Review your cash position to see if it is below 25% of your target.

### Monthly

- Investment Committee will review your model's performance.
- Investment Committee will review your managers' performance to their benchmark.

### Quarterly

- Create a combined performance review for your accounts.
- Review your manager's attributions and fit within the portfolio.

### Item 9

#### Disciplinary Information

Professional Advisory Group, Inc. has been an SEC registered investment advisor with no disciplinary events to report. It will be converting to a state-registered investment advisor in 2012 due to new legislation which increased the minimum amount of assets under management in order to stay registered with the SEC.

### Item 10

#### Other Financial Industry Activities and Affiliations

Randal Berry is actively engaged as a registered representative of PPA Investments, Inc., an associated Broker/Dealer. As a registered representative of PPA Investments, Inc., PAG is engaged in the advisement of investment products through PPA Investments, Inc. Any Investment products that are outside of the no-load or load-waived funds used in the asset management services of PAG may pay up-front compensation and/or service fees to the financial advisor. Additionally, PPA Investments, Inc. and its representatives may

receive 12 b-1 fees resulting from mutual fund transactions. Under such circumstances, the Financial Advisor would have a financial interest in the transaction and may have a conflict of interest in furnishing advice to the extent that such recommendations are implemented.

In the course of financial planning, the Advisor may determine that the client needs additional insurance as part of the client's total portfolio. The Advisor is a licensed insurance agent in the state of Georgia. (The Advisor may obtain insurance license in other states when required.) The Advisor is also licensed with various life, disability, and other insurance companies. In this capacity, he may recommend variable and non-variable insurance products. Variable products will be offered through the broker dealer. Non-variable products will be offered directly through the insurance companies. Compensation will be paid directly by three entities.

The representative/advisor spends approximately 95% of his time as a financial advisor of PAG and the remaining 5% of his time performing services other than financial-related services. All clients are advised that broker/dealer and/or insurance services are separate from advisory services offered and advisors may be compensated for making such recommendations. Broker/dealer related compensation is separate and distinct from Advisor's compensation related to its investment advisory services. Clients are advised to carefully consider the conflicts disclosed above prior to engaging in such business.

Broker/dealer trade errors may occur on occasion and may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Individual Advisors will not participate in any profits resulting from such errors and the Chief Compliance Officer will review a trade error log to ensure that no conflicts and/or patterns exist.

PAG will most often recommend that clients establish brokerage accounts with Pershing, LLC, a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to affect trades for their accounts. Recommendations will be based on trying to get the client a competitive commission rate as well as the best mix of quality, timeliness of execution, and administrative services support. At Pershing, the client may pay commissions or transactions fees up to the cost charged to PPA Investments, Inc. Although PAG may recommend that clients establish accounts at Pershing, it is the client's decision to custody assets with Pershing. PAG is independently owned and operated and not affiliated with Pershing.

#### **Item 11**

### **Code of Ethics**

PAG 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 PAG must acknowledge the terms of the Code of Ethics annually or as amended.

An Advisor of PAG may buy or sell securities that are recommended to clients. PAG's employees and persons associated with PAG are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of PAG and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for PAG's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of PAG 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 not materially interfere with the best interest of PAG's clients. In addition, the Code requires pre-approval 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. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between PAG and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with PAG'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. PAG 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.

PAG's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our office.

## **Item 12**

### **Brokerage Practices**

While not all advisors require their clients to use a specific brokerage firm, PAG may require that clients establish brokerage accounts with PPA Investments, Inc., a FINRA registered broker-dealer, member SIPC. Factors for such recommendation would be when transaction compensation is seen as a benefit to the client. [For example, by consolidating assets with one location, clients are often able to take advantage of lower fund expenses of institutional shares which normally would not be available to them.] For broker/dealer services, the Advisor or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from Advisor's compensation related to its investment advisory services. Commissions paid to advisers for broker/dealer services may be higher or lower than those paid by other brokers.

For the client's protection, assets managed under PPA Investments, Inc. will be custodied and cleared with Pershing, LLC a division of Bank of New York Mellon Corp. PAG is independently owned and operated and not affiliated with Pershing.

Pershing may make products and services available to PAG that benefit PAG but may not directly benefit every client but are used to service all or a substantial number of PAG accounts. Pershing's products and services that assist PAG in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of [Advisor Firm's] fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping, and client reporting.

### **Research and Other Soft Dollar Benefits**

PAG does not have any commitments or understandings to trade with specific brokers or to generate a specified level of brokerage commission with a particular broker in order to receive brokerage or research services.

These commitments or understandings are generally known as soft dollar arrangements. Certain brokers through whom PAG executes trades may provide unsolicited proprietary research (research created or developed by the broker) to us. This research is used for all client accounts, even though certain clients may not have paid direct commissions to the brokers who provided the research. This research could include a wide variety of reports, charts, publications or proprietary data on economic and political strategy, credit analysis, or stock and bond market conditions and projections. In addition to unsolicited research, certain brokers may provide invitations to attend conferences and meetings with management representatives of issuers or with other analysts and specialists.

Receipt of research from brokers who execute client trades involves conflicts of interest. An advisor that uses client brokerage commissions to obtain research, products, or services receives a benefit because it does not have to produce or pay for the research, products, or services itself. Consequently, the advisor may have an incentive to select or recommend a broker based on its desire to receive research, products, or services rather than a desire to obtain the most favorable execution, which is in the clients' best interest.

Brokers providing research services, even on an unsolicited basis, may charge commissions for executing portfolio transactions that are higher than the amount of commissions that other brokers would charge for effecting the same transactions. PAG will execute portfolio transactions through these brokers only if it has determined that such brokers provide best execution based on the factors described above.

#### **Item 13**

### **Review of Accounts**

The investments of clients' accounts are monitored on a continuous basis for comparison against broad market indexes by the Principal of PAG. For all core portfolios (see Item 8), a second level of review is performed on a weekly basis, and a third level of review is completed on a quarterly basis. Clients' asset allocations are reviewed at least quarterly and more often if market conditions warrant. Triggering factors beyond the normal timing factors include a material change in the markets, notification of a material change to the client's financial situation, a large deposit or withdrawal from an account, or a manager's return that is materially outside the index return. The client agrees to inform the firm in writing of any material changes to the information included in the questionnaire or any other change in the client's financial circumstances that might affect the manner in which client's assets should be invested. The client may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s). Managed accounts are delivered quarterly performance reports. Item 15 contains information regarding the custody reports provided.

#### **Item 14**

### **Client Referrals**

PAG does not have any arrangements to compensate a third party for client referrals.

#### **Item 15**

### **Custody**

The client will receive quarterly statements from the custodian showing the investments values; monthly statements will also be issued for accounts with any purchase(s), redemption(s), or withdrawal transactions

during that period. The custodian's reports should be compared to any performance, holding, or tax report PAG provides the client or is accessed through our secure portal. [Please note that our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.]

#### **Item 16**

### **Investment Discretion**

Clients who give written authorization for discretionary management will have the management of their portfolio defined in their Investment Policy Statement (IPS), Discretionary Agreement, and Advisory Agreement. Based on client's individual financial situation, investment objectives, risk tolerance, personal goals, time horizon, certain U.S. federal income tax considerations, and other information that clients provide, PAG will create an Investment Policy Statement, recommending a target portfolio strategy for the client's account(s).

We will allocate and, when appropriate, reallocate the assets in your account(s) among various no-load, load-waived mutual funds, exchange traded funds, fixed income instruments issued by the US Treasury, and FDIC insured CDs within the guidelines of your IPS. We will not exercise discretion on the purchase or sale of "individual securities," such as, stocks, corporate, and municipal bonds; however, we may, in our discretion, allow you to hold individual securities in your account(s). Consideration will be given to individual securities when allocating the assets in your account(s) according to the target portfolio strategy recommendation. If you deposit, transfer, or contribute mutual funds into your account(s), you acknowledge that they will be managed on a discretionary basis and you authorize and direct us to sell the mutual funds when, in our discretion, it is appropriate to do so based on, among other things, investment goals, cash flow needs, and certain U.S. federal income tax considerations.

Any reasonable restrictions that the client may wish to impose on PAG's discretion over his/her accounts needs to be requested in writing, and, if accepted, will be confirmed in writing.

#### **Item 17**

### **Voting of Proxies for Client Securities**

As a matter of firm policy and practice, PAG 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. PAG may provide advice to clients regarding the clients' voting of proxies. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

#### **Item 18**

### **Financial Information**

Registered Investment Advisers are required to provide you with certain financial information or disclosures about PAG's financial condition. PAG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceeding.

## Item 19

### Requirements for State-Registered Advisors

Randal L. Berry serves as the Principal of PAG. The following describes his formal education and business background.

### Advisor Biography

**Randal L. Berry, CFP®**

*Financial Advisor*

DOB: 04/15/50

CRD No. 126453

Education				
School, City and State	Years Attended	Year Graduated	Degree	Major
Taylor University, Upland, IN	1969-1973	1973	B.A.	Finance
Cedarville College, Cedarville, OH	1968-1969			
Waterford Township High School, Pontiac, MI	1965-1968	1968	Diploma	

Business Background				
Name of Firm	Business Type	Title / Nature of Employment	Beg. Date	End Date
Professional Advisory Group, Inc.	Financial Planning	President	5/05	Present
Professional Advisory Services, LLC	Financial Planning	President	8/98	4/05
PPA Investments, Inc.	Investments	Registered Representative	1984	Present

### Professional Designations, Positions, Service, and Examinations

Certified Financial Planner License – 8/95 - Present	Chartered Financial Consultant
General Securities Representative - Series 7 - 5/85	Chartered Life Underwriter
General Securities Principal Exam – Series 24 – 7/85	GA Insurance Life/Health & Variable Life – 5/85 to present
Uniform Securities State Law Exam - Series 63 – 6/82	
Investment Advisory Exam – Series 65 – 12/93	

### Privacy Policy

We collect nonpublic personal information about you from the following sources: information we receive on applications, questionnaires, web site, or other forms and information about your transactions with our affiliates, others, or us. We do not disclose any non-public information about our current or former customers to anyone, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information.

**Randal L. Berry**  
**Professional Advisory Group, Inc.**  
500 Colonial Center Parkway  
Roswell, GA 30076  
(770) 998-8721  
www.ppaadvisors.com

March 19, 2012

**This brochure supplement provides information about Randal L. Berry that supplements the Professional Advisory Group, Inc. brochure which you should have received with this supplement. Please contact Cindi Brown at (770) 998-8721 if did not receive a brochure copy or if you have any questions about the contents of this supplement.**

**Additional information about Randy Berry is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 - Educational Background and Business Experience**

Randal L. Berry, 1950  
CRD: 1020336

**Educational Background**

Taylor University, Upland, IN – 1973 BA, Finance

**Business Experience**

<b>Firm</b>	<b>Position</b>	<b>Dates</b>
PPA Investments, Inc.	Registered Representative	1984-Present
Professional Advisory Group, Inc.	Financial Advisor	2005-Present
Professional Advisory Services, LLC	Financial Advisor	1998-2005

**Professional Designations**

CFP®

The Certified Financial Planner™ (CFP®) designation is issued by the Certified Financial Planner Board of Standards, Inc after candidates pass the 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. Certified individuals are required to complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standard of Professional Conduct. As a prerequisite to sitting for the CFP Certification Examination, candidates must hold a bachelor's degree (or higher) from an accredited college or university and have at least three years of full time personal financial planning experience. In addition, candidates must complete a CFP-board registered program or hold one of the following: CPA, ChFC, CLU, CFA, Ph.D. in business or economics, Doctor of Business Administration, Attorney's License.



## ChFC®

The Chartered Financial Consultant® (ChFC®) designation is issued by The American College. Prerequisite experience includes three years of full time business experience within the five years preceding the award of the designation. Candidates are required to complete seven core and two elective courses and pass a final proctored exam for each course. Certified individuals abide by a Code of Ethics and complete 30 hours of continuing education every two years.

## CLU®

The Chartered Life Underwriter® (CLU®) designation is issued by The American College to those who specialize in life insurance and estate planning. In order to qualify, individuals must complete five core courses and three elective courses; each course requires passing a two-hour exam. Prerequisite experience includes three years of full-time business experience within the five years preceding the award of the designation. Certified individuals abide by a Code of Ethics and complete 30 hours of continuing education every 2 years.

### Item 3 - Disciplinary Information

Investment Advisor Representatives are required to disclose all material facts regarding any legal and disciplinary events would be material to your evaluation of the representative. Randy Berry has no information applicable to this Item.

### Item 4 - Other Business Activities

Randy Berry is a Registered Representative of PPA Investment, Inc., a registered broker-dealer, and is compensated through commissions based on the sale of securities and other investment products and trails received from the sale of mutual funds. Randy Berry is also licensed to sell variable annuities and life insurance. He spends up to 5% of his time on these activities.

This may pose a conflict of interest to the extent that he has a financial incentive to recommend securities and other investments that may result in commissions, brokerage fees, 12b-1 fees, or other compensation. However, Randy Berry is constrained by fiduciary principles to act in your best interest. In addition, you are under no obligation to purchase any recommended insurance products.

### Item 5 - Additional Compensation

Randy Berry does not receive compensation for advisory services other than fees paid by the client.

### Item 6 - Supervision

Randy Berry is President and Chief Compliance Officer of Professional Advisory Group, Inc. and supervises all client accounts. He can be reached at (770) 998-8721. Randy adheres to the processes and procedures as described in our Code of Ethics. He will review your account at least annually or upon request to ensure that trading activity is in line with your stated objectives. Factors that are considered during such reviews include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, outside holdings, changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections. You should notify Randy promptly of any changes to your financial goals, objectives or financial situation as such changes may require us to review your portfolio and make recommendations for changes.

### Item 7 – Requirements for State-Registered Advisors

Investment Advisor Representatives are required to disclose all material facts regarding certain arbitration awards, disciplinary proceedings, and bankruptcy petitions. Randy Berry has no information applicable to this Item.