

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Benning Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at 707-426-3700 or advisor@bfgria.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Benning Financial Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, 136256 (known as our CRD number).

Item 2 Material Changes

As of the date of this brochure, we have no material changes to report.

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Item 4 Advisory Business

BFG ("BFG") is a state-registered investment adviser with its principal place of business located in California.

BFG began conducting business in 2002.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Randy Charles Benning, Managing Member, CCO

BFG offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., growth, income, or a combination of growth and income), as well as tax considerations.

MODEL PORTFOLIO MANAGEMENT

Our firm also provides portfolio management services to clients using model asset allocation portfolios. The model portfolio is designed to meet a particular investment goal.

Through personal discussions with the client in which the client's goals and objectives are established, we will determine if the model portfolio is suitable to the client's circumstances. Once the suitability of the portfolio has been determined, the portfolio will be managed based on the portfolio's goal, rather than on each client's individual needs.

Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients will retain individual ownership of all securities. We manage these accounts on a discretionary or non-discretionary basis.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

CONSULTING

Clients can also receive investment advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic.

We may also provide additional advice which is investment advisory in nature (i.e., opinions relating to asset allocation, cash flow, risk management and various other financial planning issues). We are not financial planners, nor do we provide general financial services beyond the scope of services as outlined in our advisory agreement(s).

We tailor all of our consulting recommendations to the individual needs of each client. All consulting recommendations are tailored based on information gathered through client questionnaires, telephone and in-person discussions.

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding our firm, our representatives and any employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

AMOUNT OF MANAGED ASSETS

As of 12/31/2011, we were actively managing \$25,327,996 of clients' assets on a discretionary basis and \$9,177,531 on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES

Individual and Model Portfolio Management

The annualized fee for these services will be charged as a percentage of assets under management, according to the schedule further below.

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Advisory Agreement.

A minimum of **\$500,000** of assets under management is required for all our services. This account size may be negotiable under certain circumstances. BFG may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although BFG has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

<u>Assets Under Management</u>	<u>Annual Fee</u>
(for all services mentioned above)	
First \$250,000	1.75%
Next \$250,000	1.50%
Above \$500,000	1.25%

GENERAL FEE INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason, upon receipt of written notice, within a period not to exceed 30 days. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to BFG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: BFG is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, BFG may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset BFG's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for lower, similar or substantially higher fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment advisers disclose to their advisory clients that lower fees for comparable services may be available from other sources.

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

BFG does not charge performance-based fees.

Item 7 Types of Clients

BFG provides advisory services to the following types of clients:

- Individuals (including high net worth individuals)
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to determine the price movement of the security.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically within a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities purchased.

Trading. We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our expectations concerning brief price swings.

Margin transactions. Buying on margin is a leveraging strategy. Buying power is increased by borrowing money to purchase securities. "Marginable" securities act as collateral for the loan. Interest is paid on the loan. Using this strategy can be successful if the positions go up. If they don't, a margin call can result, where either the positions must be sold out or more cash must be added to the account (losing more money than originally invested).

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls" in which we sell an option on a security a client owns. In this strategy, the client would receive a premium for selling the call, but would be obligated to sell the stock at the strike price, if assigned.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

In addition to providing investment advisory services, BFG also provides non-advisory consulting services to clients. These services include advice on such topics as business succession planning, mergers and acquisitions for separate and typical compensation. BFG advisory clients are under no obligation to utilize BFG for these non-advisory services.

Management personnel of BFG are separately licensed as registered representatives of Triad Advisors, an unaffiliated broker-dealer. These individuals are also licensed as insurance agents or brokers for one or more insurance companies. These individuals, in their separate capacities, can effect securities transactions and/or purchase investment products (insurance) for clients for which they will receive separate, yet customary compensation.

While BFG and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Clients should be aware that the receipt of additional compensation by BFG and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. BFG endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;

- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

BFG and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

BFG's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to advisor@bfgria.com, or by calling us at 707-426-3700.

BFG is prohibited from engaging in principal transactions.

BFG and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

BFG does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct us as to the broker-dealer to be used.

We currently require that our clients direct us to use Fidelity Brokerage Services, LLC. (hereinafter, "Fidelity"), an unaffiliated FINRA-registered broker dealer for the implementation of all portfolio transactions. We reserve the right to decline acceptance of any client account for which the client directs us to use a broker dealer other than Fidelity if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. Not all advisers require their clients to direct brokerage.

Our firm participates in the Fidelity Institutional Wealth Services Program (hereinafter, "FIWS") sponsored by Fidelity Brokerage Services LLC (hereinafter, "Fidelity"), member NYSE/SIPC. Clients in need of brokerage and custodial services will have Fidelity recommended to them.

While there is no direct linkage between the investment advice given to clients and our firm's participation in the FIWS program, we receive economic benefits which would not be received if we did not give investment advice to clients. These benefits include:

- A dedicated trading desk that services FIWS participants exclusively;
- A dedicated service group and an account services manager dedicated to our firm's accounts;
- Access to a real-time order matching system;
- The ability to 'block' client trades and electronic download of trades, balances and positions;
- Access to an electronic interface with FIWS' software;

- Duplicate and batched client statements, confirmations and year-end summaries;
- The ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements);
- Availability of third-party research and technology;
- A quarterly newsletter;
- Access to Fidelity's proprietary trading platforms and internet access to accounts, positions, history, trading, information, statements, confirmations and transfer of asset status, as well as other services);
- Access to Fidelity.com (through which clients may access their account information over the internet);

- Access to over 350 mutual fund families and 4,500 mutual funds NOT affiliated with Fidelity, of which over 2,000 have no transaction fee, ability to have loads waived for our clients who invest in certain Fidelity loaded funds, when certain conditions are met and maintained and the ability to have custody fees waived (when negotiated by the adviser and allowed under certain circumstances).

The benefits we receive through participation in the FIWS program may depend upon the amount of transactions directed to, or amount of assets custodied by, Fidelity.

Participation in the FIWS program creates a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to recommend Fidelity to clients.

Nonetheless, we have reviewed the services of Fidelity and recommend its services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES Individual and Model Portfolio Management

Reviews

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by Randy C. Benning, Managing Member / CCO.

Reports

Our clients receive monthly or quarterly statements and confirmations of transactions directly from their broker-dealer or custodian. We do not provide additional reports to our clients.

Item 14 Client Referrals and Other Compensation

It is BFG's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

Other Compensation

Our firm and/or our officers and representatives are eligible to receive incentive awards (such as trips or incentive plans) for recommending certain types of insurance policies or other investment products.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. (BFG utilizes the services of an independent accounting professional to calculate our fees.)

Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Item 18 Financial Information

BFG has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

BFG has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

The following individuals are the principal executive officers and management persons of BFG:

- Randy C. Benning, Managing Member and Chief Compliance Officer

Information regarding the formal education and business background for Randy Benning is provided in his respective Brochure Supplement.

BFG is not engaged in any business activity other than giving investment advice.

Neither BFG nor our supervised persons are compensated for advisory services with performance-based fees.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and our management personnel have no reportable disciplinary events to disclose.

Neither BFG nor our management personnel have a relationship or arrangement with any issuer of securities.