

**ITEM 1. COVER PAGE FOR  
PART 2A OF FORM ADV:  
FIRM BROCHURE  
DATED 12/31/2010**

**BFSG, LLC dba BENEFIT FUNDING SERVICES GROUP (“BFSG”)  
2040 MAIN STREET, SUITE #150  
IRVINE, CA 92614  
949-955-2552**

**FIRM CONTACT: RACHEL MARIE FEQUIERE, CHIEF COMPLIANCE OFFICER**

**FIRMS WEBSITE ADDRESS: WWW.BFSG.NET**

**This brochure provides information about the qualifications and business practices of BFSG. If you have any questions about the contents of this brochure, please contact by telephone at 949-955-2552 or email at rachelf@bfsg.net. 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 BFSG also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) .**

**Please note that the use of the term “registered investment adviser” and description of BFSG and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and our employees.**

**ITEM 2. MATERIAL CHANGES TO OUR PART 2A OF FORM ADV:**  
**FIRM BROCHURE**

**BFSG** is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. At this time, there are no material changes to report about our Brochure.

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#### **Item 4. Advisory Business**

We specialize in the following types of services: Pension Consulting and Asset Management/Independent Money Management. Our assets under management are \$4,955,000,000 as of 12/31/2010.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)<sup>1</sup>.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Delaware. Our firm has been in business as an investment adviser since 2007 and is owned as follows:

Focus Operating, LLC – hundred percent owner

B. Description of the types of advisory services we offer.

(i) Pension Consulting:

**Investment and Compliance Consulting**

On-going investment and compliance consulting services to retirement plan sponsors. Services include, but are not limited to, formalizing committee processes, quarterly investment reviews, annual review of plan costs/revenues and fiduciary education.

**Vendor Search & Selection/Benchmarking**

Search and selection process of retirement plan sponsors & services.

- Customize Request for Proposal (RFP) based upon client's needs and objectives
- Develop list of vendor candidates to send RFP
- Prepare provider analysis with proprietary scoring methodology

**Fiduciary Structure and Cost Assessment**

Review service provider arrangements, fiduciary procedural prudence and benchmark plan costs and revenues.

- Outline all plan-related costs and revenues back to service providers
- Provide comparison on Plan costs and revenues for benchmarking purposes

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<sup>1</sup> Please note that: (1) For purposes of this item, our principal owners include the *persons* we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

- Review plan design and features
- Provide options for potential revenue recapture options, if applicable

#### **Discretionary Fiduciary Services**

Accept discretionary fiduciary liability for the investment selection and monitoring process of investment options in a retirement plan, with the exception of company stock.

#### **Participant Education/Communication**

Create and deliver educational workshops and enrollment meetings for plan participants

- Create and deliver educational workshops for plan participants
- Prepare customized participant communications
- Conduct enrollment meetings

#### **Fiduciary Advisor Monitoring**

Provide monitoring on an annual basis of Plan Sponsor's fiduciary advisor program which offers investment advice services to participants.

All pension consulting services shall be in compliance with the applicable law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in the Consulting Agreement).

#### **(ii) Asset Management/Independent Money Management:**

We may utilize Independent Money Managers, where we may design an investment portfolio and provide ongoing corresponding asset management services on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

#### **Callan Unified Managed Accounts Program**

Through its affiliate membership in the Callan Investment Advisor Group, our firm offers both discretionary and non-discretionary Investment Management Services to qualified Clients via the Callan Unified Managed Accounts Program ("Callan UMA Program"). Through the Callan UMA Program, our firm provides comprehensive investment solutions that include customized portfolio design and implementation with Callan-approved investment managers. In the Callan UMA Program, the Client authorizes us to engage the specialized overlay management services of Natixis Asset Management Advisers ("Natixis") to provide discretionary services involving the management of the Client's funds within the different asset class sleeves as set forth in the Client's Investment Policy Statement. Such asset class sleeves contain investment vehicles as selected by Callan and our firm and may include mutual funds, stocks, bonds, ETFs

(exchange-traded funds), commingled trusts and separate accounts. Performance monitoring and reporting is provided by us using Callan's performance analysis systems.

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds, commingled trusts, separate accounts, and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of *clients*, whether *clients* may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing the following services offered by our firm: Asset Management. We offer general investment advice to clients utilizing the following services offered by our firm: Pension Consulting and Independent Money Managers.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

Under our Discretionary Fiduciary Services, we usually allow clients to impose restrictions on investing in certain asset classes.

D. Participation in *wrap fee programs*.

We do not offer wrap fee programs.

E. Disclosure of the amount of *client* assets we manage on a *discretionary basis* and the amount of *client* assets we manage on a *non-discretionary basis* as of 12/31/2010.

We manage<sup>2</sup> \$145,000,000 on a discretionary basis and \$4,810,000,000 on a non discretionary basis as of 12/31/2010.

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<sup>2</sup> Please note that our method for computing the amount of "*client* assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "*client* assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest

## **Item 5. Fees and Compensation**

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable.

### **A. Description of how we are compensated for our advisory services provided to you.**

#### **(i) Pension Consulting:**

We charge on a flat fee basis or hourly rate for pension consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you.

#### **Investment and Compliance Consulting**

The annual fixed fee ranges from \$15,000 to \$150,000, paid quarterly in arrears; and asset-based fees range from 1 – 29 bps of average quarterly plan assets paid quarterly in arrears.

In addition, an hourly rate of \$100 may be charged for any consulting services provided in a settlor capacity, which would be billed quarterly in arrears.

#### **Vendor Search & Selection/Benchmarking**

Fees range from \$5,000 to \$50,000 per project. The one-time fee is paid upon completion.

#### **Fiduciary Structure and Cost Assessment**

Fees range from \$2,500 to \$5,000 per project and are paid upon completion.

#### **Discretionary Fiduciary Services**

Fees range from one to 10 basis points on plan assets per year and is paid quarterly in arrears.

#### **Participant Education/Communication**

Fees range from \$500 to \$2000 per meeting day and are paid upon completion. Please note: These services may be outsourced to an independent third-party.

#### **Fiduciary Advisor Monitoring**

Fees range from \$500 to \$2,500 per year and are paid quarterly in arrears.

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\$100,000. Our “as of” date must not be more than three months before the date we last updated our *Brochure* in response to Item 4.E of Form ADV Part 2A.

(ii) Asset Management/Independent Money Managers:

Fees charged by managers of the underlying investment vehicles, Natixis and Callan, and the selected custodian are separate and in addition to the investment management fees charged by our firm. Fees charged by us are as follows: 50 basis points on first \$10 million; 35 basis points on next \$15 million; 25 basis points on next \$25 million; 10 basis points on next \$25 million; and 5 basis points thereafter.

Our firm's fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of your account on the last day of the previous quarter.

B. Description of whether we deduct fees from *clients'* assets or bill *clients* for fees incurred.

(i) Pension Consulting:

The fee-paying arrangements for pension consulting services will be determined on a case-by-case basis and will be detailed in the signed Consulting Agreement. The client will be invoiced directly for the fees.

(ii) Asset Management/Independent Money Management:

Independent money managers establish and maintain their own separate billing processes which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

Our firm's fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of your account on the last day of the previous quarter.

Fees will generally be automatically deducted from your managed account\*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If we send a copy of our invoice to you, we send a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) If we send a copy of our invoice to you, our invoice includes a legend as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.\*\*

\*In rare cases, we will agree to direct bill clients.

\*\*The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

C. Description of any other types of fees or expenses *clients* may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.



Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

- D. We must disclose if client's advisory fees are due quarterly in advance or arrears. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

We charge our advisory fees quarterly in arrears. If you wish to terminate our services, you need to contact us in writing and state that you wish to cancel the Agreement. Upon receipt of your letter of termination, we will proceed to charge you a pro-rata advisory fee(s) for services rendered up to the point of termination.

- E. Commissionable securities sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

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

We do not charge performance fees to our clients.

#### **Item 7. Types of Clients and Account Requirements**

We have the following types of clients:

- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;

Our requirements for opening and maintaining accounts or otherwise engaging us:

Please see Item 5 of this Brochure.

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

- A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- Fundamental

Investment Strategies we use:

- Long term purchases (securities held at least a year)

**Please note:**

Investing in securities involves risk of loss that *clients* should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

- B. Our practices regarding cash balances in *client* accounts, including whether we invest cash balances for temporary purposes and, if so, how.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our asset management service.

**Item 9. Disciplinary Information**

We are required to disclose whether there are 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. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a *management person* has been *involved* in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the *management person's* favor, or was reversed, suspended or vacated, or (2) the event is not material. For purposes of calculating this ten-year period, the "date" of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a *client's* or prospective *client's* evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it

remains currently material to a *client's* or prospective *client's* evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

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

- A. Our firm or our *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. The details are as follows:

We have nothing to disclose in this regard.

- B. Our firm or our *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. The details are as follows:

We have nothing to disclose in this regard.

- C. Description of any relationship or arrangement that is material to our advisory business or to our *clients*, that we or any of our *management persons* have with any *related person*<sup>3</sup> listed below. We are required to identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how we address it.

Our firm or our management persons have a material relationship with the following *related person(s)* as follows:

Our firm is a subsidiary of Focus Operating, LLC, which is a subsidiary of Focus Financial Partners, LLC (“Focus”). Focus also controls other registered investment advisors, broker-dealers, pension consultants, insurance firms and other financial services firms (the “Focus Affiliates”). The Focus Affiliates may provide, among other services, wealth management, benefit and other investment consulting services that may service individuals, families, employers and institutions. Some Focus Affiliates also manage and advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADV Schedule D.

A list of the affiliated investment advisors and broker-dealers can be found on Form ADV Part 1 Schedule D. Additional information about Focus and the Focus Affiliates can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

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<sup>3</sup> Our **Related Persons** are any *advisory affiliates* and any *person* that is under common *control* with our firm.

**Advisory Affiliate:** Our advisory affiliates are (1) all of our officers, partners, or directors (or any *person* performing similar functions); (2) all *persons* directly or indirectly *controlling* or *controlled* by us; and (3) all of our current *employees* (other than *employees* performing only clerical, administrative, support or similar functions).

**Person:** A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company (“LLC”), limited liability partnership (“LLP”), sole proprietorship, or other organization.

Our firm has entered into a Service Agreement with Capital Advisory Group, LLC (“CapGroup”) of Richmond, VA, a Focus Affiliate and SEC Registered Investment Advisor. Under the terms of the Services Agreement, CapGroup has agreed to provide certain technical investment consulting and marketing support services, to include access by us to the Callan Unified Managed Accounts Program and to facilitate the investment advisory services we provide to certain institutional clients. For such services, our firm has agreed to share with CapGroup a portion of the ongoing fees that it charges clients that receive the related investment consulting and marketing services. We will have no direct investment advisory relationship with CapGroup clients.

In addition, the Service Agreement provides that our firm will provide CapGroup with services related to their retirement plan clients to include marketing and operational support information, as well as the participation of BFSG in client teleconferences to assist CapGroup with the delivery of its services. For such services, CapGroup has agreed to share with us a portion of the ongoing fees that it charges to clients for whom CapGroup uses our marketing and operational support services. We will have no direct investment advisory relationship with CapGroup clients.

- D. If we recommend or select other investment advisers for our *clients* and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

Please see Item 4B of this Brochure.

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

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any *client* or prospective *client* upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>4</sup>. In order to monitor compliance with our

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<sup>4</sup> For purposes of the policy, our associate’s personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics, which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- B. If our firm or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that our firm or a *related person* recommends to *clients*, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure.

- C. If our firm or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for our firm's (or the *related person's* own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this Brochure.

## **Item 12. Brokerage Practices**

- A. Description of the factors that we consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

1. Research and Other Soft Dollar Benefits. If we receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions ("soft dollar benefits"), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

We have nothing to disclose in this regard. We do not have direct arrangements with custodians and are unable to receive any soft dollar benefits. We do not recommend broker-dealers.

a. Explanation of when we use *client* brokerage commissions (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.

We have nothing to disclose in this regard. See Item 12. A. 1.

b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our *clients'* interest in receiving best execution.

We have nothing to disclose in this regard. See Item 12.A.1.

c. Causing *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

Clients may pay a commission to Custodians that is higher than another qualified broker dealer might charge to effect the same transaction.

d. Disclosure of whether we use soft dollar benefits to service all of our *clients'* accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.

We have nothing to disclose in this regard. See Item 12.A.1.

e. Description of the types of products and services our firm or any of our *related persons* acquired with *client* brokerage commissions (or markups or markdowns) within our last fiscal year.

We have nothing to disclose in this regard. See Item 12.A.1.

f. Explanation of the procedures we used during our last fiscal year to direct *client* transactions to a particular broker-dealer in return for soft dollar benefits we received.

We have nothing to disclose in this regard. See Item 12.A.1.

2) Brokerage for *Client* Referrals. If we use client brokerage to compensate or otherwise reward brokers for client referrals, we must disclose this practice, the conflicts of interest it creates, and any procedures we used to direct client brokerage to referring brokers during the last fiscal year (*i.e.*, the system of controls used by us when allocating brokerage)

Our firm does not receive brokerage for client referrals.

3) Directed Brokerage.

a. If we routinely recommend, request or require that a *client* directs us to execute transactions through a specified broker-dealer, we are required to describe our practice or policy. Further, we must explain that not all advisers require their *clients* to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of *client* transactions, and that this practice may cost our *clients* more money.

Neither we nor any of our firm's related person have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

**Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan.

b. If we permit a *client* to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost *clients* more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.

See Item 12A(3) of this Brochure.

B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various *client* accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to *clients* of not bunching.

We have nothing to disclose in this regard. We do not place trades for our clients.

### **Item 13. Review of Accounts or Financial Plans**

- A. Review of *client* accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our *employees* who conduct the review.

We review accounts on at least a quarterly basis for our clients subscribing to the following services: Asset Management and Independent Money Management clients receive at least quarterly reviews. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

Pension consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to pension consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

- B. Review of *client* accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's circumstances, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to *clients* regarding their accounts.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to the following services: Asset Management and Independent Money Management.

As mentioned in Item 13A of this Brochure, pension clients do not receive written or verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

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

- A. If someone who is not a *client* provides an economic benefit to our firm for providing investment advice or other advisory services to our *clients*, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

Please see Item 12 of this Brochure, we have nothing else to disclose in this regard.



- B. If our firm or a *related person* directly or indirectly compensates any *person* who is not our *employee* for *client* referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

### **Item 15. Custody**

**Note: Item 15. Custody ONLY relates to our Asset Management/Independent Money Management. It does NOT apply to our Pension Consulting services.**

- A. If we have *custody* of *client* funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our *clients*, we must disclose that we have *custody* and explain the risks that you will face because of this.

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

- B. If we have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our *clients*, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully review those statements.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

### **Item 16. Investment Discretion**

If we accept *discretionary authority* to manage securities accounts on behalf of *clients*, we are required to disclose this fact and describe any limitations our *clients* may place on our authority. The following procedures are followed before we assume this authority:

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Asset Management clients. We do not take or exercise discretion with respect to our other clients.

## **Item 17. Voting Client Securities**

- A. If we have, or will accept, proxy authority to vote *client* securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

However, independent money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, 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. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

If we do not have authority to vote *client* securities, we must disclose this fact.

See item 17a of this brochure.

## **Item 18. Financial Information**

- A. If we require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

- B. If we are an SEC-registered adviser and have *discretionary authority* or *custody* of *client* funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to *clients*.

We have nothing to disclose in this regard.

- C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.