

Part 2 of Form ADV: Firm Brochure
Dated: 5/8/2012

THE SHERRY GROUP, INC.

5 East Sixth Street
Mountain Home, AR 72653

Phone: (870) 425-8252
Fax: (870) 425-9223
Email: tczanstkowski@tfamail.com

This brochure provides information about the qualifications and business practices of The Sherry Group, Inc. If you have any questions about the contents of this brochure, please contact us at (870) 425-8252. 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 The Sherry Group, Inc., is also available on the Securities and Exchange Commission website at www.adviserinfo.sec.gov.

The term “Registered Investment Advisor” that is used in this brochure does not imply a certain level of skill or training.

Material Changes:

This Brochure, dated May 8, 2012, is an update from our previous brochure dated February 15, 2012. Changes to this brochure include the following:

- The brochure was prepared to file state registration applications with both Arkansas and Illinois. Item 19 was added to comply with state requirements.

The above list includes a description of material changes made to the firm's current Disclosure Brochure (Form ADV Part 2A). We will provide you with a new brochure as necessary based on changes or new information, at any time, without charge, upon request from you.

Currently, our brochure may be requested by contacting, Tom Czanstkowski, Chief Compliance Officer, at 870-425-8252 or by email at tczanstkowski@tfamail.com.

Additional information about The Sherry Group, Inc. is available by accessing the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with the firm who are registered, or are required to be registered, as investment advisor representatives of the firm.

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Item #4 ADVISORY BUSINESS:

The Sherry Group, Inc. (TSGI) has been serving clients since April 1, 2008. Prior to that the registered investment advisors of TSGI were associated with another advisory firm called Paragon Advisors. TSGI advisors were associated with Paragon Advisors from October 1, 2002 – April 1, 2008.

TSGI is owned by H. Raymond Sherry and his wife Jeri Sherry. There are two Investment Advisors that provide investment and financial planning advice to clients. They are H. Raymond Sherry and Thomas R. Czanstkowski. Investment advice may only be provided by registered investment advisors who have passed qualifying securities examinations and either the (i) series 7, or (ii) series 6 and 62 securities examinations

TSGI provides “Total Financial Planning” services/advice to its clients. “Total Financial Planning” means that we look holistically at all the client’s financial affairs and systematically work on the areas that are of most urgency to the client. These areas include: Investments, Retirement Planning, Personal/Business Insurance, Estate Planning, and Financial Organization and Record Keeping. We have a special emphasis on Investment Management and Portfolio Monitoring. We also assist in but do not practice in banking, taxes, drafting of legal documents, and property/casualty insurance.

(TSGI’s emphasis in the Investment Management and Portfolio Monitoring area means that we help establish a clients long term financial goals and then develop a portfolio asset allocation based upon our proprietary risk/reward system that matches the desired deposits/returns to have the best opportunity to achieve the goals. Annual reviews of the progress toward the goals are calculated and then the portfolio asset allocation readjusted for the current values/timeframe.) By using this process, each client has a tailored investment strategy designed just for them.

TSGI’s clients can restrict the amount of monies that go into a particular investment or restrict that investment totally.

In certain cases, TSGI may also provide clients with advice regarding the purchase of insurance products, employee benefits planning, retirement plan distribution planning and estate planning. TSGI officers and representatives providing investment advice are licensed insurance agents and therefore may receive commissions on the purchase of insurance products by the firms clients.

Third-Party Advisory Programs

In some cases, TSGI may provide access to asset management services offered by independent, third-party investment advisors. Such asset management programs may include wrap accounts, separately managed accounts, ETF programs, asset allocation modeling, or other asset management services which will be described in the independent third-party advisor’s offering materials. TSGI will assist a client in determining, among other things, whether the third-party advisory program is appropriate for the client based on the client’s investment goals and objectives. TSGI will also assist the client in completing all account opening documents for the third-party program; however, it is the client’s responsibility to select the third-party program and to review all offering materials provided by the independent third-party investment advisor. The client will be subject to the advisory fees described in the third-party program offering materials. In some cases, TSGI will be

paid a portion of the fee collected by the third-party advisor as described in the third-party advisor's disclosure brochure. In other cases, TSGI will charge its normal and customary asset management fee as disclosed in its current asset management fee schedule. The specific fee arrangement will be described on the Investment Advisory Agreement signed by the client.

Assets Under Management

As of December 31, 2011, TSGI was providing investment advisory services to 153 clients/households. The total value of assets under management for which the firm provides regular and continuous investment management services was \$36,147,769, held in approximately 369 accounts.

Item #5 FEES AND COMPENSATION

TSGI charges fees for the following services:

- 1) A percentage of "assets under management"
- 2) Hourly charges
- 3) Fixed rate charges for special projects

Fee Schedule for "Assets Under Management"

	Percent Yearly	Percent Quarterly
First \$500,000	1.00%	0.25%
Next \$500,000	0.75%	0.1875%
Next \$1,000,000	0.50%	0.125%
Over 2,000,000	0.25%	0.0625%

These charges are base on the value of "assets under management" at the end of each calendar quarter charged in arrears.

The above fee schedule will apply to all TSGI's clients; however fees may be negotiable depending on extenuating circumstances, at the sole discretion of TSGI. Fees are generally debited from client accounts, upon specific authorization from the client. TSGI will provide written notice to the custodian as to the amount of fee to be debited. TSGI will also provide written invoices to clients showing the assets on which the fee is assessed, the method of fee calculation, and the total amount of the advisory fee. Custodians send clients statements at least quarterly, which detail the fees debited from the account. Clients are responsible for verifying the accuracy of fees debited. Fees will be deducted from the clients accounts 15 days after the date of the invoice. Clients can choose to pay the fees by check if they so desire.

Hourly charges are based on a rate of \$175-\$250 per hour for services rendered by the registered advisor. Charges for administrative services are charged at a rate of \$50 per hour. Clients will

receive an invoice showing hours worked and broken out by each hourly rate. Fees will be payable within 30 days after the date of the invoice.

Fixed rate charges will be based on specific projects. These projects will specify the type of project, the tasks performed, and the specified outcome, or deliverable to the client. Charges will be agreed upon in advance by both parties.

Fees for third-party advisory programs will be disclosed in the independent third-party advisor's disclosure brochures. Clients will receive all applicable disclosure brochures prior to, or at the time a relationship is established. See discussion in Item 4 above for third-party advisory services. TSGI may receive a portion of the fees charged by the third-party investment adviser.

Investment advisory agreements between TSGI and its clients are terminable at any time by either party upon fifteen (15) days prior written notice to the other party and fees will be pro-rated. For Agreements terminated by written request within the first five (5) business days following execution, clients may request a full refund of any fees paid and Agreements will be terminated without penalty. Investment Advisory Agreements will indicate the types of advisory services to be provided by TSGI to Clients, and will specify the fees to which Client is subject.

TSGI's officers and its representatives who provide investment advice to clients are registered securities representatives of Transamerica Financial Advisors, (TFA), a registered broker/dealer. If TSGI's clients purchase securities products from TSGI's officers or representatives, such officers or representatives will receive a portion of the gross dealer concession, (commission), paid on such products, acting in the capacity of TFA registered representatives. The actual percentage of the commission received will vary based upon the officer's or representative's annual commission volume. In cases where no-load fund or adviser share mutual funds are recommended, TSGI's officers and representatives may receive additional compensation in the form of 12b-1 fees paid by the mutual fund issuer. Complete information regarding any such fees is disclosed in the product prospectus. In addition, officer of TSGI may receive additional compensation from TFA for supervisory and administrative functions performed on TFA's behalf, or as reimbursement for office overhead expenses.

Item #6 PERFORMANCE BASED FEES and SIDE-BY-SIDE MANAGEMENT

Currently TSGI does not charge or have agreements with clients to charge performance based fees. If a client wants to enter into a performance based fee arrangement, then a supplement to the Investment Advisory Agreement must be signed that specifically outlines the performance fee arrangement

Client will incur additional fees/expenses from the custodian, sponsoring company, and brokerage firm. These fees are associated with custody of client funds, mutual fund expense ratios, and trading cost. (see "Brokerage" section of this brochure")

Other Compensation

TSGI's registered investment advisors accept compensation for the sale of securities or other investment and insurance products. This compensation is not in addition to the asset under

management charges paid by clients. These are for products that are outside of the Investment Advisory Agreement and are sold through broker/dealers and insurance agencies/companies. When accepting investment commissions the advisor is acting as a Registered Representative of Transamerica Financial Advisors, a registered Broker/Dealer, and is unaffiliated with TSGI.

Being compensated by both commissions and fees presents a conflict of interest and may give the registered investment advisor an incentive to recommend certain products based upon compensation received, rather than on clients needs. TSGI's investment advisors address this conflict by completely explaining to clients which investment or insurance products fall under the assets under management or commission structure. It is then the clients choice as to how they would like to pay the compensation. Some product can only be purchased under one compensation structure and therefore the client has to choose if they would like that product even if the compensation structure is not their preferred choice.

When TSGI's investment advisors recommend mutual funds, they use "no-load" funds.

Clients have the option to purchase the investment products that are recommended through other brokers or agents that are not affiliated with TSGI. However, the client should clearly state their intention of this prior to signing the Investment Advisory Agreement. This will insure that appropriate compensation and structure will be agreed upon by both parties. Clients should also be aware that TSGI may not be able to provide full advisory services to accounts that are held at other brokers/agents.

Item #7 TYPES OF CLIENTS

Listing of the types of clients that TSGI provides investment services to:

Individuals	Joint Accounts	Trusts
Pension Plans	Profit Sharing Plans	Corporations
Charitable Organizations	Partnerships	Estates

In general TSGI requires that the client have at least \$100,000 of assets under management. All account types are aggregated together to reach this threshold. Exceptions may be made to this requirement for clients with over \$50,000 or for clients who open new accounts and make regular contributions, granting a grace period of two years. After the two year grace period, if assets under management remain below \$100,000, a \$300 administrative fee may be assessed, at TSGI's sole discretion at the beginning of the third year and each year following that the assets under management are under the \$100,000 minimum.

Item #8 METHOD OF ANYLYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Type of investments used in TSGI client recommendations:

Listed Equity Securities: Stocks traded on national and over the counter exchanges.

Warrants: Rights to purchase securities listed on national exchanges.

Corporate Debt: Bonds and Debt instruments traded on national and over the counter exchanges.

Certificate of Deposits: Issued by banks and sold through brokerage accounts.

Municipal Securities: Bonds issued by state and local government agencies sold through Brokerage accounts.

Investment Company Securities: Mutual Funds shares, Variable Annuity units, and Variable Life Insurance.

U.S. Government Securities: Bonds and Debt instruments issued by the U.S. Government and sold through brokerage accounts.

Options Contracts: Rights to buy/sell covered calls/puts on listed equity securities.

Partnership Interests: Buying/Selling units in partnerships for real estate, oil and gas, equipment leasing, private placements, and real estate investment trusts (REIT's).

Method of Analysis

Fundamental: the use of corporate financial statements to compare its intrinsic value verses the current stock price. This is a more long term approach.

Technical: the use of charts and stock price to compare current/future earnings and growth ratios to come up with a price target. This is a more short/medium term approach.

Cyclical: the use of economic or seasonal trends in evaluating the supply and demand for a corporations products and services. This is a more short/medium term approach.

The main sources of information used in these analysis methods are from financial newspapers, magazines, annual reports, prospectuses, SEC filings, company press releases, and research reports prepared by third parties.

Strategies

Asset Allocation: splitting monies into different asset classes. (e.g.) Cash, Bonds, Stocks, Real Estate, Gold...) This strategy is more long term in nature.

Diversification: splitting monies in each asset class into different investments rather than just one investment. (e.g.) buying a mutual fund in the small cap stock asset class that owns 200 individual stocks rather than just one startup companies stock. This strategy is more long term in nature.

Sector/Market Trends: watching individual parts of the economy or market sectors and when they perform substantially above the other sectors taking some or all the gains/investment and reallocating it to the under performing ones. This strategy is more short/medium term in nature.

Margin Transactions: margin transaction may be used in either one/all of the strategies listed above. This strategy uses leverage or borrowing of additional monies for investment purposes. This strategy has additional risks associated with it. (see below)

Risk of Loss

Each type of investment and strategy employed has its own unique set of risks and potential for gain/loss. It is extremely important that the client understands these risk fully as well as any other potential issues like surrender charges, illiquidity, and taxation. TSGI's registered investment advisors explain these risks in the recommendation phase as well as provided clients with a prospectus and other supplemental information provided by the investment company. TSGI's registered investment advisors have every reason to believe that what they are recommending is a suitable investment for the client based upon all the information the client has provided to them.

Item #9 DISCIPLINARY INFORMATION

As of the date of this brochure, there are no legal or disciplinary actions or events pending that are material to a client or prospective client's evaluation of TSGI's advisory business or the integrity of its management.

Item #10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As of the date of this brochure, no TSGI's registered investment advisors participate in any financial industry activities other than that of an investment advisor, registered representative of a broker/dealer, and an insurance agent/broker.

H. Raymond Sherry and Thomas R. Czanstkowski are both registered representative of Transamerica Financial Advisors Inc. (TFA), a registered broker/dealer, as are two other members of our back-office personnel.

The insurance agent and registered representative relationship between TSGI's registered investment advisors and TFA has the potential for a conflict of interest. These conflicts are discussed under the "other compensation" section on page 6.

Item #11 CODE OF ETHICS

TSGI has adopted a Code of Ethics to promote the principles of honesty and integrity in its business practices, and to maintain TSGI's reputation as a firm that operates with the highest level of professionalism. TSGI recognizes its fiduciary responsibilities to its clients, and its duty and pledge to place clients' interest first and foremost. In connection with this duty, all employees of TSGI are subject to the firm's Code of Ethics, and are required to acknowledge their understanding of its terms.

TSGI and its employees are required at all times, to comply with applicable federal and state securities laws and regulations. All employees have a duty to comply and cooperate with any investigation or inquiry conducted or authorized by TSGI. All employees of TSGI are required to avoid any circumstances that might adversely affect or appear to affect the firm's duty of loyalty to its clients. Conflicts of interest must be avoided at all times, or in cases where such conflicts cannot be avoided, full disclosure must be given to clients. Employees are prohibited from favoring one client over another client. Employees are also prohibited from using any knowledge about client transactions to personally benefit or profit.

A conflict of interest would exist when the personal interest of employees interfere with their responsibilities to the firm and its clients. Therefore, employees are prohibited from accepting inappropriate gifts, favors, or other things of material value that could influence their decision-making. Similarly, employees are prohibited from offering gifts, favors or other things of value that could be viewed as overly generous or aimed at influencing the decision making of a client or potential clients.

TSGI will review its Code of Ethics on an annual basis and will update it when the need exists. Any employee that violates the firm's Code of Ethics will be subject to reprimand and the situation will be reviewed by the Chief Compliance Officer. Any subsequent violation of the firm's Code of Ethics could result in the employee's termination. Clients who wish to receive a copy of the firm's Code of Ethics may request one by submitting a written request to the firm.

Participation/Interest in Client Transactions

Employees of TSGI are required to report personal trading activity on a quarterly basis, and must report personal holdings on an annual basis. New employees are required to report personal holdings upon employment and on an annual basis thereafter. Employees and their immediate family members are prohibited from participating in any initial public offering. Additionally, employees and their immediate family members must receive prior approval from TSGI before participating in any private placement offering. For all other personal securities transactions, with the exception of transactions in direct obligations of the US Government, shares of investment company or variable insurance products, bank certificates of deposit, shares or unit investment trust or money market funds, employees may not knowingly execute personal transactions for which a client has a pending transaction, and must report all transactions as part of the quarterly process. TSGI does not engage in Principal Transactions with Clients. TSGI does not buy securities from nor sell securities to clients from its own account.

It is possible that TSGI's employees or immediate family members will have investments in listed securities that are recommended to clients. TSGI's registered representatives must disclose this to the

clients if this is the fact. As per the Code of Ethics, TSGI's registered representative and employees are prohibited from willingly using pending buy/sell recommendations to affect transactions in those same securities prior to the placement of all such transactions for TSGI's clients.

Privacy Policy

TSGI maintains a specific Privacy Policy that is distributed to each client at the time an account is opened and annually thereafter. TSGI collects nonpublic information about you from the following sources: information we receive from you verbally, on applications or other forms, and about your transactions with other or us. TSGI may have to share non public client information with unaffiliated firms in order to service your account. Additionally, we may have to provide information about clients to regulatory agencies as required by law. Otherwise, TSGI will not disclose any client information to an unaffiliated entity unless a client has given express permission for us to do. TSGI is committed to protecting your privacy. We restrict access to clients' personal and account information to those employees who need to know the information. We also maintain physical, electronic, and procedural safeguards that we believe comply with Federal standards.

Item #12 BROKERAGE PRACTICES

TSGI's uses Pershing LLC, a Bank of New York Securities Group Company for all client brokerage services and transactions. (TFA) has an agreement with Pershing, and as a Registered Representative of (TFA) TSGI's advisors use Pershing as well. Through (TFA – broker/dealer), the client fees and charges have been negotiated and TSGI believes that these charges are fair and competitive as related to other brokerage firms. TSGI cannot guarantee that the clients will receive the best execution price for all transactions. As discuss in "other compensation" on page 6, clients have the choice to use other broker/dealers and brokerage services for completing the recommended transactions. In using other brokers/dealers Clients may pay higher/lower custodial fees, execution charges, and other fees. TSGI does not aggregate trades or do block trading.

Item #13 REVIEW OF CLIENT ACCOUNTS

TSGI's registered investment advisors are responsible for all client account reviews. Accounts will be reviewed not less than annually to determine whether the client's account continues to meet (a) investment objectives, (b) level of risk preferred, and (c) standard of performance.

Additional account reviews may become necessary at times other than the normally scheduled time. Such items that may trigger additional reviews are: substantial change in clients financial and/or family situation, tax law changes, and but not limited, to economic changes.

TSGI furnishes clients with written account summaries, aggregated performance reporting, risk tolerance evaluation, asset allocation/diversification review, and specific investment reporting during the client review meeting. Clients will also receive account statements, no less than quarterly, from the investment company or custodian of their accounts.

Item #14 CLIENT REFERRALS AND OTHER COMPENSATION

TSGI's registered investment advisors, employees and family members do not and are prohibited from accepting any form of compensation other than the commissions and fees that are specifically spelled out in the Investment Advisory Agreement, through (TFA's) broker/dealer, or insurance agencies/companies. (See Item #5 for additional information). There is no compensation received from referring clients of TSGI to other financial advisory professionals.

TSGI may pay compensation in the form of "asset under management" fees to individuals who are Solicitors of the firm. Solicitors will be paid pursuant to a written Solicitor's Agreement, under Rule 206(4)-3 of the Investment Adviser Act of 1940 and applicable state rules. Affected clients will be provided with a Solicitor's Disclosure Document that will disclose the fees paid to the Solicitor. Use of Solicitors will not increase the fees charged.

In some cases, TSGI may refer a client to an independent third-party investment advisor for management of all or a portion of the client's assets. In these cases, clients will receive full disclosure brochures from the third-party advisor to whom they are referred. TSGI will typically be compensated for these referrals in the form of a Solicitor's fee or as a portion of the advisory fee charged by the independent third-party advisor. In some cases, TSGI will charge asset management fees separate from the third-party advisor to whom a client is referred.

Item #15 CUSTODY

TSGI does not accept custody of client funds. All funds received from clients are promptly forwarded to the appropriate investment company or brokerage firm. Any funds held overnight are placed in a locked cabinet and sent out the next business day. TSGI does not accept cash and adheres to all Anti Money Laundering rules and regulations.

Item #16 INVESTMENT DISCRETION

TSGI's registered investment advisors do not have discretionary authority over client accounts. No transactions can be affected in client account without the oral or written consent of the client.

Item #17 VOTING CLIENT SECURITIES (PROXY)

TSGI does not have the authority to vote client securities (proxies). Clients may call the firm to ask questions and get the firm's opinion. Clients are encouraged to vote their shares by following the instructions on the proxy.

Item #18 FINANCIAL INFORMATION

TSGI does not require or solicit prepayment of more than \$500 in advisory fees more than six months in advance of services rendered. TSGI is therefore not required to include a financial statement or balance sheet with this brochure.

TSGI does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. TSGI has not been the subject of any bankruptcy petition.

Item #19 Requirements for State Registered Investment Advisers

TSGI is owned by H. Raymond Sherry and his wife, Jeri Sherry. Ray Sherry is the principal advisor of the firm, which he founded in 2007. Ray was born in 1948 and is a 1970 graduate of the University of Illinois, where he earned a B.S. in Education. Ray holds the CLU and ChFC designations, both conferred by the American College. He has been affiliated with Transamerica Financial Advisors, Inc., an unaffiliated registered broker/dealer and investment adviser, since 1992. Prior to that, Ray was affiliated with Guardian Investors Services Corp and The Guardian Insurance Company of America.

Thomas R. Czanstkowki serves as the firm's Chief Compliance Officer and is also an investment adviser representative of the firm. Since 1998, Tom has been affiliated with Transamerica Financial Advisors, Inc., an unaffiliated registered broker/dealer and investment adviser. Tom was born in 1972 and is a 1997 graduate of the University of Arkansas, where he earned a B.S. in Business Administration. Tom is currently pursuing the Certified Financial Planner ("CFP") designation.

TSGI does not charge performance-based fees for its advisory services. All fees for advisory services are described in Item 5 above.

State registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of the firm's management. TSGI does not have any reportable information applicable to this Item.

Neither TSGI nor its Principals has any relationship or arrangement with any issuer of securities.