



**IFG**

**Investors Financial Group, LLC**  
A Registered Investment Advisor

**Item 1 –Cover Page**

**ADV Part 2A Disclosure Brochure**

**Investors Financial Group, LLC**

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This brochure provides information about the qualifications and business practices of Investors Financial Group. If you have any questions about the contents of this brochure, please contact Tim Gaarder at 763-525-0001 or at [timothy.gaarder@lpl.com](mailto:timothy.gaarder@lpl.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 Investors Financial Group is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for our firm name, Investors Financial Group or by our firm's CRD number, which is **154168**.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## Item 2 – Material Changes

Since our last annual update was filed in February 2017, the following material changes have been made to this disclosure brochure:

- As of our last annual update we managed \$586,595,035. The current amount of client assets is \$714,723,698. Please refer to **Item 4 – Advisory Business** for more details.
- The firm has enhanced the conflicts of interest disclosures contained in **Item 5 Fees and Compensation, Item 10 – Other Financial Industry Activities and Affiliations, Item 12 – Brokerage Practices** and **Item 14 - Client Referrals and Other Compensation**.
- The firm has ceased using Curian Capital as a third party money management firm.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Investors Financial Group is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company formed under the laws of the State of Minnesota.

- Investors Financial Group is owned by the following individuals:
  - Timothy Gaarder – Managing Member
  - Ronald Bickford – Member & Chief Compliance Officer
  - Richard Anderson– Member
- Investors Financial Group has been registered as an investment advisor since July 2010.
- Investors Financial Group also does business under the following names:
  - Gourde Wealth Management
  - Landvik Financial
  - Meyer and Norland Financial Group, and
  - Wealth Architects, Inc.

### **General Description of Primary Advisory Services**

Investors Financial Group provides advisory services including 1) Retirement Plan Consulting for Defined Contribution Plans; 2) Comprehensive Advisory Service, which is a wrap-fee asset management service; 3) Institutional Consulting & Advisory Services; 4) Financial Planning Services; and 5) various advisory services through LPL Financial Sponsored Advisory Programs. A more detailed description of Investors Financial Group’s advisory services is provided in *Item 5 – Fees and Compensation* so that clients and prospective clients can review the description of services and description of fees in a side-by-side manner.

### **Limits Advice to Certain Types of Investments**

Investors Financial Group provides investment advice on the following types of investments:

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Foreign Issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- United States government securities
- Options contracts on securities
- Interests in partnerships investing in real estate, oil and gas interests
- Private placement investments, including funds of hedge funds and other similar vehicles

Investors Financial Group does not provide advice on warrants, options contracts on commodities, or futures contracts on tangibles or intangibles.

When providing asset management services, Investors Financial Group typically constructs each client’s account holdings using index-linked exchange traded funds (ETFs), mutual funds and, in some cases, individual fixed income and equity securities to build diversified portfolios. It is not our typical investment strategy to attempt to time the market but we may make periodic adjustments to a client’s asset allocation or increase cash holdings modestly as deemed appropriate,

based on the client's risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. *(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Participation in Wrap Fee Programs**

Investors Financial Group offers services through both wrap-fee programs and non-wrap fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee is charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), Investors Financial Group will receive all or a portion of the fee charged.

### **Tailor Advisory Services to Individual Needs of Clients**

Investors Financial Group's services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

### **Client Assets Managed by Investors Financial Group**

The amount of clients assets managed by Investors Financial Group totaled \$714,723,698 as of December 31, 2017. All assets managed by Investors Financial Group are managed on a discretionary basis and no assets are managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

### **Retirement Plan Consulting for Defined Contribution Plans**

Investors Financial Group offers Retirement Plan Consulting for employer sponsored defined contribution plans. Our firm will provide plan-level consulting, which includes the development of an Investment Policy Statement and asset allocation guidelines for the plan. We will assist in the selection, evaluation, and review of fund investments offered under the plan. We may also assist the plan with the evaluation and selection of other service providers to the plan. Retirement Plan Consulting services will include regular meetings (at least quarterly) between our Firm and the plan. The plan may elect to have our Firm provide quarterly performance reports to the plan.

Investors Financial Group may provide education and advice to plan participants, either as a service provided under the consulting agreement with the plan, or under a separate financial planning agreement on behalf of plan participants. Educational services to plan participants may include topics such as benefits of plan participation, the risk and return objectives of the funds offered in the plan, and general concepts of investing.

Investors Financial Group will charge for retirement plan consulting services on a fixed fee basis or based upon the value of assets receiving consulting services. If charged upon the value of assets receiving consulting services, the fee will be based on the value of the account at the end of the previous quarter. Fees for retirement plan consulting services will be charged quarterly in advance via invoice issued from our Firm.

## Comprehensive Advisory Service

Investors Financial Group is the sponsor of the Comprehensive Advisory Service (CAS), a managed account program developed through an arrangement using LPL Financial Corporation's (LPL) Strategic Wealth Management platform. Through CAS, Investors Financial Group provides investment advisory services, including providing continuous investment advice to you (the client) and making investments for you based on your specific needs, objectives, and risk tolerance. Through this service, we offer a customized and individualized investment program for you. While individual securities may be used in portfolio construction, client portfolios will primarily use pooled investments, such as mutual funds, index mutual funds and index-linked exchange traded funds. If appropriate, we may also use certain private placement investments, based on investor qualifications. Asset allocation will be the underlying investment discipline for the CAS. For clients who have contracted for the CAS, we may additionally assist the client with the development of an Investment Policy and provide qualitative research on funds used in Investors Financial Group's portfolio construction.

CAS accounts are established at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC. LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for our clients through the CAS. LPL provides clearing, custody and other brokerage services for accounts established through the CAS. Therefore, clients will be required to establish a brokerage account(s) through LPL's Strategic Wealth Management platform. Separate accounts are maintained for each client. Each client retains all rights of ownership of their accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

CAS accounts allow clients to authorize Investors Financial Group to purchase and sell investments for client's portfolio on a discretionary basis. Our discretion with respect to your account and the securities eligible to be purchased for your account may be limited according to parameters mutually agreed upon by you and Investors Financial Group.

During any month that there is activity in the CAS Program account, you receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you receive a confirmation of each transaction that occurs within the CAS Program account unless the transaction is the result of a systematic purchase, redemption or exchange. You will also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL.

The annual investment advisory fee charged will be according to the following schedule:

<u>Account Value</u>	<u>Annual Fee</u>
\$0 - \$500,000	2.00%
\$500,001 - \$1,000,000	1.75%
\$1,000,000 - \$2,000,000	1.50%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	.75%
Over \$10,000,000	.50%

While it is not Investors Financial Group's policy to accept any new accounts using a fee schedule other than shown above, varying workloads between clients can mean some variability of fees and fees may be negotiated by Investors Financial Group at our sole discretion. The exact fee for services will be agreed upon and disclosed in the agreement for services prior to services being provided.

The annual fee will be divided and payable quarterly in advance through a direct debit in the client account. LPL is responsible for calculating and debiting all fees from client accounts. Clients must provide with LPL written authorization to debit advisory fees from their accounts and pay such fees to Investors Financial Group. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

Prior to engaging Investors Financial Group to provide investment management services, you will be required to enter into a formal investment advisory agreement with Investors Financial Group setting forth the terms and conditions, including the amount of investment advisory fees, under which we will manage your assets and a separate custodial/clearing agreement with LPL Financial.

The CAS Programs offers clients access to either a WRAP or Non-WRAP accounts. A wrap fee account program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. In a Non-WRAP account, clients will pay a transaction fee in addition to the management fee charged. Whenever a management fee is charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged. You may open a CAS I or CAS II account. A CAS I account is a non-WRAP account therefore in addition to the investment advisory fee, you will pay certain transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform brokerage account and application agreement. In the CAS II account, you do not pay transaction charges associated with trade execution.

Clients should be aware that the use of a WRAP Fee account creates a conflict of interest in that your investment advisor representative has an inherent disincentive to reallocate investments or otherwise place trades in client accounts due to the transaction costs they would be charged and investment advisor representatives also have an incentive to select investment products that have reduced or no transaction costs regardless of whether such investments are in the best interests of clients.

You may incur certain charges imposed by third parties other than Investors Financial Group in connection with investments made through the account including, but not limited to, mutual fund expenses and management fees, IRA and qualified retirement plan fees. Management fees charged by Investors Financial Group (which include transaction and execution fees charged by LPL for CAS Program I accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

The CAS Program I and CAS Program II may cost you more or less than if your assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the account representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for your account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a CAS Program I or CAS Program II account.

Investors Financial Group does not charge a lower advisory fee for CAS Program I accounts versus CAS Program II accounts. Therefore, there is the potential for CAS Program I account clients to pay higher overall costs which are derived from the amount of trading activity within an account. This is because transaction costs are passed along to the client in CAS Program I accounts whereas transactions costs are covered under the overall fee charged for CAS II Program Fee accounts.

Either party may terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services will be terminated without penalty and a full refund of all fees paid in advance will be provided. If services are terminated after the initial five day period, Investors Financial Group will provide you with a prorated refund of fees paid in advance. The refund will be based on the number of days service was actually provided during the final billing period. Termination will be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There will be no penalty charge upon termination.

### **Institutional Consulting & Advisory Services**

Consulting & Advisory services to institutional clients may be provided via the Comprehensive Advisory Service wrap-fee program developed through an arrangement using LPL's Strategic Wealth Management platform, or alternatively, subject

to the discretion of Investors Financial Group, may be provided outside of the wrap-fee program in instances where the institutional client has directed Investors Financial Group to use a custodian other than LPL. For the institutional clients, we will assist client with the development and/or review of a written Investment Policy Statement (IPS).

For any accounts that are held at a custodian other than LPL, the account statements will be issued by the designated account custodian and LPL will not prepare a quarterly performance report for such accounts. However, Investors Financial Group will issue a quarterly comprehensive investment performance report prepared by us to all institutional clients.

The annual investment advisory fee charged for institutional advisory & consulting services will be according to the following schedule:

<u>Account Value</u>	<u>Annual Fee</u>
\$1,000,000 - \$2,000,000	1.50%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	.75%
Over \$10,000,000	.50%

While it is not Investors Financial Group's policy to accept any new accounts using a fee schedule other than shown above, varying workloads between institutional clients can mean some variability of fees and fees may be negotiated by our Firm at our sole discretion. The exact fee for services will be agreed upon and disclosed in the agreement for services prior to services being provided. Investors Financial Group requires that the Institutional Plan Account have a minimum value of one million dollars (\$1,000,000). At our discretion, we may waive this minimum account requirement.

The annual fee will be divided and payable quarterly in advance through a direct debit in the client account. LPL or the alternative designated custodian is responsible for calculating and debiting all fees from client accounts. Clients must provide the custodian written authorization to debit advisory fees from their accounts and pay such fees to Investors Financial Group. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

Prior to engaging Investors Financial Group to provide consulting and advisory services, you will be required to enter into a formal investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees under which we will provide consulting and advisory services, and enter a separate custodial/clearing agreement with LPL or the alternative custodian as selected by you.

Institutional clients whose accounts are held at LPL will not be charged a custodial fee for assets held at LPL and transaction and ticket fees charged by LPL will not be billed directly to the Account. For the institutional clients Accounts held at LPL, Investors Financial Group will pay all transaction and execution costs. If you have directed Investors Financial Group to use a custodian other than LPL, then that alternative custodian may charge a custodial fee, and the broker-dealer that will execute the transactions for the Account may bill transaction costs and ticket fees directly to your Account. You should refer to your separate agreement(s) with the custodian and the executing broker-dealer for a description of the charges that may be billed to your account by the custodian and by the executing broker-dealer.

If you direct the use of a particular broker/dealer or other custodian, you understand Investors Financial Group may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, you may receive less favorable prices than would otherwise be the case if you had not designated a particular broker/dealer or custodian. Directed trades may be placed by Investors Financial Group after effecting non-directed trades for our other clients. When we implement trades on an aggregated basis, it is not possible to include client-directed trades with the aggregated trades executed through a broker/dealer or custodian recommended by us.



You may incur certain charges imposed by third parties other than Investors Financial Group in connection with investments made through the account including, but not limited to, mutual fund expenses and management fees, IRA and qualified retirement plan fees. Management fees charged by Investors Financial Group (which include transaction and execution fees charged by LPL for accounts custodied at LPL) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses is available in each investment company security's prospectus.

The institutional accounts that are held through LPL and receive consulting and advisory services through the Investors Financial Group sponsored wrap program, Comprehensive Advisory Services II, may cost more or less than if the assets were held in a traditional (non-wrap fee program) brokerage account. In a traditional brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for your account or do not wish to purchase ongoing investment advice, consulting, or management services, you should consider opening a brokerage account rather than an account under the institutional consulting and advisory services agreement.

Investors Financial Group does not always charge a lower advisory fee for CAS Program II accounts than for accounts receiving institutional consulting and advisory services outside of the CAS Program, at a custodian directed by the client. Therefore, there is the potential for accounts that are outside of the CAS Program II to pay higher overall costs which are derived from the amount of trading activity within an account. This is because transaction costs are passed along to the client for accounts outside the CAS Program II, whereas transaction costs are covered under the overall fee charged for institutional clients with CAS Program II accounts.

Either party may terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services will be terminated without penalty and a full refund of all fees paid in advance will be provided. If services are terminated after the initial five day period, Investors Financial Group will provide you with a prorated refund of fees paid in advance. The refund will be based on the number of days service was actually provided during the final billing period. Termination will be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There will be no penalty charge upon termination.

This section is intended to be a summary of the CAS Program, which includes the institutional consulting and advisory services for clients whose accounts are held at LPL. If you are contracting for CAS Program services or for institutional consulting and advisory services, you will be provided a copy of the CAS Program Schedule H wrap-fee disclosure brochure

### **Financial Planning**

Investors Financial Group's associated persons provide financial planning services in the form of written financial plans. Investors Financial Group's financial planning services are typically offered to individuals, families, and small businesses. Investors Financial Group does not implement recommendations provided in the customized, written financial plan and any implementation of recommendations would be pursuant to a separate engagement with Investors Financial Group. Financial planning services will include an analysis of your personal goals, objectives, and risk parameters. As a result of the analysis, Investors Financial Group will provide you with a customized, written financial plan. A typical financial plan may include the following components: investment planning, risk management analysis, insurance, educational funding, retirement planning, employee benefit analysis, cash flow analysis, financing options, and charitable giving. In providing financial planning services, Investors Financial Group may provide estate planning or income tax illustrations but such should not be considered tax or legal advice. Investors Financial Group does not provide tax or legal advice. Financial planning services will be comprehensive and may include a review of all of your assets and liabilities.

Financial planning services are provided on a one-time basis; however, Investors Financial Group encourages clients to have their financial situations and investment accounts subsequently reviewed on a regular basis. Financial planning services may be billed on a fixed fee basis or at an hourly rate. The rate set for financial planning services will depend

upon the complexity of your situation and the actual services to be provided. Fixed fee services are based upon an estimate of the number of hours estimated to complete the financial planning services. All financial planning fees are negotiable at the discretion of the advisor.

The hourly rate will range between \$200 and \$450 with no minimum charge. In advance of providing financial planning services, Investors Financial Group will provide you with a written estimate of the amount of hours needed to complete financial planning services, the hourly rate, and the terms of payment. If it is later determined that the total cost will exceed the maximum amount quoted, Investors Financial Group will contact you to receive authorization to provide additional services. Fees for financial planning services are payable in advance at the time the agreement for services is executed. At no time will you be required to pay more than \$500 six or more months in advance.

Financial planning services terminate upon presentation of the written financial plan. You may terminate financial planning services at any time by providing notice to Investors Financial Group. If you terminate the agreement prior to delivery of the written financial plan, you will owe us a fee for the hours worked prior to notification of the termination.

If you decide to accept any of Investors Financial Group's recommendations, it will be your responsibility to implement any recommendations. The financial planning services agreement does not provide Investors Financial Group with trading authorization for any of your accounts, and we will not have direct access to your accounts.

### **LPL Financial Sponsored Advisory Programs**

Investors Financial Group may provide advisory services through certain programs sponsored by LPL Financial Corporation (LPL), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to Investors Financial Group. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Form ADV Part II or the applicable program's Schedule H and the applicable client agreement.

#### **LPL Advisory Services Programs**

##### **Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, the client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Investors Financial Group will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Investors Financial Group will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

A minimum account value of \$15,000 is required for OMP.

##### **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. Investors Financial Group will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Investors Financial Group will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.

A minimum account value of \$250,000 is required for PWP.

## **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. Investors Financial Group will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. Investors Financial Group will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

In the future, the MWP program may make available model portfolios designed by strategists other than LPL's Research Department. If such models are made available, Investors Financial Group will have discretion to choose among the available models designed by LPL and outside strategists.

A minimum account value of \$25,000 is required for MWP.

## **Manager Access Select Program**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Investors Financial Group will assist client in identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. Investors Financial Group will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

## **Fees for LPL Sponsored Advisory Programs**

The account fee charged to the client for each LPL advisory program is negotiable, subject to the following maximum account fees:

Manager Access Select	3.0%
OMP	2.5%
PWP	2.5%
MWP	2.5%

Account fees are payable quarterly in advance through a direct debit in the client account. LPL is responsible for calculating and debiting all fees from client accounts. Clients must provide with LPL written authorization to debit advisory fees from their accounts and pay such fees to Investors Financial Group. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

LPL serves as program sponsor, investment advisor and broker-dealer for the LPL advisory programs. Investors Financial Group and LPL may share in the account fee and other fees associated with program accounts. Associated persons of Investors Financial Group may also be registered representatives of LPL (see Item 7.C).

## **Potential Conflicts of Interest**

Transactions in LPL advisory program accounts are generally effected through LPL as the executing broker-dealer.

Certain investment adviser representatives of Investors Financial Group are also associated with LPL Financial as broker-dealer registered representatives (“Dually Registered Persons”). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through Investors Financial Group. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from Investors Financial Group, you will not receive the benefit of the advice and other services we provide.

Investors Financial Group receives compensation as a result of a client’s participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what Investors Financial Group would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because Investors Financial Group **does not charge or accept performance-based fees**. Performance based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client’s account.

### **Item 7 – Types of Clients**

Investors Financial Group generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an agreement for services in order to establish a client arrangement with Investors Financial Group.

### **Minimum Investment Amounts Required**

For Institutional Consulting & Advisory Services, Investors Financial Group requires that the Institutional Plan Account have a minimum value of one million (\$1,000,000). At our discretion, we may waive this minimum account requirement. There are not minimum investment amounts or account values for our other advisory service programs.

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

#### **Methods of Analysis**

Investors Financial Group uses the following methods of analysis in formulating investment advice:

Cyclical. Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an

economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

**Fundamental.** A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

### **Investment Strategies**

Investors Financial Group uses the following investment strategies when managing client assets and/or providing investment advice:

**Long term purchases.** Investments held at least a year.

**Short term purchases.** Investments sold within a year.

**Trading.** Investments sold within 30 days.

**Margin transactions.** When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Investors Financial Group.

**Option writing including covered options, uncovered options, or spreading strategies.** Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

**Tactical asset allocation.** Allows for a range of percentages in each asset class (such as Stocks = 40-50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

**Strategic asset allocation.** Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

### **Risk of Loss**

You should understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program, including but not limited to:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When our firm invests in a an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

#### **Item 9 – Disciplinary Information**

Investors Financial Group is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no information applicable to this Item.

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

Investors Financial Group is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a

mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

### **Other Business Activities**

Associated persons of Investors Financial Group are involved in business activities other than providing services through the Firm. Associated persons of Investors Financial Group are registered representatives with LPL Financial, and independently licensed insurance agents. These activities are not the principal business of the principal executive officers of Investors Financial Group.

### **Registered Representatives with LPL:**

The Investment Adviser Representatives (“IARs”) associated with Investors Financial Group are also registered representatives with LPL Financial (“LPL”). When acting in this separate capacity, they may offer securities and receive normal and customary commissions as a result of securities transactions. This results in commissions being paid to the IAR in his capacity as a registered representative.

At the client’s option, the client may request that the IAR in the IAR’s separate capacity as a registered representative, render securities brokerage services under a commission arrangement. Under such an arrangement, the client may implement securities transactions through the IAR in the IAR’s respective individual capacity as a registered representative of LPL, a registered broker/dealer and member of the Financial Industry Regulatory Authority (“FINRA”). Brokerage commissions may be charged by LPL to effect these securities transactions and, thereafter, a portion of these commissions may be paid by LPL to the IAR as a registered representative of LPL. Prior to effecting any transactions, the client will be required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker/dealers. In addition, registered representatives may receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

Depending on the type of LPL account that is used to implement a financial plan, such compensation may include (but is not limited to) advisory program wrap fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; hedge fund managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with LPL’s insured deposit account program; administrative services fees for trust accounts; referral fees; and bonuses, awards or other things of value offered by LPL to Investors Financial Group.

Compensation to the IAR and LPL may be more or less depending on the products or services recommended. Therefore, our Firm may have a financial incentive to recommend that a financial plan be implemented using certain products or services.

### **Forgivable Loans**

Certain representatives of Investors Financial Corp may have received a loan from LPL Financial, LLC designed to assist Investors Financial Corp. with transitioning its investment adviser representatives from their former broker-dealer to LPL Financial, LLC. Although the loan was intended to assist Investors Financial Group and its representatives with transition costs, to the extent that the amount of the loan exceeds the costs of transition, loan recipients are not required to refund the unused portion to LPL Financial, LLC and may use the funds for other purposes. The loans made to the representatives may be forgiven by LPL Financial, LLC based upon the amount of commissions and investment advisory fees charged by Investors Financial Group while affiliated with LPL Financial, LLC during the term of the loan.

The receipt of forgivable loans from LPL Financial, LLC presents a conflict of interest in that representatives receiving loans had a financial incentive to maintain a relationship with LPL Financial, LLC and continue recommending LPL Financial, LLC to clients until all loans are forgiven. To the extent that Investors Financial Group or its representatives recommend a client use Securities America for such services, it is because Investors Financial Group and its representatives believe that it is in the client's best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial, LLC and its affiliates. To further control for this conflict of interest, clients are not required to LPL Financial, LLC and can use another Investors Financial Group approved brokerage platform. Investors Financial Group has systems in place to review representative managed accounts for suitability and best execution practices over the course of the advisory relations

#### **Dually Registered as an Investment Adviser Representative**

Certain representatives of Investors Financial Group are also licensed as investment adviser representatives with LPL Financial, LLC. Investors Financial Group and LPL Financial are not affiliated. Through LPL Financial, the representatives provide asset management services as well as referrals to sub-advisors. They earn advisory fees when providing these services through LPL Financial. Therefore, you could receive advisory services from one individual acting as an investment adviser representative on behalf of two separate registered investment advisors. If the representatives of Investors Financial Group provide services to you, you will be given the disclosure brochure of LPL Financial describing the services provided, fees charged and other information. You are encouraged to read and review the disclosure brochures for both Investors Financial Group and LPL Financial and direct questions to your representative.

#### **Independently Licensed Insurance Agents:**

In their capacity as insurance agents, the IARs may offer insurance products and receive normal and customary commissions as a result of a client's purchase of insurance. This presents a conflict of interest to the extent that the IAR may recommend the purchase of an insurance product which results in a commission being paid to the IAR as an insurance agent.

Investors Financial Group's associated persons may sell securities to any client for commissions in their separate capacities as registered representatives. This situation could present a conflict of interest since the associated persons could receive commissions if the client chooses to implement the recommendations of our Firm's associated persons through the associated persons in their separate capacities as registered representatives. Clients are not obligated to implement any recommendation through Investors Financial Group or through its associated persons and are free to choose any broker/dealer they wish to implement the recommendations.

#### **Third-Party Money Managers**

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, Investors Financial Group has formed relationships with independent, third-party money managers.

Investors Financial Group may recommend clients work directly with third-party money managers. When we refer clients to a third party money manager, we receive a portion of the fee charged by the third party money manager. Therefore, we have a conflict of interest in that we will only recommend third party money managers that will agree to compensate Investors Financial Group by paying us a portion of the fees billed to your account managed by the third party money manager.



## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

All investment advisers are required to establish, maintain and enforce a Code of Ethics. Investors Financial Group has established a Code of Ethics that will apply to all of its associated persons. As a fiduciary, it is Investors Financial Group'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. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our 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 when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. Investors Financial Group has the responsibility to make sure that the interests of all clients are placed ahead of the investment interests of Investors Financial Group or its supervised persons. You will be provided with full disclosure of all material facts and potential conflicts of interest prior to any services being conducted. Investors Financial Group and its 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 you wish to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Investors Financial Group or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of Investors Financial Group that all persons associated in any manner with the firm must place the interests of our clients ahead of their own when implementing personal investments. Investors Financial Group and its associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by Investors Financial Group are widely held and publicly traded.

## **Item 12 – Brokerage Practices**

You are under no obligation to act on the financial planning recommendations of Investors Financial Group. If we assist in the implementation of any recommendations, we are responsible to ensure that you receive the best execution possible.

If you wish to implement advice from Investors Financial Group's, you are free to select any broker you wish. If you are a financial planning client and wish to have associated persons of Investors Financial Group implement the advice in their separate capacity as registered representatives, LPL will be used. The associated persons of Investors Financial Group are registered representatives of LPL and are required to use the services of LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

If you wish to implement the advice of Investors Financial Group through the discretionary portfolio advisory service program described in this Brochure, LPL will be used as the broker/dealer and/or custodian. LPL will be the primary broker/dealer and custodian recommended due to the relationship that Investors Financial Group's associated persons have with LPL. We recommend broker/dealers and custodians that we believe will provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our associated persons' relationship with LPL. LPL may limit or restrict the

broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

### **Benefits Received by Investors Financial Group Personnel**

LPL Financial makes available to Investors Financial Group various products and services designed to assist Investors Financial Group in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of Investors Financial Group's accounts, including accounts not held with LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Investors Financial Group's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to Investors Financial Group other services intended to help Investors Financial Group manage and further develop its business. Some of these services assist Investors Financial Group to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only Investors Financial Group, for example, services that assist Investors Financial Group in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by Investors Financial Group in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL Financial will either make a payment to Investors Financial Group to cover the cost of such services, reimburse Investors Financial Group for the cost associated with the services, or pay the third party vendor directly on behalf of Investors Financial Group.

The products and services described above are provided to Investors Financial Group as part of its overall relationship with LPL Financial. While as a fiduciary Investors Financial Group endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because Investors Financial Group's [requirement, request or recommendation] that clients custody their assets at LPL Financial is based in part on the benefit to Investors Financial Group of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. Investors Financial Group's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

### ***Transition Assistance Benefits***

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at their prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at [his/her] prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to associated persons of Investors Financial Group in their capacity as registered representatives of LPL Financial. However, the receipt of Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to Investors Financial Group's advisory business because it creates a financial incentive for Investors Financial Group's representatives to recommend that its clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore Investors Financial Group has an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

Investors Financial Group attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. Investors Financial Group considers LPL Financial's service, technology and pricing when recommending or requiring that clients maintain accounts with LPL Financial. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL Financial.

Investors Financial Group does not have any verbal or written agreements whereby it receives soft dollars from a broker/dealer firm. We do not pay for any research we receive from LPL or any other broker/dealer. Our associated persons, in their separate capacities as registered representatives and/or independently licensed insurance agents, may be eligible to receive various incentives based on production levels. These incentives may include marketing reimbursements, educational conference trips or discounts on various software or investment-related research materials. We may also be provided with various newsletters or publications from financial services firms as a customary consideration.

#### **Handling Trade Errors**

Investors Financial Group has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Investors Financial Group to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Investors Financial Group if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for handling the trade error. If an investment gain results from the correcting trade, then the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. Investors Financial Group may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

Investors Financial Group will never benefit or profit from trade errors.

#### **Block Trading Policy**

Transactions implemented by Investors Financial Group for client accounts are generally effected independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by the firm when Investors Financial Group believes such action may prove advantageous to clients. When Investors Financial Group aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When Investors Financial Group determines to aggregate client orders for the purchase or sale of securities, including securities in which Investors Financial Group may invest, the firm will do

so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, Investors Financial Group does not receive any additional compensation or remuneration as a result of aggregation.

### **Item 13 – Review of Accounts**

#### **Account Reviews and Reviewers**

Financial planning services terminate upon presentation of the written plan. Therefore, no reviews are conducted for these accounts. If you elect to have a review and update to an original financial plan, additional fees may be charged and you may be required to sign a new client agreement.

Account reviews are provided in connection with the discretionary advisory services program and the retirement plan consulting services.

If you are participating in the discretionary portfolio advisory services program or have been referred to a third party money manager for the provision of advisory services, an investment adviser representative will contact you at least annually for the purpose of reviewing your account and to determine if there are updates to your financial situation or investment objectives. The calendar is the main triggering factor for such reviews, although more frequent reviews may also be triggered by changes in your circumstances, at your request, or by changes within the market. For the Investors Financial Group discretionary portfolio advisory services program, the underlying portfolios used to manage client accounts and holdings within those portfolios are reviewed on a more frequent basis. Portfolios are usually reviewed as frequently as daily, but no less than monthly. The investment adviser representative who primarily services your account is responsible for conducting the reviews of your account.

For retirement plan consulting services, an investment adviser representative will conduct meetings with the plan at least quarterly. The investment advisor representative will provide a quantitative performance measurement report that will contain an analysis of any investment companies, other collective investment vehicles or separately managed accounts included in the plan. Based on this review the investment advisor representative may recommend changes, additions or deletions to the plans investment lineup. In the event that there are material changes in the status of one or more of the plans' providers, the investment advisor representative may meet with the client at a time other than the regularly scheduled intervals. The investment adviser representative who primarily services client's account is responsible for conducting the reviews of client's account. In addition, one or more investment advisor representatives may provide periodic educational seminars or workshops for plan participants, tailored to the plans' participant population, as agreed upon with the plan sponsor.

#### **Statements and Reports**

Clients will receive statements at least quarterly from the custodian at which their accounts are maintained. In addition, if you have contracted for discretionary advisory services or retirement plan consulting services, you may elect to receive quarterly performance reports from Investors Financial Group. You should carefully compare any reports received from Investors Financial Group against the statements received from the account custodian and should immediately report any discrepancies to Investors Financial Group and/or the account custodian.

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

Investors Financial Group does not directly or indirectly compensate anybody for client referrals.

Investors Financial Group's associated persons may receive normal commissions if client transactions are implemented through them in their separate capacities as registered representatives or independently licensed insurance agents.

In addition to receiving commissions from executing securities transactions in their separate capacity as registered representatives, the associated persons may also receive 12b-1 fees from certain mutual fund companies as outlined in the fund's prospectus. The 12b-1 fees come from fund assets and, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for the associated persons to recommend funds with 12b-1 fees over funds that have no fees or lower fees. While Investors Financial Group endeavors at all times to put the interest of the clients first as part of its 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. For CAS I and CAS II and the Retirement Plan Consulting programs our associated persons are prohibited from receiving such compensation.

#### **Other Broker-Dealer Compensation**

Investors Financial Group and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL also provides other compensation to Investors Financial Group and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

#### **Other Compensation-Expense Reimbursement**

From time to time, the firm or its Investment Advisor Representatives may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements is not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. We endeavor at all times to put your interests first as a part of our fiduciary duty. However, you should be aware that receiving additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest that may impact our judgment when making advisory recommendations.

The only other form of compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 of this brochure. Investors Financial Group receives no other forms of compensation in connection with providing investment advice.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Investors Financial Group is deemed to have custody of client funds and securities whenever Investors Financial Group is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Investors Financial Group will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Investors Financial Group is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that

client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Investors Financial Group. When clients have questions about their account statements, they should contact Investors Financial Group or the qualified custodian preparing the statement.

### Item 16 – Investment Discretion

Through its asset management services and upon receiving written authorization from a client, Investors Financial Group will maintain trading authorization over client accounts. Upon receiving written authorization from the client, Investors Financial Group may implement trades on a **discretionary** basis. When discretionary authority is granted, Investors Financial Group will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction. However, it is the policy of Investors Financial Group to consult with the client prior to making significant changes in the account even when discretionary trading authority is granted by the client.

If you have granted trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, Investors Financial Group will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you are advised that if you are not able to be reached or are slow to respond to our request, that can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You have the ability to place reasonable restrictions on the types of investments that may be purchased in your account. You also may place reasonable limitations on the discretionary power granted to Investors Financial Group so long as the limitations are specifically set forth in or included as an attachment to the client agreement.

### Item 17 – Voting Client Securities

Investors Financial Group and its IARs do not perform proxy-voting services on your behalf. You are instructed to read through the information provided with any proxy-voting documents and to make a determination based on the information provided. Upon request from you, an IAR may provide limited clarifications of the issues presented in the proxy voting materials based on the IAR's understanding of issues presented in the proxy-voting materials. However, you will have the ultimate responsibility for making all proxy-voting decisions for securities held in accounts managed by us. You will receive proxies directly from your custodian or transfer agent and such documents will not be delivered by Investors Financial Group.

### Item 18 – Financial Information

This item is not applicable to this brochure. Investors Financial Group does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet

contractual commitments to clients. Finally, Investors Financial Group has not been the subject of a bankruptcy petition at any time. *(Please refer to Information Required by Part 2B of Form ADV: Brochure Supplement for more information.)*

## **Item 19 -- Class Action Lawsuits**

You retain the right under the applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. Investors Financial Group will not initiate such a legal proceeding on your behalf and does not provide legal advice to you regarding potential causes of action against such a security issuer and whether you should join a class-action lawsuit. Investors Financial Group recommends that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Moreover, our services do not include monitoring or informing you of any potential or actual class-action lawsuits against the issuers of the securities that were recommended by Investors Financial Group.

## **Item 20 - Privacy Policy**

**Commitment to Your Private Information:** Investors Financial Group ("IFG") has a policy of protecting the confidentiality and security information IFG collects about our clients. IFG does not, and will not, share nonpublic personal information about Client ("Information") with outside third parties without Client's consent, except for the specific purposes described below. This notice has been provided to Client to describe the Information IFG may gather and the situations under which IFG may need to share it.

**Why Advisor Collects and How Advisor Uses Information.** IFG limits the collection and use of Information within our firm to only those individuals associated or employed with IFG that must have Information to provide financial services to Client. Such services include maintaining Client's accounts, processing transaction requests, providing financial planning, retirement plan consulting, comprehensive advisory and other services described in our Form ADV.

**How Advisor Gathers Information.** IFG gets most Information directly from Client when Client provides IFG with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in Client's account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify Client's identity or to assess Client's credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How Advisor Protects Information.** Employees and affiliated persons of IFG are required to protect the confidentiality of Information and to comply with IFG's stated policies. They may access Information only when there is an acceptable reason to do so, such as to service Client's account or provide Client with financial services. Employees who violate IFG's Privacy Policy are subject to disciplinary action, up to and including termination from employment with IFG. IFG also maintains physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** IFG does not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with the providing services to Clients. Unrelated third parties may include broker/dealers, including broker-dealer firms with supervisory obligations over certain of IFG's activities; mutual fund companies; insurance companies; and the custodian with which Client assets are held. In such situations, IFG stresses the confidential nature of information being shared.

**Former Customers.** Even if IFG ceases to provide Client with financial products or services, our Privacy Policy will continue to apply to Client and IFG will continue to treat Client's nonpublic information with strict confidentiality.