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## **Form ADV, Part 2A**

### **Item 1 – Cover Page**

#### **San Francisco Sentry Investment Group, Inc.**

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San Francisco, CA 94111

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May 2, 2018

This Form ADV, Part 2A, (“Brochure”), provides information about the qualifications and business practices of San Francisco Sentry Investment Group, Inc. If you have any questions about the contents of this Brochure, please contact us at (415) 229-9000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about San Francisco Sentry Investment Group, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

San Francisco Sentry Investment Group, Inc. is registered with the SEC under the Investment Advisers Act of 1940. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

**Item 2 – Material Changes**

- There are no material changes since our last brochure dated March 27, 2018. However, investment advisors Ms. Stacey Chin and Mr. Andrew Skinner resigned from San Francisco Sentry Investment Group, Inc. on April 6, 2018.

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**Item 4 – Advisory Business**

San Francisco Sentry Investment Group, Inc. (“Registrant”) is owned and operated by the principal owner Richard Edward Dirickson, Chairman and Director. As of February 28, 2018, Registrant’s advisory assets under management were approximately \$374 million, consisting of approximately \$363 million in discretionary managed assets and \$11 million in non-discretionary managed assets. Registrant was formed and registered under the Investment Advisers Act of 1940 (“Advisers Act”) in 1993.

Registrant provides investment advice and management to individually managed accounts that is tailored to the needs of individual clients, mostly on a discretionary basis. For discretionary clients, Registrant has complete discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. Clients may impose restrictions on their investments upon request. These restrictions may include prohibitions or limits on individual securities, security types, asset classes, allocation, liquidity, credit quality and income. For non-discretionary accounts, Registrant generally does not have discretion to buy or sell securities without specific client consent.

The Registrant is affiliated with S.F. Sentry Securities, Inc., a broker-dealer registered under the Securities Exchange Act of 1934 and FINRA.

**Item 5 – Fees and Compensation**

Fees are negotiable and may vary, but generally will be based on an annual percentage rate of one percent (1%) of assets under management. Fees are payable quarterly at the beginning of each calendar quarter based on the market value of the assets under management at the close of the prior quarter. Fees on additions or withdrawals are pro-rated. A client may terminate an investment advisory agreement on five (5) business days advance written notice. On termination, clients may receive a refund of advisory fees on a pro-rated basis. Registrant prefers to have management fees deducted from client accounts. There are some legacy clients of Registrant that are invoiced and pay separately.

Registrant believes that its fees are competitive with fees charged by other investment advisers for comparable services, but comparable services may be available from other sources for lower fees than those charged by Registrant.

Registrant’s fees for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange-traded funds (“ETFs”) to shareholders. Clients invested in mutual funds or ETFs will pay advisory fees to Registrant and will pay additional advisory, brokerage, custodial and administrative fees as a

shareholder of the applicable mutual fund or ETF. These mutual fund or ETF fees and expenses are described in each fund's prospectus. Registrant's fees are also separate and distinct from custodial, accounting, legal and other fees incurred by clients.

Mr. Dirickson is a principal, director and officer of Registrant and is also a majority shareholder, director and officer of S.F. Sentry Securities, Inc., a registered broker-dealer. Sola Awofala and Charles "Bruce" Woodward provide advisory services for Registrant and are also registered representatives of S.F. Sentry Securities, Inc. Registrant directs most of its advisory clients' brokerage commissions to S.F. Sentry Securities, Inc. Messrs. Dirickson, Awofala, and Woodward will receive a portion of brokerage commissions paid in connection with those transactions. These brokerage fees paid by the advisory client are in addition to Registrant's advisory fees.

This arrangement creates a conflict of interest in that Registrant, Messrs. Dirickson, Awofala, and Woodward have an incentive to direct more client transactions to S.F. Sentry Securities, Inc. than Registrant might otherwise direct. S.F. Sentry Securities, Inc. has indicated to Registrant that the brokerage fees paid by Registrant's clients will not exceed the fees paid by similar clients of S.F. Sentry Securities, Inc. In all cases in which transactions are directed to S.F. Sentry Securities, Inc., or to any other broker, Registrant will determine in good faith that the commissions charged in connection with those transactions are reasonable in relation to the value of the brokerage, research and other services provided by that broker, viewed in terms of either the specific transaction or Registrant's overall responsibilities to the portfolios over which Registrant exercises investment authority. Registrant will regularly review the commission rates paid by its advisory clients to determine that they are competitive with commissions paid by clients of investment advisors that provide services similar to Registrant's. Nevertheless, Registrant's clients may be able to obtain more favorable brokerage commission rates elsewhere particularly when one considers the advisory fees being paid to Registrant. If a client so desires to use another unaffiliated brokerage firm, the client may notify Registrant in writing. Clients who use a broker they have selected may pay higher or lower commissions than those charged by S.F. Sentry Securities, Inc. See Item 12 regarding brokerage practices.

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

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

**Item 7 – Types of Clients**

Registrant's clients include individuals, high net worth individuals, trusts, businesses, pension plans and charitable organizations. Registrant requires a minimum investment of \$250,000, although Registrant may accept a lesser amount in its discretion.

**Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss****Investing in securities involves risk of loss that clients should be prepared to bear.**

Registrant provides its clients with individualized investment advice tailored to the investment objectives and financial situation of each client. Registrant's methods of analysis include fundamental analysis, charting and technical analysis. Registrant offers advice on the following types of securities: (1) equities (exchange listed, over-the-counter and foreign issues); (2) warrants; (3) corporate debt securities; (4) municipal securities; (5) United States government securities and Certificates of Deposit; and (6) ETFs and mutual funds. These investments bear the risk of loss at any time due to unforeseen market, economic, interest rate, liquidity or other risks.

When appropriate to the needs of the client, Registrant may recommend the use of trading (securities sold within 30 days), margin transactions, short sales and/ or option writing as investment strategies. Because these investment strategies may involve increased risk of loss, they are only recommended when consistent with the client's stated tolerance for risk.

**Item 9 – Disciplinary Information**

Registrant does not believe there has been any legal or disciplinary event that is material to an evaluation of the Registrant's integrity or ability to meet contractual commitments to clients. The following, however, have occurred:

In August 1994, a class action suit was filed in U.S. District Court, San Jose Division, File No. C-94-20579(A)-RMW (EAI) against Concord Holding Corporation and its officers and directors ("Concord et al") including Mr. Richard E. Dirickson. The suit alleged that "Concord et al" made misrepresentations as to the Initial Public Offering effected February 24, 1994. In August 1996, an agreement was reached to settle the securities class action suit wherein the insurance carrier for Concord et al, Gulf Insurance Company, would pay \$1.5 million and BISYS, as successor to Concord Holding Corp., would pay an additional \$450,000.00. Under the terms of the settlement, BISYS and Concord et al deny any wrongdoing or liability and the settlement may not be used as an admission of wrongdoing. Accordingly, the suit was dismissed with prejudice by the Court on December 2, 1996.

On August 15, 2002, Richard E. Dirickson, without admitting or denying the allegations pertaining to NASD rules 2110 and 2120 consented to the entry of findings that he caused to be executed transactions in a company at or near the close of the market in a security. As a resolution to the action, he was fined \$25,000 and suspended from association with any member firm for thirty (30) calendar days.

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

### **A. Richard E. Dirickson, Jr.**

Mr. Dirickson, an officer, director, shareholder and portfolio manager of Registrant, is also: (1) an officer, director and majority shareholder of S.F. Sentry Securities, Inc., a broker-dealer registered as such with the SEC and the Financial Industry Regulatory Authority (“FINRA”) and in various states. Mr. Dirickson divides his time among these entities. It is expected that Mr. Dirickson will allocate the greater portion of his time to S.F. Sentry Securities, Inc., but the specific time for each will depend on circumstances, including the development of each business.

### **B. Leon A. Root**

Mr. Root is the Chief Financial Officer, Director and a co-owner of Registrant. He is also the Chief Financial Officer of S.F. Sentry Securities, Inc. Mr. Root devotes the majority of his time to Registrant and S.F. Sentry Securities, Inc. Although it is expected that the majority of Mr. Root’s time will be devoted to Registrant and S.F. Sentry Securities, Inc., the specific time for each will depend on circumstances, including the development of each business.

### **C. Scott Young**

Mr. Young is the CCO of Registrant and S.F. Sentry Securities, Inc., a broker-dealer registered under the Securities Exchange Act of 1934 and FINRA. Mr. Young’s time for each will depend on circumstances, including the development of each business.

### **D. Shared Office Space and Employees**

Registrant shares common office space with other non-affiliated registered investment advisers in downtown San Francisco. Employees of the Registrant also provide back-office and clerical support to certain non-affiliated investment advisers for compensation, and has instituted policies and procedures to mitigate any potential conflict of interest. In addition, clients of Registrant may be referred by these non-affiliated registered investment advisers to invest in their managed products; there is no compensation paid as a result of the referral.

**Item 11 – Code of Ethics**

Registrant has adopted a Code of Ethics for all supervised persons of the firm, which includes all employees of Registrant, describing its high standard of business conduct and fiduciary duty to its clients. The purpose of this Code of Ethics is to require Registrant and its employees to act in the best interests of its clients at all times and to address potential conflicts of interest between Registrant and its employees and advisory clients.

Registrant's clients or prospective clients may request a copy of the Code of Ethics by contacting Scott Young, Chief Compliance Officer, at (415) 229-9042.

Registrant's Code of Ethics is based on the principle that all employees and certain other persons have a fiduciary duty to place the interest of clients ahead of their own interest and the interests of Registrant and its affiliates. The Code of Ethics applies to all "Access Persons" (i.e. employees and certain other persons with access to confidential information regarding client investments). Access Persons must avoid activities, interests and relationships that might interfere with making decisions in the best interest of advisory clients. As fiduciaries, all Access Persons must, at all times: (1) place the interests of advisory clients first; (2) avoid taking inappropriate advantage of their position (For example, access persons may not use their knowledge of portfolio transactions to profit by the market effect of such transactions); and (3) conduct and report all personal securities transactions in full compliance with the Code of Ethics on an ongoing basis. These reporting requirements ensure that Access Persons do not place their personal interests ahead of clients' interests when making their personal securities transactions.

The Code of Ethics also permits Registrant and its employees to personally invest in securities of the same class that are purchased for clients and to own securities of a class that are subsequently purchased for clients. If securities of a particular class are purchased or sold for clients and Registrant or its employees on the same day, then the client will either pay or receive a more favorable price, or receive the same price as Registrant, affiliates and employees. Registrant and/or its employees may also buy or sell a specific security for its/their own account which they do not deem appropriate to buy or sell for clients.

Access Persons who violate the Code of Ethics are subject to sanctions, which may include dismissal from employment and the reporting of misconduct to legal authorities.

**Item 12 – Brokerage Practices**

Registrant has discretion over the selection of the brokers to be used and the commission rates to be paid in the absence of specific instructions from a client. Subject to obtaining best execution and competitive pricing in Registrant's good faith judgment, Registrant may also select S.F. Sentry Securities, Inc., an affiliated broker-dealer registered with the SEC and FINRA, as the introducing broker for its advisory clients. S.F. Sentry Securities, Inc. earns a portion of its revenues by providing brokerage services to Registrant, and other non-affiliated entities.

In selecting a broker for any transaction or series of transactions, Registrant will attempt to obtain, in its good faith judgment, the best qualitative execution. In this regard, Registrant considers a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, offering to Registrant on-line access to computerized data regarding clients' accounts, the availability of stocks to borrow for short trades and other matters involved in the receipt of brokerage services generally.

Registrant occasionally executes over-the-counter ("OTC") securities transactions on an agency basis. Thus, Registrant's clients may incur two transaction costs for a single trade: a commission paid to Registrant's executing broker-dealer plus any mark-up or mark-down charged by the market-making broker-dealer, which is included in the offer or bid price of the securities purchased or sold. Registrant would execute such transactions on a principal basis if it believed that doing so would be favorable compared to executing on an agency basis. Registrant usually does not execute principal transactions with advisory clients, does not execute cross-trades among advisory clients, and does not execute trades between its affiliated broker-dealer's brokerage clients and advisory clients. However, on rare occasions, Registrant may use an internal account to trade securities (i.e. municipal bonds) when such trades are in the best interests of advisory clients and in accordance with applicable regulatory requirements.

Registrant may, in its discretion, aggregate the trades of advisory clients with the trades of clients of its affiliated advisers and limited partnerships when it is in the best interests of its clients. Clients who participate in aggregated trades will receive the same prices and an equitable allocation of shares.

A client may direct Registrant to utilize a particular broker-dealer to execute some or all transactions for the client's account. In such circumstances, the client is responsible for negotiating the terms and arrangements for the account with that broker-dealer. Registrant will not seek better execution services or prices from other broker-dealers and



will not be able to aggregate the client's transactions with other broker-dealers with orders for other accounts advised or managed by Registrant. As a result, Registrant may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

Potential conflicts of interest may arise between the interests of advisory clients and the receipt of commissions and other compensation by S.F. Sentry Securities, Inc., an affiliated registered broker-dealer. However, these potential conflicts of interest are addressed by Registrant's ongoing practice of permitting clients to select their own brokers, disclosure of its compensation and brokerage practices to clients, and by seeking best execution on behalf of its clients at all times. See Item 5 for additional information.

### **Item 13 – Review of Accounts**

Client portfolios are reviewed and reconciled on at least a quarterly basis. More frequent reviews may be conducted in response to changes in market or economic conditions or changes in a client's investment objectives or financial condition. Securities held in client accounts are reviewed on a periodic basis. Reviews are conducted by Rick Dirickson, Chairman and Director; and the Investment Advisors, Sola Awofala, and Charles "Bruce" Woodward. Registrant provides clients with at least quarterly reports regarding portfolio holdings, trades, fees and performance.

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

Registrant does not pay compensation for client referrals.

### **Item 15 – Custody**

Registrant does not have physical custody of assets. However, is deemed to have custody, due to the firm's ability to have management fees directly withdrawn from client accounts. To mitigate this conflict all client assets are held at an independent qualified custodian who is sending clients brokerage statements on a monthly or quarterly basis. S.F. Securities, the affiliated broker-dealer of Registrant, is not custodian to any of the Registrants client accounts. These statements should be carefully reviewed by clients. Registrant encourages its clients to carefully compare quarterly reports provided by Registrant to custodial and brokerage statements issued by the third party custodians.

### **Item 16 – Investment Discretion**

Registrant generally provides discretionary advisory services to its clients in accordance with investment guidelines and restrictions determined in consultation with clients.

Discretionary services means that Registrant will purchase and sell securities without prior client permission in accordance with a limited power of attorney. The limited power of attorney generally prohibits Registrant from withdrawing funds from the clients' custodial and brokerage accounts. For non-discretionary services, Registrant generally obtains specific client consent prior to the purchase or sale of a security.

**Item 17 – Voting Client Securities**

Registrant generally does not have proxy voting rights for any of its clients. Registrant instructs each client's custodian to deliver all proxy voting materials directly to the client. Clients who wish to discuss their proxy votes with Registrant may call Scott Young, Chief Compliance Officer, at (415) 229-9042.

**Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures regarding any financial conditions that may impair their ability to meet contractual commitments to clients. Registrant has no financial conditions that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.