

**FORM ADV PART 2A - FIRM BROCHURE  
ITEM 1: COVER PAGE  
MARCH 2016**

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**RFG ADVISORY GROUP, LLC  
1400 URBAN CENTER DRIVE, SUITE 475  
VESTAVIA HILLS, AL 35242**

**FIRM CONTACT: VICTORIA A. SCOLES, CHIEF COMPLIANCE OFFICER  
[WWW.RFGADVISORY.COM](http://WWW.RFGADVISORY.COM)  
FIRM CRD# 158401**

**This brochure provides information about the qualifications and business practices of RFG Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Victoria A. Scoles, by telephone at (314) 699-9241. 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 RFG Advisory Group, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Please note that the use of the term "registered investment adviser" and description of RFG Advisory Group, LLC. And/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.**

## **ITEM 2. MATERIAL CHANGES**

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

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Annual Amendment Filing Date: 02/27/2015

Since our last annual amendment filing, our firm has the following material changes to disclose:

- Victoria A. Scoles has been named Chief Compliance Officer.
- Our firm offers Retirement Plan Consulting services. Please refer to Item 4 and Item 5 for more information.
- Advisory fees for our Comprehensive Portfolio Management Service have changed. Please see Item 5 for more information and please note such fees shall not affect current engagements.

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#### **ITEM 4. ADVISORY BUSINESS**

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RFG Advisory Group, LLC is dedicated to providing clients with a wide array of investment advisory services. We specialize in Comprehensive Portfolio Management, Financial Planning and Consulting, Referrals to Third Party Money Managers, Retirement Plan Consulting, Portfolio Monitoring, and Financial Wellness services. Our firm is a limited liability company formed in the State of Alabama. Our firm has been in business as an investment adviser since 2011 and is owned as follows:

Bobby Ray White- 36% owner

Brian Alan Ryals- 32% owner

Hamilton P.B. Poynor- 32% owner

#### **Description of the Types of Advisory Services We Offer**

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##### **Comprehensive Portfolio Management**

Our Comprehensive Portfolio Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, alternative investments, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least annually. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

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

We may provide advisory services through certain programs sponsored by LPL Financial Corporation ("LPL"), a registered investment adviser and broker-dealer. Below is a brief description of each LPL advisory program available to us. 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 2 or applicable client agreement. LPL's applicable paperwork and client agreement shall not become effective until acceptance by us as evidenced by the signature of an authorized representative.

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

MWP offers clients a professionally managed mutual fund asset allocation program. Our firm will obtain the necessary financial data from our client, assist our client in determining the suitability of the MWP program and assist our client in setting an appropriate investment objective. We 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 our 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.

Our 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. Our client will also authorize LPL to effect rebalancing for MWP accounts.

The MWP program makes available model portfolios designed by strategists other than LPL's Research Department. Our firm will have discretion to choose among the available models designed by LPL and outside strategists. A minimum account value of \$25,000 to \$100,000 (depending upon the model selected) is required for MWP.

#### **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, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor 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. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor 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.

#### **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. Advisor 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. Advisor 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.

### **Potential Conflicts of Interest**

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

We receive 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, and the ability to negotiate fees or commissions. The amount of this compensation may be more or less than what we 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.

### **Financial Planning and Consulting:**

We provide a variety of financial planning and consulting services to individuals or professionals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

Advisory representatives of our firm may specialize in retirement procedures for specific industries, such as Educators in the Missouri School system, and may provide general consulting and education to such individuals at no cost.

### **Referrals to Third Party Money Managers:**

Our firm utilizes the services of various third party money managers for the management of certain client accounts. Investment advice and trading of securities will only be offered by or through the chosen third party money manager. Our firm will not offer advice on any specific securities or other investments in connection with this service. Prior to referring clients, our firm will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. In order to assist in the selection of

a third party money manager, our IARs will gather client information pertaining to financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our IARs will periodically review third party money manager reports provided to the client at least annually. Our IARs will contact clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

### **Retirement Plan Consulting:**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

Retirement Plan Consulting services typically include:

- Establishing an Investment Policy Statement – Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our firm will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”).

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accept appointments to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

### **Portfolio Monitoring:**

Our Portfolio Monitoring Service provides for safekeeping/housekeeping of assets on behalf of clients with no on-going supervision, trading, or discretion with respect to securities transactions. Clients are responsible for placing and executing their own trades, either on their own or with another investment adviser. We provide non-continuous and periodic outside account monitoring.

## **Financial Wellness Service:**

Our firm offers trainings, one-on-one financial consulting/planning, and financial checkups to Company employees through Four Seasons Financial Education. The Company has the option of selecting one of our levels of service for their employees. Our core areas of focus include, but are not limited to:

- Retirement savings
- Debt management
- Elder care (sandwich generation)
- College education needs for children
- Spending and budgeting
- Emergency planning
- Survivor needs
- Understanding risk management
- Saving money on everyday expenses
- Bringing together employer benefits
- Estate planning
- Tax planning

We have three levels of services available for Companies as listed below, along with an À la carte option (allowance). The allowance may be combined with any of the packages to provide your employees with customized financial wellness benefits. For example, some companies use the Partners package and include an allowance of one additional hour of work per employee which may be used for an additional meeting or a financial plan.

### *I. Basic Wellness Package*

- a. Financial Boot Camp and one additional training topic
- b. Two CFP® TelePlanning™ session
- c. One annual accountability “financial checkup”

### *II. Partners Wellness Package*

- a. Financial Boot Camp and one additional training topic
- b. Two CFP® TelePlanning™ sessions
- c. Biannual accountability “financial checkups”

### *III. Masters Wellness Package*

- a. Financial Boot Camp and three additional training topics
- b. Three CFP® TelePlanning™ sessions
- c. Quarterly accountability “financial checkups”
- d. Written, custom-tailored financial plan

### *IV. Allowance (optional)*

- a. Provides employee-driven utilization
- b. Employer-chosen cap
- c. Optional meetings, checkups, and plans.



To help employees stay accountable to their goals, FSFE staff may complete “Financial Check-Ups” to help them remain on track for their individual goals. For example, if someone plans on increasing their 401(k) contribution within 60 days, we call to be sure they followed through on their goal.

A written financial plan is optional for the Basic Wellness Package, Partners Wellness Package, and is also an allowance option. Financial Plans will normally involve a written report to an Employee based on information the Company and such Employee have provided. Financial Plans are only based on Employee’s current financial situation and goals, as well as IAR’s understanding of current tax and other applicable laws and regulations.

Standard Services included in Traditional Packages include, but are not limited to:

- Welcome video – We will provide you with a custom welcome video to educate and excite employees about your new benefits.
- Customized flyers – Worried about marketing a training? We have you covered. We create customized flyers for each of your training programs.
- Employee Evaluation Reports – Each employee will have an opportunity to complete an evaluation form for every training. These reports help you determine employee satisfaction and needs.
- Customized new benefit announce flyer – This customized new benefit announcement is great for first-time clients or for newly hired employees.
- Financial Health Assessment™ – This annual assessment helps you gain an insight into the financial health of your employees and is compared against future years.
- Quarterly videos- Quarterly educational videos on various financial topics to keep financial goals top of mind with your employees.
- Quarterly Activity Report – We will outline the work we have done for you and your employees each quarter.
- Annual Impact Report – This annual report outlines all activity for the year, financial health improvements, employee case highlights, ROI and more.
- \*Financial Plan & Plan Goals – A written, custom-tailored financial plan is a document commonly used to help families plan for long term goals. It is similar to asking an architect to design a home. Without having a blueprint first, a family is simply estimating where to place the concrete foundation, electricity and plumbing. Although it's possible to build a home without a blueprint, it is extremely risky and can become very costly if mistakes are made. Employees that receive a written financial plan will have a formal plan of action to follow for their personal goals. Financial plans often cost employees \$500 or more if pursued individually (outside of a group pool), bringing tremendous value to the Financial Wellness Packages. Plan goals are chapters of a financial plan. For example, an employee may want to focus on retirement and college planning in their financial plan. The Partners package would then include both goals in the plan.

Services included in Voluntary (PlanWell™) Package:

- One Complimentary Financial Wellness Class per year
- 2 annual meetings with a CFP®
- Accountability Check-ins
- Basic Financial Action Plan – 1 goal
- Unlimited email communication with a CFP®

As part of our Financial Wellness Service, we also participate in speaking engagements. An advisory representative of our firm will deliver a presentation to the general public covering pre-specified topics which will include but are not limited to the following:

- Market Overview – Presentation of data pertaining to stock market performance in the previous year, on-going economic factors, and outlook for the coming year.
- Financial Management – Financial issues that are of critical importance to long-term financial security will be addressed, particularly as they pertain to retirement planning and making sound financial decisions to help protect clients' families and their assets.
- Retirement – Topics include types and characteristics of various retirement vehicles, projecting income, expenses and needs, deciding when to retire, retirement lifestyle, budgeting, and money management during retirement.
- Investments – Discussion of various investment products to include but not limited to bonds, stocks, mutual funds, and commodities. Investment terminology, distinctions among various asset classes and bond classifications will also be reviewed.
- Insurance – Discussion of various insurance products, such as life and health insurance. Insurance terminology, insurance coverage, amongst other related topics will be discussed.

We provide financial wellness program consulting services based on a flat or hourly fee. Such services may be project-based or ongoing based on the scope of the engagement. These consulting services are based on the unique needs of the client and estimated time required by us to provide said services.

#### **Tailoring of Advisory Services**

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We offer individualized investment advice to clients utilizing our firm's Comprehensive Portfolio Management services. Additionally, we offer general investment advice to clients utilizing our firm's Financial Planning and Consulting, Referrals to Third Party Money Managers, Retirement Plan Consulting, Portfolio Monitoring, and Education Consulting services.

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to our Comprehensive Portfolio Management services.

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

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We offer a wrap fee program as further described in Form ADV Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

#### **Regulatory Assets Under Management**

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As of December 31, 2015, our firm manages \$437,337,197 on a discretionary basis and \$35,688,833 on a non-discretionary basis.

## ITEM 5. FEES AND COMPENSATION

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### How We Are Compensated for Our Advisory Services

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#### Comprehensive Portfolio Management

Our annual fees for our Comprehensive Portfolio Management service shall be based on the market value of the assets under management and shall be calculated at up to 2.35% of all assets under management. Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. LPL will make quarterly adjustments for deposits and withdrawals in client accounts. All accounts managed by RFG Advisory Group, LLC whereby LPL Financial is the custodian will be charged a maximum additional fee of .20% for administrative fees.

For client accounts custodied at LPL Financial, management fees will be deducted from the client's managed account, upon a signed Account Application Form. The ultimate management fee is indicated on the Account Application Form. Our firm does not have the authority to instruct LPL Financial to increase fees without written client consent. LPL Financial sends a quarterly statement showing all fees paid to our firm.

As part of this process, you understand and acknowledge the following:

- a) LPL Financial as the custodian sends statements at least quarterly to Clients showing all disbursements for their account, including the amount of the advisory fees paid to our firm;
- b) The Client has provided authorization permitting fees to be directly paid by these terms;
- c) LPL Financial calculates the advisory fees and deducts them from the Client's account.

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

#### LPL Financial Sponsored Advisory Programs

<u>LPL Financial Sponsored Advisory Program</u>	<u>Annual Percentage of assets charge:</u>
Model Wealth Portfolios Program (MWP)	2.83%
Optimum Market Portfolios Program (OMP)	2.50%
Personal Wealth Portfolios Program (PWP)	2.50%
Manager Access Select Program (MAS)	3.00%

The fees for LPL's Financial Sponsored Advisory Programs are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. LPL serves as program sponsor, investment adviser and broker-dealer for the LPL advisory programs. Our firm and LPL may share in the account fee and other fees associated with program accounts.

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Management fees will be deducted from the client's managed account, upon a signed Account Application Form. The ultimate management fee is indicated on the Account Application Form. Our firm does not have the authority to instruct LPL Financial to change or deduct fees without written client consent. LPL Financial sends a quarterly statement showing all fees paid to our firm.

**Financial Planning and Consulting:**

We charge on a flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Flat fees will not exceed \$25,000. Clients may elect to have their financial planning and consulting fees deducted from a managed account by directing LPL Financial via a third party check request.

We may require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

**Referrals to Third Party Money Managers:**

We are paid by third party money managers when we refer you to them and you decide to open a managed account. Third party money managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by third party money manager are generally ongoing. All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with applicable state statutes and rules. The separate written disclosures you need to be provided with include a copy of the third party money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the third party money manager's privacy policy. The third party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

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

**Retirement Plan Consulting:**

Our Retirement Plan Consulting services are billed a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Fees based on a percentage of managed Plan assets will not exceed 1.00%. The fee-paying arrangements for Retirement Plan Consulting service will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Clients will be invoiced directly for the fees, which may be paid by the Plan's third party administrator.

**Portfolio Monitoring:**

Our annual fees for our Portfolio Monitoring service shall be based on the market value of the assets under management and shall be calculated at up to 1.00% of all assets under management. Fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

We will debit advisory fees for our portfolio monitoring service.

**Financial Wellness Service – Education Consulting:**

Clients may be billed on an hourly basis, flat monthly fee, or on a flat fee based upon the services selected. Hourly fees range from \$100 to \$250 per hour and flat monthly fees generally vary from \$15.00 to \$25.00 per month for PlanWell™ voluntary financial wellness programs and \$3.00 to \$10.00 per month for traditional financial wellness programs. Flat fees generally range from \$500 to \$5,000.

The traditional financial wellness programs are typically employer-paid and cover all benefit-eligible employees. The voluntary financial wellness programs can be employer-paid, employee-paid, or a combination of the two. With both types of financial wellness programs, the services include, but are not limited to, one-on-one financial planning guidance, group education, articles, videos and financial calculators. A written financial plan may also be included in any of our financial wellness programs.

Fees for speaking engagements may be billed on a flat fee basis and will not exceed \$100,000. Additionally, clients may be charged for reasonable travel expenses in order for our firm to render services or provide marketing/industry education. Prior to confirming any travel plans for a representative of our firm, we must have a signed Speaking Engagement Agreement executed.

**Other Fees:**

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

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

**Refunds Following Termination**

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We charge our advisory fees quarterly in advance. Clients will need to contact our firm in writing, stating they wish to terminate our advisory contract. Upon receipt, LPL will refund the pro-rata unearned portion of our advisory fee.

Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing an agreement. After five (5) business days from initial signing, either party must provide the other party thirty (30) days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client.

**Commissionable Securities Sales**

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Representatives of our firm are registered representatives of LPL Financial, LLC, member FINRA/SIPC. As such they are able to accept compensation for the sale of securities or other investment products,

including distribution or service (“trail”) fees from the sale of mutual funds. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm and/or our representatives an incentive to recommend investment products based on the compensation received. Our firm generally addresses commissionable sales conflicts that arise when explaining to clients these sales create an incentive to recommend based on the compensation to be earned and/or when recommending commissionable mutual funds, explaining that “no-load” funds are also available. Our firm does not prohibit clients from purchasing recommended investment products through other unaffiliated brokers or agents.

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#### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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We do not charge performance based fees.

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#### **ITEM 7. TYPES OF CLIENTS**

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We service individuals, high net worth individuals, trusts, estates or charitable organizations, pension and profit sharing plans, banking and thrift institutions, corporations, limited liability companies and/or other business types.

Our firm does not impose any requirements for opening and maintaining accounts or otherwise engaging us.

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#### **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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##### **Methods of Analysis**

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

*Charting.* In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

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

### **Investment Strategies We Use**

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

*Long-term purchases.* When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

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

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

*Short sales.* We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

*Margin transactions.* We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

*Option Transactions:* We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires. We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying

options.

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**Risk of Loss**

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

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**ITEM 9. DISCIPLINARY INFORMATION**

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Neither our firm nor management persons have any disciplinary information or events to disclose.

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**ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Our Investment Adviser Representatives are also registered representatives with LPL Financial, Member FINRA/SIPC. They may offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn and may not necessarily be in the best interests of the client. Clients are not required to purchase any commissionable products from our firm's representatives.

Our firm offers many services through its network of investment advisory representatives. IARs may conduct advisory services under a trade name (i.e. "Doing Business As" or "DBA ") or other corporate structure that is held out to the public for marketing purposes. RFG Advisory Group, LLC does not have any ownership interest in the IAR's trade name or other corporate structure.

Our firm will maintain tri-party relationships with financial institutions in order for clients of those institutions to be introduced and advised by our firm through services provided by LPL Financial. All three parties will share advisory fees. The financial institutions will not have any affiliation with our firm or our associated persons.

Some of our firm's supervised persons are licensed insurance agents. As such, they may have an incentive to sell and recommend insurance products to clients. When such recommendations or sales are made, a conflict of interest exists as our supervised persons may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products and may not be in the best interest of the client. Clients are under no obligation to purchase insurance products from our supervised persons.

The compensation paid to us by third party managers may vary, and thus, there may be a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Our firm's fees are not higher than they would have been had our client obtained services directly from the third party money manager. Prior to referring clients to third party advisors, we will ensure that third party advisors are licensed or notice filed with the respective authorities. A potential conflict of interest in utilizing third party advisors may be an incentive to us in selecting a particular advisor over another in the form of fees or services. In order to minimize this conflict our firm will make our selections in the best interest of our clients.



## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting process for all of our associates.

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

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

## **ITEM 12. BROKERAGE PRACTICES**

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We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With this in consideration, our firm has an arrangement with LPL Financial LLC (“LPL Financial”). LPL Financial offers to independent investment Advisers services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from LPL Financial through our participation in their custodial program.

LPL Financial makes certain research and brokerage services available at no additional cost to our firm, including research services obtained by LPL Financial directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by LPL Financial to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by LPL Financial to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services above, we may have an incentive to continue to use or expand the use of LPL Financial’s services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with LPL Financial and we have determined that the relationship is in the best interest of our firm’s clients and satisfies our client obligations, including our duty to seek best execution.

Our non-wrap fee program clients may pay a transaction fee to LPL Financial that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible transaction rates for specific client account transactions.

### **Soft Dollars**

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Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients.

### **Brokerage for Client Referrals**

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Our firm does not receive brokerage commissions for client referrals.

### **Directed Brokerage**

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Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of LPL Financial.

### **Permissibility of Client-Directed Brokerage**

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We allow clients to direct brokerage outside our recommendation. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

### **Aggregation of Purchase or Sale**

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We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## **ITEM 13. REVIEW OF ACCOUNTS OR FINANCIAL PLANS**

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Our management personnel and Investment Adviser Representatives ("IARs") review accounts on at least an annual basis for our clients subscribing to the following services: Comprehensive Portfolio Management, Portfolio Monitoring, and Third Party Money Management services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We provide written reports to clients, upon request. LPL Financial will provide clients quarterly performance reports to clients. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to the

following services: Comprehensive Portfolio Management, Portfolio Monitoring, and Third Party Money Management.

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

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. As also mentioned in Item 13A of this Brochure, financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm will meet with clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.

Financial Wellness clients will receive quarterly written reports detailing how many employees used the service. We will also provide an annual Financial Wellness Impact Report which illustrates factors such as 401(k) deferrals, HSA/FSA utilization, debt pay-down rates, improve Financial Health Scores™, etc. These reports illustrate the impact the financial wellness program is having on company employees.

#### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

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##### **LPL Financial**

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We shall recommend LPL Financial. LPL is the broker-dealer and investment adviser with whom most of our representatives are also associated. As a result of the individual association of our representatives with LPL, we are generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts. We *may* receive from LPL, without cost and/or at a discount support services and/or products, assistance to better monitor and service client accounts. We may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations.

Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution as a result of the above arrangement.

In order to help facilitate the transition of clients to LPL Financial's custodial platform, some of our IARs received transition support from LPL Financial in the form of a forgivable loan. The amount of the upfront loan represents a substantial payment and forgiveness of the loan and accrued interest is contingent upon the IARs' continued association with LPL Financial as a registered representative for the duration of the loan. Although the loan does not require that our IARs maintain a certain level of client assets with LPL

Financial, this presents a conflict of interest in that our IARs have a financial incentive to maintain a relationship with LPL Financial in order to benefit by having the loan forgiven. However, to the extent that our IARs recommend that clients use LPL Financial, it is because the IARs believe that it is in the clients' best interests 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.

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**Referral Fees**

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Our firm pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

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**ITEM 15. CUSTODY**

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We do not have custody of client funds or securities. LPL calculates the advisory fees to be deducted from client accounts. In addition, all clients receive at least quarterly account statements directly from LPL outlining the advisory fee charged for the management of each account. We encourage our clients to raise any questions with us about the custody, safety or security of their assets.

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**ITEM 16. INVESTMENT DISCRETION**

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Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, we are authorized to execute securities transactions, which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

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**ITEM 17. VOTING CLIENT SECURITIES**

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We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future.

## **ITEM 18. FINANCIAL INFORMATION**

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We are not required to provide financial information to our clients because:

- The Firm does not require the prepayment of more than \$1,200 in fees and six or more months in advance for services not rendered within 6 months.
- The Firm does not take custody of client funds or securities.
- The Firm does not have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to clients.

The Firm has never been the subject of a bankruptcy proceeding.