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This brochure is dated December 26, 2017

Our brochure provides information about the qualifications and business practices of our firm, FRG Family Wealth Advisors.

We hope you find the explanations in this brochure – explanations of who we are, what we do and how we do it, to be clear, concise and informative.

If you have questions or suggestions about the contents of our Brochure, please call Ben Johnson on his direct line 425.577.0041 or e-mail Ben at [benj@financialprtnr.com](mailto:benj@financialprtnr.com).

Here are disclaimers and additional sources of information about our firm:

1. The information in our brochure has not been approved or verified by any Federal or State securities authority.
2. Financial Resources Group is a registered investment adviser. Registration as an investment advisor does not imply any level of education, skill or training. The education and training of our firm's planning team is revealed in Item 4 of this brochure.
3. Additional information about our firm and Ben Johnson available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Item 2 – Material Changes**

We will provide you with an updated Brochure or other disclosure when there is any material change.

Since the last annual update, we have updated our operating name from Financial Resources Group to FRG Family Wealth Advisors.

Since the last annual update and as of January 1, 2017 we now offer discretionary accounts in addition to non-discretionary accounts. (See item 16)

Additional copies of our Brochure may be obtained by contacting our office.

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## **Item 4 – Advisory Business**

### *What we do.*

We, FRG Family Wealth Advisors (FRG), offer a wide range of personalized financial planning services to our clients. We help you design a unique financial plan for you and your family.

Our most popular planning services include, but are not limited to:

- Retirement goals
- Investments
- Income tax awareness
- Estate tax awareness
- Estate tax reduction
- Debt reduction
- Gifts to children and grandchildren
- Financial education of children and grandchildren
- Gift tax awareness
- Home purchases
- Automobile and vessel purchases and leases
- Residential mortgages
- Intra-family loans
- Multi-generational investment opportunities
- Family limited liability companies
- Liability awareness

And more.

We are family wealth advisors capable of offering informed advice on issues and topics related to your family net worth.

As of December 26, 2017, FRG manages a total of \$507,753,768.00 wherein \$143,790,117.00 under discretionary basis and \$363,963,651.00 under non-discretionary basis.

The purpose of our business is to help you achieve your family financial goals. Risk-related investment returns will likely play a large role in achieving your financial goals.

### *Who we are.*

#### **Jimmy Wu**

Jimmy's financial services career began in 1991 working for Ernst and Young as a bond consultant with the company's Capital Market Group. From 1993 to 1995, Jimmy worked as a project-financing consultant in China. After he moved back to the United States, he worked for MONY Group in Portland, Oregon, then with Charles Schwab & Company in Washington and

New York. Jimmy also has experience in financial planning software development. He joined Financial Resources Group in 2003. Jimmy Wu and Benjamin Dale Johnson are now equal partners in the business.

Jimmy graduated from Iowa State University with a Bachelor of Science degree in Chemical Engineering and from the University of Arizona with a Master of Science degree in Finance. Jimmy is a Chartered Mutual Fund Counselor (CMFC) earned from the College of Financial Planning in Denver, Colorado. [A Chartered Mutual Fund Counselor \(CMFC\)](#) is a professional designation awarded by the College for Financial Planning to financial services professionals who complete a study program and pass an exam covering mutual fund topics such as asset allocation, selecting a mutual fund for a client, retirement planning, as well as ethics, integrity, and professional conduct. The CMFC program was developed in conjunction with the Investment Company Institute which is the national association of US investment companies (mutual funds, exchange-traded funds, closed-end funds and unit investment trusts) and is the only mutual fund designation recognized in the financial services industry.

Jimmy lives in Bellevue, WA with his wife and has two daughters. He enjoys reading and spending time with his family.

As a representative of FRG Family Wealth Advisors, Jimmy Wu works closely with the supervisor, Benjamin D. Johnson, and all advice provided to clients is reviewed by the supervisor prior to implementation. Jimmy Wu adheres to applicable regulations regarding the activities of an Investment Adviser Representative, together with all policies and procedures outlined in the firm's code of ethics and compliance manual. Benjamin D. Johnson's phone number is (425) 453-4122.

### **Benjamin D. Johnson**

Ben began his financial services career with Key Bank as a Relationship Manager in the retail division in 2003 and joined Financial Resources Group in 2006.

Johnson completed the financial services program from the American College and was awarded the designation CERTIFIED FINANCIAL PLANNER™ from the Certified Financial Planner Board of Standards. [The Certified Financial Planner \(CFP\)](#) designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards (CFP Board) in the United States. CFP professionals must pass the comprehensive CFP Certification Exam, which covers the financial planning process, tax planning, employee benefits and retirement planning, estate planning, investment management and insurance. Further, all CFP professionals have to complete several years of experience related to delivering financial planning services to clients prior to earning the right to use the CFP certification trademarks. And because they are held to a fiduciary standard of care, a CFP professional is required to act in your best interest.

Ben graduated from Brigham Young University with a Bachelor of Arts degree in Economics and a minor in Music.

He is an active participant and volunteer in his church. In his free time, Ben enjoys golfing, the outdoors, reading and spending time with his family.

Ben lives in Woodinville, WA with his wife, two daughters and three sons.

As the Chief Compliance Officer of FRG Family Wealth Advisors, Benjamin D. Johnson supervises all duties and activities of the firm. Benjamin D. Johnson's contact information is on the cover page of this disclosure document. Benjamin D. Johnson adheres to applicable regulatory requirements, together with all policies and procedures outlined in the firm's code of ethics and compliance manual.

### **Douglas McCallum**

Doug has more than 30 years financial planning experience and has served as member and chairman of several public and privately held boards of directors including *REI*, *First Western Bank*, *West One Bank*, *Washington*, and *West One Bancorp*. Doug has also served on many community non-profit boards. He currently serves on the board of trustees of the *ArtsFund Foundation*.

McCallum earned a BA in Business Administration from the University of Washington, and an MS in Financial Services from the American College.

Doug and his wife Joyce live on the east shore of Lake Sammamish. His avocations are fly-fishing, hiking, skiing, travel, photography and gardening.

Douglas McCallum is a licensed insurance agent. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. FRG Family Wealth Advisors always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any representative of FRG Family Wealth Advisors in such individual's outside capacities.

As a representative of FRG Family Wealth Advisors, Douglas McCallum works closely with the supervisor, Benjamin D. Johnson, and all advice provided to clients is reviewed by the supervisor prior to implementation. Douglas McCallum adheres to applicable regulations regarding the activities of an Investment Adviser Representative, together with all policies and procedures outlined in the firm's code of ethics and compliance manual. Benjamin D. Johnson's phone number is (425) 453-4122.

### **Karin Holden**

Karin Holden is a *cum laude* graduate of Seattle University with a Bachelor of Science in Nursing. She worked as a nurse before joining Financial Resources Group in 1995 as an insurance and compliance specialist.

She volunteers with the Ryther Child Care Center, Laurelhurst Elementary School, is active within the Seattle soccer community, and lives with her husband and 2 daughters in Laurelhurst, Seattle.

### **Kevin Penner**

Kevin graduated from UNLV in 2013 with a BS in Business. He joined our firm in 2015 after playing two years on the Web.com professional golf tour. Kevin was a 2-time all-American while at UNLV.

Kevin is currently studying to earn his Certified Financial Planner designation. He lives in the Issaquah Highlands. He enjoys golfing (of course!) and spending time with family.

As a representative of FRG Family Wealth Advisors, Kevin Penner works closely with the supervisor, Benjamin D. Johnson, and all advice provided to clients is reviewed by the supervisor prior to implementation. Kevin Penner adheres to applicable regulations regarding the activities of an Investment Adviser Representative, together with all policies and procedures outlined in the firm's code of ethics and compliance manual. Benjamin D. Johnson's phone number is (425) 453-4122.

### ***Who we aren't.***

As you can tell from our biographical sketches, we are not lawyers or accountants. We do not practice law or accounting but we are conversant with most legal and tax issues that affect financial plans. We enjoy working with your legal and tax professionals to achieve your planning goals. We have excellent working relationships with many top-rated accountants and attorneys.

### **Item 5 – Fees and Compensation**

#### ***What we charge for what we do.***

All fees are subject to negotiation. We prefer clients who can comfortably pay annual financial planning fees of \$10,000 or more. We typically charge an annual flat advisory fee of \_\_\_\_\_. The factors taken into consideration when negotiating such fee are ABC. An asset based fee of %%% is charged for a small number of advisory clients based on their preferences. Your personalized fee is specified in your written Client Agreement.

Fees are billed quarterly, in arrears. You may elect to be billed directly or you may authorize us to arrange for fees to be paid from your investment accounts. Accounts opened or closed during a calendar quarter will be charged a pro-rated fee.

Our billed fees are exclusive of custodian fees, brokerage fees, transaction costs and other related costs or expenses paid by you such as transfer taxes, wire transfers, electronic fund fees and taxes. Mutual funds and exchange traded funds charge internal management fees disclosed in each fund's prospectus. Such internal fees are deducted from gains (or added to

losses) and are not paid directly but ultimately borne by you. We do not receive commissions from custodians nor does our recommended custodian (Schwab) share custodian and brokerage fees with us. You may terminate our Client Agreement with 30 days advance notice at any time, as can we.

#### **Item 6 – Performance-based fees**

*This item tells you if we wish to be paid by sharing in your portfolio gains.*

FRG does not offer performance-based fees.

#### **Item 7 – Types of Clients**

*This item reveals our client mix and helps inform you if you “fit” within our clientele.*

FRG offers financial planning services to individuals, families, retirement plans, revocable trusts and irrevocable trusts. The majority of our clients are high-income wealthy executives, small business owners, retired individuals and families.

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

*This item tells you how we do what we do to arrive at investment recommendations.*

We will consistently remind you that investing involves risk of loss and that in our view “loss” equates to permanent loss. For example, if your net worth shrinks 10% we must later produce gains of 12% just to break even. Once behind it is difficult to catch up. We will also remind you that risk and return are intertwined. Investing in securities involves risk of loss that you should be prepared to bear.

#### **Item 8 (cont.)**

We are diligent in our efforts to reduce your risk while recommending a variety of investments that offer returns or gains sufficient to grow your net worth. Our investment philosophy is conservative. We are concerned with both retaining asset values and growth of asset values. Our high income, high net-worth clients can afford to be conservative. Our clients do not have to reach out on the risk scale for extra returns at the risk of shrinking net worth. Spectacular gains will not likely change your life style. Spectacular losses could very well change your life style.

We develop a view of investment opportunity based on global demographic trends – the emerging middle classes, the aging of populations, the birth-death ratios of countries, the political stability and financial accountability of countries, buying patterns of age groups, regional effects of climate change plus other data we develop in-house. We believe tracking demographic buying patterns tends to reveal investment opportunities. Once trends are revealed we recommend the purchase of investments we feel can best capture profits from those trends. An intuitive example is the aging population of certain developed countries -



wherein we believe there will be growing demands for health services. We thus may recommend investments within certain health services sectors.

Our recommended investments are typically those that are publicly traded and very liquid, especially those of large, internationally known companies noted for consistent dividend payments. We also recommend certain specialty mutual funds, indexed mutual funds and specialty exchange traded funds. We are not frequent traders. We may sell positions when we believe they have achieved price goals. We may repurchase positions we have sold once we see the opportunity for further profit.

Individual stock analysis is achieved by accessing information made available to us through *Schwab Institutional*, our preferred custodian, as well as paid services such as *Morningstar*. We also use a wide variety of sources available on the internet, especially news sources. We pay for content from such services as *Financial Times*, *Wall Street Journal*, *New York Times*, *The Economist*, *Fortune*, *Bloomberg*, *Briefing.com* and others, including subscription-based financial and economic blogs.

Your investment portfolio is unique to you (and your family). We recommend investments to you based on your acceptance of risk and your personal asset growth goal.

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

*Registered Investment Advisors are required to reveal any legal or disciplinary events that would be material to your evaluation of an advisor.*

No person in our firm has ever been involved in any such disciplinary event.

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

*What do we do other than offer comprehensive financial planning advice?*

Douglas McCallum is a licensed life insurance agent and owns his own insurance company named Insurance Resources. Certain estates need liquidity for estate taxes and life insurance is often the preferred solution. Life insurance and annuity cash values have recently attracted notice as additional “asset classes” due to interest rate guarantees and tax-favored income attributes. When the purchase of life insurance or annuity is desired by our clients, McCallum attempts to negotiate the purchase of the most suitable product on behalf of the client, carefully managing the underwriting of each risk. McCallum uses the services of insurance brokerage companies as well as direct relationships with companies such as New York Life, Metropolitan and Prudential. McCallum receives a commission if the underwriting is accepted by the person requesting insurance.

Life insurance sales commissions are separate, distinct, and in addition to financial planning fees. McCallum's receipt of sales-based commissions creates financial incentive for him to recommend that clients purchase insurance products. This financial incentive creates a conflict of interest between McCallum and our clients where his incentive to recommend insurance products is based upon the compensation received, rather than on a client needs. We attempt to address this conflict of interest by assuring that recommendations to purchase insurance products are only given when in our opinion, they are in the best interests of our clients. McCallum spends less than 10% of his time on insurance activities.

## **Item 11 – Code of Ethics**

*A code of ethics helps assure you your advisor won't take advantage of you.*

We have adopted a Code of Ethics for all persons in our firm. Our Code describes our high standard of business conduct and fiduciary duties to you.

Our Code includes standards dealing with your personal information, prohibitions on insider trading, restrictions on use of internet social media networks, restrictions on acceptance of gifts, and restrictions on securities trading procedures for our manager and employees (firm persons). All persons at our firm must acknowledge the terms of our Code of Ethics annually. Our stated and practiced fiduciary duty is to do what is best for *you*, not what is best for us.

From time to time we may recommend you purchase or sell publicly traded investments that are also owned by us and/or our clients. This does not imply a private transaction between you and FRG, what it means is we may recommend you buy additional units of the same investments we and/or our other clients already own. Our firm's low volume buys and sells are unlikely to affect the pricing of any stock, bond, mutual fund or exchange traded fund, nonetheless we scrupulously avoid any possible benefit accruing to any firm person. All our clients are treated equally and with respect.

### **Item 11 (cont.)**

Subject to applicable laws and our Code of Ethics, persons in our firm may trade for their own accounts the same securities recommended to our clients - but firm persons may not trade until all client trades have been completed on a given day. Our Code assures you that trades by firm persons will not interfere with our recommendations to you.

You may request a copy of our firm's Code of Ethics by contacting Ben Johnson.

## **Item 12 – Brokerage Practices**

*This item is designed to reveal such things as "soft-dollar" arrangements, where investment advisors receive benefits for placing trades with certain dealers.*

We do not maintain custody of your assets. Your assets must be maintained in an account at a qualified custodian. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a

registered broker-dealer, member of SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we or you instruct them. While we recommend that you use Schwab as custodian, you must decide whether to do so. You must establish your account(s) directly with Schwab. We do not open the account(s) for you although we may assist you in doing so.

Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades.

#### *Products and Services available to us from Schwab.*

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our client account and others help us manage and grow our business. Schwab's support services are generally available to us without charge as long as our clients collectively maintain at least \$10 million of assets in accounts at Schwab.

#### *Services that benefit you.*

Schwab's Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account - but help us manage and administer client accounts. The services include investment research from Schwab and third parties.

### **Item 13 – Review of Accounts**

#### *This item tells you how we inform you of your investment progress.*

Information on your publicly traded securities are available to you 24 hours a day, seven days a week via Schwab's on-line services. You will receive most investment statements monthly direct from Schwab, your custodian, or electronically on demand. IRA account statements are provided quarterly. Your Schwab custodial statements received at the end of each calendar quarter may differ in minor amounts from the quarterly progress report we prepare for you. The minor differences are primarily due to timing of interest and dividend payments. In any event, your Schwab report prevails.

We provide you with a written progress report each calendar quarter. Our report provides detail on your updated net worth, publicly traded investments, plus our view of the economy, investment markets and risk. We invite you to meet with us in person to review your quarterly report and to update us on changes within your family and your career or business. During our meeting we review gains and losses, both realized and unrealized, and review dividends and interest received. With your written permission we provide your tax professional with

quarterly tax reports. When appropriate, we discuss recommended changes and identify opportunities within your plan.

During our meetings we will solicit your views on the economy as well as your view of contemporary investment opportunity and risk. We think of our relationship with you as a partnership - a partnership designed to achieve your family financial goals.

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

*This item tells you if we paid anyone for introducing us or if we are receiving compensation from any source other than you.*

FRG does not pay for client referrals and we are not paid by any third party for investment services rendered to our clients.

#### **Item 15 – Custody**

*How do you know we aren't taking you for a Ponzi ride?*

Your custodian is the firm that holds and keeps records on your publicly traded investments. The Ponzi operator Madoff did not employ a professional qualified custodian - which is how he was able to provide false data to his clients for so many years. There are many quality professional custodians. Schwab is one of the largest.

Schwab maintains actual custody of your publically traded assets. You will receive statements from Schwab no less than quarterly, and most likely monthly. Your Schwab statements are also available electronically, and securely, to you at any time. We urge you to carefully review your Schwab statements and compare them to the account statements we provide you. Our

#### **Item 15 (cont.)**

statements are prepared using data from the official Schwab custodial data but even so, our statements may vary from the custodial statements due to reporting dates and accounting procedures. Variances are usually minor.

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

*Do we require you to authorize us to buy and sell securities in your account(s) when and as we see fit?*

We offer both discretionary and non-discretionary accounts. Our clients determine on their client agreement whether they would like their accounts to be discretionary or non-discretionary.

Discretion means an investment advisor can trade your account at any time if the trades are consistent with your stated investment objectives. Non-discretionary accounts require express written or verbal permission before any trade or transaction occurs.

## **Item 17 – Voting Client Securities**

*Who will vote all those proxies that appear in the mail asking share holders to approve auditors, to approve directors and other items needing shareholder approval?*

We do not request but will accept authority to vote client securities - if you have no interest or do not wish to be bothered with the voting process. We believe shareholder votes lead to good corporate governance so we are willing to vote if you decline to do so. If you authorize us to vote, you may not then tell us how to vote. You may request information about how we voted your securities and you may receive a copy of our proxy voting policies and procedures upon request.

## **Item 18 – Financial Information**

*In other words, are we solvent?*

Registered Investment Advisors are required to tell you if they have been bankrupt or if their financial situation is impaired to the extent they cannot meet contractual and fiduciary commitments to their clients.

Our finances are not impaired in any way, shape or form.