

Financial Resources Group.com, LLC
Dba FRG Family Wealth Advisors
10900 NE 8th Street, Suite 1600
Bellevue, WA 98004

Telephone: 425-453-4122
E-mail: frg@financialprtnr.com

www.FinancialResourcesGroup.com

This brochure is dated March 28, 2018

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

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.

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 are available on the SEC website at 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.

The material changes in this brochure from the last annual updating amendment of FRG Family Wealth Advisors on January 1, 2017 are described below. Material changes relate to FRG Family Wealth Advisors' policies, practices or conflicts of interests.

- FRG Family Wealth Advisors has updated Fees and Compensation policies (Item 5).
- FRG is now registered in additional states: TX, CA and AZ.
- Item 15, Custody, has been amended.

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

Item 3 – Table of Contents

.....	
Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation	5-6
Item 6 – Performance-based Fees	6
Item 7 – Types of Clients	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	6-7
Item 9 – Disciplinary Information	7
Item 10- Other Financial Industry Activities and Affiliations	8
Item 11 – Code of Ethics	8-9
Item 12 – Brokerage Practices	9
Item 13 – Review of Accounts	10
Item 14 – Client Referrals and Compensation	10
Item 15 – Custody	10-11
Item 16 – Investment Discretion	11
Item 17 – Voting client Securities	11
Item 18 – Financial Information	11

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
- Investment Management
- 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

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

As of December 31, 2017, FRG manages a total of \$433,951,786 wherein \$162,494,778 under discretionary basis and \$271,457,008 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.

Item 5 – Fees and Compensation

What we charge for what we do.

We are paid exclusively by our Clients in the form of an agreed upon flat fee retainer, quarterly charge on assets under advisement or a hybrid of the two. We are independent of any broker-dealer or other investment management firm and we do not accept referral fees from any brokerage firm, advisory firm or professional advisor to whom we **may** refer clients. We believe this compensation structure provides transparency regarding our fees, and best aligns our interests with those of our Clients.

We prefer clients who can comfortably pay annual financial planning fees of \$20,000 or more.

Typically, our clients will pay us an annual fixed fee of \$20,000 plus an annual asset under advisement based fee of 0.3% for assets in excess of \$3m.

Some clients prefer to be billed on a strictly percentage fee basis. For those clients and for clients with less than \$3m of assets under advisement, we bill as follows:

Assets Under Advisement	Management Fee
For the first \$1million	0.25% billed per quarter (1% per annum) (subject to \$10,000 minimum)
For the next \$2 million	0.125% billed per quarter (0.5% per annum)
On assets above \$3 million	0.075% billed per quarter (0.3% per annum)

All fees are subject to negotiation. We may agree to a lower fee or a fixed annual fee for our services at our sole discretion and for any reason whatsoever.

How We Bill

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.

All fees are billed in arrears shortly after the end of each calendar quarter. For purposes of calculating our quarterly Portfolio Management Fee, AUA is calculated on the basis of average daily balance throughout each quarter. The quarterly Management Fee is payable as of January 1st, April 1st, July 1st, and October 1st of each calendar year but is invoiced and collected following determination of Assets Under Advisement as soon as is practicable following the

Item 5 (cont.)

prior quarter-end. If authorized by our Client, fees may be paid directly to us from the Client's account by the custodian upon FRG's submission of an invoice to the custodian. Payment of fees through the qualified custodian may result in FRG liquidating client securities if there is insufficient cash in the account.

Other Considerations

If services are being provided to multiple accounts or entities of a single Client (or Client Family), fees may be divided among the various accounts or entities in a mutually agreeable manner.

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.

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 Group IRG. Certain estates need liquidity for estate taxes and life insurance is often the preferred solution. When the purchase of life insurance or annuity is desired by our clients, they have the choice to use any company/agent they wish. McCallum's IRG 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 Metropolitan and Prudential. McCallum receives a commission after a policy is purchased.

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 by making sure the client knows they can use any insurance

agent/company they wish. If they select IRG, McCallum works hard to keep premiums low and to only recommend purchasing insurance products when in our opinion, they are in the best interests of our clients.

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.

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

Where is your money held and who has access?

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Since all client funds and securities are maintained with a qualified custodian, we don't take physical possession of client assets. However, under the current SEC rules, our firm is deemed to have constructive custody of client assets due to various arrangements which give us legal access to client funds. Therefore, we urge all of our management clients to carefully review and compare their reviews of account holdings and/or performance results received from us to those they receive from their custodian(s). Should you notice any discrepancies, please notify us and/or your custodian as soon as possible. Custody is disclosed in Form ADV because we have authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, we will follow the safeguards specified by the SEC rather than undergo an annual audit.

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 shareholders 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.