



**Part 2A of Form ADV: Firm Brochure**

**Item 1. Cover Page**

**CONSOLIDATED FINANCIAL MANAGEMENT GROUP, LLC**

**CFMG**

**5850 Venture Dr.**

**Ste A**

**Dublin, OH 43017**

**(614) 932-0000**

**[www.investconsolidated.com](http://www.investconsolidated.com)**

**03/30/2020**

This brochure provides information about the qualifications and business practices of Consolidated Financial Management Group, LLC. (CFMG). If you have any questions about the contents of this brochure, please contact Edward Bell, Managing Member & Chief Compliance Officer at (614) 932-0000. 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 Consolidated Financial Management Group, LLC (CFMG) also is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Searches may be done using the CFMG CRD # 119695. Registration as an investment adviser does not imply a certain level of skill or training.

## Item 2. Material Changes

We have the following material change to report since the last annual filing of this Firm Brochure dated 03/27/2018:

- Our Chief Compliance Officer is now Edward S. Bell.

Our current Form ADV Part 2A (“Firm Brochure”) is available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. We will annually and within 120 days of the end of our fiscal year, provide you either: (i) a copy of our Firm Brochure that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Firm Brochure. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our firm, including but not limited to advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

This brochure may be requested by contacting the firm at (614) 932-0000 or by e-mail to [ebell@investconsolidated.com](mailto:ebell@investconsolidated.com). Additional information about CFMG is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4. Advisory Business**

A. CONSOLIDATED FINANCIAL MANAGEMENT GROUP, LLC (“CFMG”) was founded in September of 1998.

The principal owners are:

- Eddie Bell, CFP™
- Andy Roseberry, CFP™
- Andy Bell, CFP™
- The Wiseman Agency

B. INVESTMENT SERVICES. CFMG offers a combination of the following advisory services, where appropriate, to individuals, pension and profit sharing plans, trusts, estates, private funds or charitable organizations and corporations or other business entities:

**PORTFOLIO MANAGEMENT:** CFMG provides continuous advice to a client regarding investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client’s particular circumstances are established, CFMG develops a client’s personal investment policy and creates and manages a portfolio based on that policy. CFMG will manage advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).

CFMG will create a portfolio consisting of one or all of the following: individual equities, bonds, other investment products, and mutual funds. CFMG will allocate the client’s assets among various investments taking into consideration the overall management style selected by the client. The mutual funds will be selected on the basis of any or all of the following criteria: the fund’s performance history; the industry sector in which the fund invests; the track record of the fund’s manager; the fund’s investment objectives; the fund’s management style and philosophy; and the fund’s management fee structure. Portfolio weighting between funds and market sectors will be determined by each client’s individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client’s behalf. Clients will retain individual ownership of all securities.

#### **Wrap Fee Program: Institutional Intelligent Portfolios™**

CFMG provides portfolio management services through Institutional Intelligent Portfolios, an automated, online investment management platform for use by independent investment advisers and sponsored by Schwab Wealth Investment Advisory, Inc. (the “Program” and “SWIA,” respectively). Through the Program, CFMG offers clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds (“ETFs”) and a cash allocation. The client may instruct CFMG to exclude up to three ETFs from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at SWIA’s affiliated, Charles Schwab & Co., Inc. (“CS&Co”). CFMG is independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, “Schwab”). The Program is described in the Schwab Wealth Investment Advisory, Inc.

Institutional Intelligent Portfolios™ Disclosure Brochure (the “Program Disclosure Brochure”), which is delivered to clients by SWIA during the online enrollment process.

CFMG, and not Schwab, are the client’s investment adviser and primary point of contact with respect to the Program. CFMG is solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. SWIA’s role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that it operates as described in the Program Disclosure Brochure.

CFMG has contracted with SWIA to provide us with the technology platform and related trading and account management services for the Program. This platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps us determine the client’s investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client’s answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects.)

We do not receive a portion of a wrap fee for our services to clients through the Program. Clients do not pay fees to SWIA in connection with the Program, but CFMG charges clients a fee for our services as described below under *Item 5 Fees and Compensation*. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure.

CFMG does not pay SWIA fees for its services in the Program so long as CFMG maintains \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If CFMG does not meet this condition, then CFMG pays SWIA an annual fee of 0.10% (10 basis points) on the value of our clients’ assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

**FINANCIAL PLANNING:** CFMG also provides advice in the form of a financial plan. Clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. In general, the financial plan will address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.

- Education: Education IRAs, financial aid, state savings plans grants and general assistance in preparing to meet dependent’s continuing educational needs through development of an education plan.

-Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years. CFMG will illustrate the impact of various investments on a client's current income tax and future tax liability.

-Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

-Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

-Investments: Analysis of investment alternatives and their effect on a client's portfolio.

CFMG gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, CFMG suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

CONSULTING: Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. CFMG also provides specific consultation and administrative services regarding investment and financial concerns of the client.

Additionally, CFMG provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

PENSION CONSULTING: CFMG provides several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, CFMG will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension consulting services are comprised of four distinct services. Clients may choose to use any or all of these services.

*Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

CFMG will meet with the client (in person or over the telephone) to determine the client's investment needs and goals. CFMG may prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

*Selection of Investment Vehicles and Money Managers:*

CFMG will review various investments, consisting exclusively of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's

IPS. The number of investments to be recommended will be determined by the client, based on the Investment Policy Statement.

CFMG may also perform management searches of various independent registered investment advisers on behalf of a client. Based on a client's IPS, CFMG will determine which independent adviser's portfolio management is appropriate for that client. The factors considered in making this determination include the amount of assets to be managed, risk tolerance, the opinion of each client and the investment philosophy of the independent adviser.

*Monitoring of Investment Performance and Performance of Money Managers:*

Client investments and the independent money managers retained by the client will be monitored continuously based on the procedures and timing intervals delineated in the Investment Policy Statement. Although CFMG will not be involved in any way in the purchase or sale of these investments or the retention of these independent money managers, CFMG will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

*Employee Communications:*

For pension, profit sharing and 401(k) plan clients wherein there are individual accounts with participants exercising control over assets in their own account ("self-directed plans"), CFMG also provides quarterly educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by CFMG and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

As of 12/26/2019 CFMG had Assets Under Management (AUM) of:

Discretionary:	\$96,701,366
Non-Discretionary:	\$0
Pension Plan Assets:	\$231,868,435

Total:	\$328,569,800
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## Item 5. Fees and Compensation

### FEE SCHEDULE

**PORTFOLIO MANAGEMENT:** The annual fee for portfolio management services will be charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
\$0 - \$100,000	1.50%
\$100,001 - \$250,000	1.00%
\$250,001 - \$500,000	0.90%
\$500,001 - \$1,000,000	0.80%
\$1,000,001 - \$2,500,000	0.70%
Over \$2,500,000	negotiable

CFMG may group certain related client accounts for the purposes determining the annualized fee. There are no account minimums or minimum fees for portfolio management clients. Clients can arrange to be invoiced or have their account directly debited. We use software provided by Orion Advisor Services to manage certain client accounts; these client accounts will have the advisory fee calculated quarterly based on the average daily balance of the account. All other clients will have the advisory fee calculated quarterly based on the value of the account at the end of the previous quarter.

CFMG will not directly debit any client account without receiving written authorization from the client.

### **Wrap Fee Program: Institutional Intelligent Portfolios™**

As disclosed in *Item 4 Advisory Business*, clients do not pay fees to SWIA or brokerage commissions or other fees to Charles Schwab & Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further described in *Item 12 Brokerage Practices*.

**FINANCIAL PLANNING/CONSULTING:** The fees for financial planning and consulting services will be charged in the following ways:

- As a fixed fee, typically ranging from \$500 to \$5,000; and/or
- On an hourly basis, ranging from \$100 to \$300 per hour.

If appropriate, an estimate for total hours will be determined at the start of the advisory relationship. A retainer may be requested upon completion of CFMG's fact-finding session with the client, however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance will be due upon completion of the plan or consulting service.

CFMG's financial planning and/or consulting fee(s) will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. There are no account or net worth minimums for financial planning and/or consulting clients.



Commissions will not be credited towards future advisory fees. Notwithstanding the above, advisory fees will always be offset for commissions earned on securities transactions executed in pension, profit-sharing, 401k, IRA or other client accounts where to do otherwise would constitute a prohibited transaction under the provisions of ERISA or the Internal Revenue Code.

Further, if a financial planning/consulting client implements investment recommendations by engaging CFMG for portfolio management services, CFMG may, at its discretion, waive, discount, or adjust financial planning/consulting fees for portfolio management services fees.

**PENSION CONSULTING:** CFMG offers several fee options to pension consulting clients. CFMG may be compensated based on an annual percentage of plan assets for services involving ongoing reviews, and/or it may be compensated by an hourly fee or fixed fee.

The annual fee may range from 0.20% to 1.25% of plan assets depending on the services requested and the size of the plan. Plan sponsors will be invoiced in arrears at the end of each calendar quarter. Fees will be based upon the value of the plan at the end of the previous period (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance). The annual fee will typically be charged according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee (%)</u></b>
\$0 - \$100,000	1.25%
\$100,001 - \$250,000	0.90%
\$250,001 - \$500,000	0.80%
\$500,001 - \$1,000,000	0.50%
\$1,000,001 - \$2,500,000	0.30%
Over \$2,500,000	0.20%

In certain situations, plan sponsors may arrange for their third party administrator to calculate CFMG's fee and pay the fee on a monthly basis.

CFMG's hourly charges range from \$100 to \$300 per hour. A fixed fee may be quoted based on an estimate of hours for the services requested. CFMG may request a retainer for hourly and fixed fee arrangements. The amount of a requested retainer will never exceed the fee for services to be provided within the first six months of an engagement.

These different types of fees may also be combined as appropriate for the different types of services requested by the client. There are no account minimums or minimum fees for pension consulting clients.

#### **GENERAL INFORMATION:**

The following General Information relates to the advisory services described above and does not include CFMG's advisory services to private fund clients.

**Negotiability of Fees:** Advisory fees are negotiable.

**Fee Calculation:** the advisory fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Advisers Act).

Termination: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Other Fees and Expenses: All fees paid to CFMG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of CFMG. In that case, the client would not receive the services provided by CFMG which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by CFMG to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition to CFMG's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers. Such fees may include, but are not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports.

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

As a matter of policy, CFMG does not accept or charge a performance-based fee.

Side-by-side management refers to multiple client relationships where an adviser manages advisory client relationships and portfolios on a simultaneous basis for individuals, businesses, institutions and also mutual funds and/or hedge funds. In such circumstances, potential conflicts of interest may arise by and between the clients and the mutual funds and / or hedge funds, e.g., performance fee arrangements. Currently, CFMG does not offer any performance-based fees and does not manage any mutual funds or hedge funds, so these conflicts do not exist for CFMG.

## Item 7. Types of Clients

CFMG provides advisory services to the following types of clients:

- Individuals
- High net worth individuals
- Charitable organizations
- Corporations or other businesses

**Wrap Fee Program: Institutional Intelligent Portfolios™: Clients eligible to enroll in the Program include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Securities Act of 1974 (ERISA), are not eligible for the Program. The minimum investment required to open an account in the Program is \$5,000. The Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.**

We do not require a minimum account size to open or maintain an account.

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

### **METHODS OF ANALYSIS**

CFMG generally uses well known third parties to perform due-diligence on investment options selected for purchase in a client portfolio. Service providers such as Fi360™, Morningstar™, Charles Schwab Institutional, Argus Research© and various others may be used to perform due-diligence.

CFMG is not limited in the methods it may use to evaluate a particular investment.

### **INVESTMENT STRATEGIES**

When appropriate to the needs of the client, CFMG may recommend the use of various investment strategies including, but not limited to, short sales, margin transactions or option writing. Because some of these investment strategies may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

### **RISK OF LOSS**

The investment objectives and methods summarized above represent CFMG's current intentions. Depending on conditions and trends in the securities markets and the economy in general, CFMG may pursue any objectives, use any investment techniques or purchase any type of security that it considers appropriate and in the best interests of the client accounts whether or not described in this section. Investing in securities involves risk of loss that clients should be prepared to bear. CFMG's past performance generally or the past performance of the investment and other client accounts should not be construed as an indication of any futures results. There can be no assurance that the investment strategies of the CFMG and the other client accounts will be achieved and if achieved that it will create profitable results.

### **Wrap Fee Program: Institutional Intelligent Portfolios™**

The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

**Item 9. Disciplinary Information**

Item 9 is not applicable as CFMG has no reportable material legal or disciplinary events.

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

### **OTHER BUSINESS ACTIVITIES, FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS**

CFMG, a limited liability company, is a registered investment adviser. The Wiseman Agency an Ohio insurance agency, is a Member and owner of CFMG. Further, the Wiseman Agency from time to time may receive a percentage of the total fees generated from CFMG's portfolio management accounts. The Wiseman Agency may recommend CFMG to insurance clients in need of advisory services. CFMG may recommend The Wiseman Agency and Roby Foster Miller Earick, Inc. to advisory clients in need of insurance products and services. Insurance products and services provided by either The Wiseman Agency or Roby Foster Miller Earick, Inc. are separate and distinct from the advisory services of CFMG, and are provided for separate and typical compensation. No CFMG client is obligated to use either The Wiseman Agency or Roby Foster Miller Earick, Inc. for any insurance services. Certain Members and other associated persons of CFMG may also act as insurance agents or brokers for various insurance companies. As such, these individuals, in their separate capacities as insurance agents or brokers, will be able to purchase insurance and insurance-related investment products (insurance) for clients, for which they will receive separate and customary compensation. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **CODE OF ETHICS**

CFMG has adopted a Code of Ethics which sets forth high ethical standards of business conduct that it requires of its employees, including compliance with applicable state and federal securities laws and regulations. CFMG's Code of Ethics stresses that no person it employs shall prefer his/her own interests to those of advisory clients and prohibits the use of material non-public information. CFMG's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by CFMG's access persons. Among other things, CFMG's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or in an initial public offering. CFMG's Code provides for oversight, enforcement and recordkeeping provisions. A copy of CFMG's Code of Ethics is available to all advisory clients and prospective advisory clients upon request to the Chief Compliance Officer at CFMG's principal office address.

Conflicts of interest may arise from the fact that CFMG carries on substantial investment activities for portfolio management account clients. In addition, CFMG may give advice and recommend securities to, or buy or sell securities for, certain accounts, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other client accounts, even though they may have the same or similar investment objectives.

Situations may occur when certain clients could be disadvantaged because of the investment activities CFMG conduct for their own account or other client accounts. Such situations may be based on, among other things: (1) legal or internal restrictions on the combined size of positions that may be taken for client accounts, thereby limiting the size of such accounts' positions; or (2) the difficulty of liquidating an investment for client accounts where the market cannot absorb the sale of the combined position.

CFMG may have differing economic interests in client accounts. For example, certain accounts managed by CFMG may charge higher management fees. Accordingly, CFMG may have an incentive to favor higher fee paying accounts over other accounts.

From time to time, certain investment opportunities for a client (including opportunities to sell investments) may come to the attention of CFMG by virtue of the fact that the investment, or one of its clients or affiliated persons, is willing to sell or purchase such investment. In some circumstances, a potential conflict of interest may arise because CFMG may be acting for one or more clients and for itself or on behalf of another client. Where required by applicable law or contractual obligation, disclosure will be given to, and consent obtained from, the client before the completion of such transactions. Such investment opportunities shall be allocated in a manner in which CFMG considers to be fair and equitable.

A client's performance may differ significantly from the results achieved by CFMG for other accounts they manage or advise. The personnel of CFMG are not required to devote all or any specified portion of their time to managing the affairs of any particular client, but will devote to the client accounts so much of their time as CFMG deems necessary or appropriate.



## **Item 12. Brokerage Practices**

### **BROKERAGE RECOMMENDATION - DIRECTED BROKERAGE**

**PORTFOLIO MANAGEMENT:** CFMG does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, clients must direct CFMG as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that CFMG will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, CFMG may recommend the use of one of several FINRA member broker dealers including, Charles Schwab & Co., Inc. (“Schwab”), provided that such recommendations are consistent with CFMG’s fiduciary duty to the client. CFMG clients must evaluate these brokers before opening an account. The factors considered by CFMG when making this recommendation are the broker’s ability to provide professional services, CFMG’s experience with the broker, the broker’s reputation, and the broker’s quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker.

Clients may request that brokerage transactions be directed to a particular broker or dealer. However, if CFMG believes that the use of that broker dealer would hinder CFMG in meeting its fiduciary obligations, CFMG will not be able to accept the account. Clients should note that CFMG participates in the Schwab Institutional (“SI”) services program offered to independent investment advisers by Schwab. As part of the SI Program, CFMG receives certain benefits that it would not receive if it did not offer investment advice to clients.

Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through these individuals, in their separate capacities as registered representatives or insurance agents/brokers.

#### **Wrap Fee Program: Institutional Intelligent Portfolios™**

Clients participating in the Program are required to use the brokerage services of CS&Co, a broker-dealer registered with the SEC and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. CFMG does not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client’s account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for CFMG’s clients and accounts for clients of other independent investment advisory firms using the Program.

Schwab Advisor Services (formerly Schwab Institutional) is Schwab’s business serving independent investment advisory firms like CFMG. Through Schwab Advisor Services, CS&Co provides CFMG and its clients, both those enrolled in the Program and our clients not enrolled in

the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. CS&Co's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co's support services:

CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. CS&Co's services described in this paragraph generally benefit the client and the client's account.

CS&Co also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

CS&Co also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

CS&Co may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the Program, as described above under *Item 4 Advisory Business*, we do not pay SWIA fees for its services in connection with the Program so long as we maintain \$100 Million in client assets in accounts at CS&Co that are not enrolled in the Program. In light of our arrangements with Schwab, we may have an incentive to recommend that our clients maintain their accounts with CS&Co based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of CS&Co's services and not Schwab's services that benefit only us. We have adopted policies and procedures designed to ensure that our use of Schwab's services is appropriate for each of our clients.

**PENSION CONSULTING:** CFMG does not arrange for the execution of securities transactions for pension plans as a part of this service. The client is responsible for the implementation of securities transactions for these accounts.

### **Item 13. Review of Accounts**

#### **ACCOUNT REVIEWS AND REPORTS**

##### **PORTFOLIO MANAGEMENT:**

**Reviews:** While the underlying securities within portfolio management accounts are continuously monitored, these accounts are reviewed at least quarterly by an investment adviser representative of CFMG. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**Reports:** Client's broker-dealer and/or custodian will provide clients with monthly statements summarizing account performance, balances and holdings as well as confirmations of transactions. CFMG will provide clients with additional reports as contracted for at the inception of the advisory relationship.

##### **FINANCIAL PLANNING/CONSULTING:**

**Reviews:** These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

**Reports:** Financial planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for. Consulting services clients will receive reports as contracted for at the inception of the advisory relationship.

##### **PENSION CONSULTING:**

**Reviews:** These client accounts will be reviewed as contracted for at the inception of the advisory relationship and will typically depend on the type and scope of services provided to the client.

**Reports:** These client accounts will receive reports as contracted for at the inception of the advisory relationship.

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

### **ADDITIONAL COMPENSATION**

CFMG has entered into arrangements to compensate persons (defined as a natural person or a company) who act as “solicitors” for CFMG as defined by the Securities and Exchange Commission pursuant to rule 206(4)-3 of the Investment Advisors Act of 1940. These “solicitors” have signed solicitors agreements on file with CFMG. All clients referred to CFMG via a “solicitor” are required to sign a “Solicitor’s Disclosure” letter that outlines the arrangement and compensation between CFMG and the “solicitor.”

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Item 15. Custody**

CFMG does generally not maintain physical custody of any client assets. CFMG utilizes the services of unaffiliated banks, broker-dealers and financial institutions or other qualified custodians selected by either CFMG or the client to hold client cash and securities.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm has the ability to directly debit advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16. Investment Discretion**

### **INVESTMENT DISCRETION**

For clients granting CFMG discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for the client's account(s), CFMG requests that such authority be granted in writing.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments shall be submitted in writing.

Advisory clients who elect not to grant such discretionary authority to CFMG are advised that trades in their accounts will typically be executed subsequent to trades effected in discretionary accounts due to the time involved in obtaining the requisite client approval. Consequently, these clients may not participate in blocked trades and there may be a difference in the price paid per share of a given security and the commission rates paid by these clients as compared to other clients.

## **Item 17. Voting Client Securities**

Class Actions, Bankruptcies and other Legal Proceedings: CFMG will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct CFMG to transmit copies of class action notices to the client or a third party. Upon such direction, CFMG will make commercially reasonable efforts to forward such notices in a timely manner.

As a matter of firm policy and practice, CFMG does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. However, CFMG may provide advice to clients regarding the clients' voting of proxies.

### **Wrap Fee Program: Institutional Intelligent Portfolios™**

As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.



## **Item 18. Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. CFMG has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

CFMG has not been the subject of a bankruptcy petition at any time during the past ten years.