

# **ROSENBERG FINANCIAL GROUP, INC.**

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## **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of Rosenberg Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at (478) 922-8100 or via e-mail at [steve@rfmoney.com](mailto:steve@rfmoney.com). 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 Rosenberg Financial Group, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Rosenberg Financial Group, Inc. is 119314.**

**Rosenberg Financial Group, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 12, 2019, we have no material changes to report.

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## Item 4 Advisory Business

### Description of Services and Fees

We are a registered investment adviser based in Warner Robins, Georgia. We are organized as a corporation under the laws of the State of Georgia and we have been providing investment advisory services since 1994. Stephen Rosenberg is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Financial Planning Services**
- **Wealth Management Platform - Advisor Managed Portfolios Program**
- **Selection of Other Advisers**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. We refer to Associated Persons who provide investment advice as Investment Adviser Representatives ("IARs") or Advisory Representatives throughout this Brochure. As used in this brochure, the words "we", "our" and "us" refer to Rosenberg Financial Group, Inc. and our IARs. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Financial Planning Services

Financial Planning Services typically involves providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. The process begins with an initial complementary consultation. If during or after the initial consultation, you decide to hire us for financial planning services, pertinent information about your personal and financial circumstances and objectives is collected. As required, we will conduct follow up meetings for the purposes of reviewing and/or collecting financial data. Once we review and analyze the information you provide to our firm we may deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Some clients may only require advice on a single aspect of the management of their financial resources. For these clients, we offer financial plans in a modular format and/or general consulting services that address only those specific areas of interest or concern, depending on each client's unique circumstances.

In general, financial planning services include any one or all of the following:

1. **Retirement Planning** involves advice with respect to alternatives and techniques for accumulating wealth for retirement income or advice relative to the appropriate distribution of assets following retirement. Tax consequences and their implications are identified and evaluated.
2. **Investment Planning** involves advice with respect to asset allocation and investment income accumulation techniques. Evaluations are made of existing investments in terms of their economic and tax characteristics as well as their suitability for meeting client's objectives. Tax consequences and their implications are identified and evaluated.
3. **Estate Planning** involves advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques. It involves a discussion of gifts, trusts, etc., and the disposition of business interests. Tax consequences and their implications are identified and evaluated.

4. **Insurance Planning** includes risk management associated with advisory recommendations based on the combination of insurance types that best meet a client's specific needs, e.g. life, health, disability, and long-term care insurance.
5. **Education Planning** includes alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education experience. Tax consequences and their implications are identified and evaluated.
6. **Business Planning** includes alternatives and strategies with respect to the continuity or disposition of the business upon the business owner's retirement, death, disability, or decision to sell. Tax consequences and their implications are identified and evaluated.

The services described above are provided on either a fixed fee or hourly fee basis. Our fixed fees for financial planning services range between \$500 and \$5,000 and our hourly rate ranges between \$100 and \$250. After we determine the scope of the services to be provided, we will quote you an applicable fee. The applicable fee (hourly vs. fixed) is negotiable and determined, on a case-by-case basis, based on the services to be provided, your financial situation, the IAR that is providing the services.

Generally, the financial planning fees will be payable upon completion of the contracted services. However, we may allow for other fee-paying arrangements. For example, we may require that you pay an initial retainer fee equal to one-half of the estimated fee in advance of any services rendered. The balance would then be due upon completion of the contracted services.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

When you receive financial planning services you may also purchase securities or insurance products offered through Royal Alliance Associates, Inc. ("Royal Alliance") pursuant to the plan or consultation. Members of our firm may receive commissions as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to members of our firm receiving additional compensation.

You are under no obligation to act on our financial planning recommendations and you are under no obligation to purchase products or services recommended by us or members of our firm in connection with our providing you with financial planning services, or any advisory service that we offer. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

You may terminate the financial planning agreement by providing written notice to us. However, you will incur a pro rata charge for advisory services rendered prior to such termination. In the event there are any prepaid unearned fees at the time of cancellation, we will promptly refund a pro rata share to you based on the work performed.

#### **Wealth Management Platform - Advisor Managed Portfolios Program**

The Wealth Management Platform - Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC ("Pershing").

Advisor Managed Portfolios provides risk tolerance assessment *and* portfolio optimization and re-balancing tools. Utilizing these tools, and based on discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolios details, please see the Wealth Management Program Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Wealth Management Program. Please read it thoroughly before investing.

### **Third Party Advisory Services**

We offer our clients the services of various Third Party investment Advisors ("TPA") ("Third-Party Advisory Services") for the provision of certain investment advisory programs including mutual fund wrap and separately managed account programs.

If you are interested in learning more about any of these services, please note that a complete description of the programs, services, fees and payment structure, and termination features is available via the applicable Third Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.

Inconnection with these arrangements, we will provide assistance in the selection and ongoing monitoring of a particular Third-Party Advisory Service. Factors that we consider in the selection of a particular third-party advisor may include but may not be limited to: i) our assessment of a particular Third-Party Advisory Service; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and, iii) the assets you have available for investment.

You should know that the services provided by us through the use of Third-Party Advisory Services are under certain conditions directly offered by them to you. The fees charged by Third-Party Advisory Services who offer their programs directly to you may be more or less than the combined fees charged by the Third Party Advisory Service and us for our participation in the investment programs. However, when using the services of Third-Party Advisory Services directly, you do not receive our expertise in developing an investment strategy, selecting a Third-Party Advisory Service, monitoring the performance of your account and changing a Third-Party Advisory Service provider when appropriate.

Compensation in connection with Third Party Advisory Services generally consists of five elements: i) management fees paid to Third Party Advisory Services ii) management fees paid to us as outlined below iii) transaction costs - if applicable - which may be paid to purchase and sell such securities; iv) custody fees; v) revenue sharing compensation paid to Royal Alliance Financial, Inc. ("Royal Alliance") the securities broker-dealer to which members of our Firm are associated with; and vi) fees paid to Royal Alliance for administrative and supervisory services.

For more complete fee details, please see the applicable Third Party Advisor's disclosure brochures, investment advisory contracts, and account opening documents.

## SEI Account

We may assist you in establishing a custodial clearing account with SEI Financial Services ("SEI") or affiliates of SEI and with your consent, may direct the purchase of no-load mutual funds affiliated with SEI in the account. Royal Alliance provides certain assistance to SEI or its affiliates. Royal Alliance will receive a portion of the administrative fees charged by SEI. While clients who have these SEI accounts may also be clients of Royal Alliance programs, we are the investment adviser and Royal Alliance is not acting as an investment adviser in respect to the SEI accounts. The maximum fees are listed below. The actual fee you pay is negotiable and is set forth in the client service agreement.

The fee schedule is as follows:

<b>Assets Under Management</b>	<b>Annualized Fee</b>
From \$0 - \$199,999	1.50%
Next \$200,00 - \$399,999	1.25%
Next \$400,000 - \$499,999	1.00%
Next \$500,000 - \$999,999	0.80%
Next \$1,000,000 - \$4,999,999	0.35%
Next \$5,000,000 +	0.25%

Our advisory fees are negotiable but fees charged by the Third Party Advisory Service in connection with their services may not be.

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the TPA through the receipt of a referral fee. The advisory fee you pay to the TPA is established and payable in accordance with the disclosure brochure provided by each TPA to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each TPA. As such, a conflict of interest may arise where our firm or our Associated Persons may have an incentive to recommend one TPA over another TPA with whom we have more favorable compensation arrangements or other advisory programs offered by TPAs with whom we have less or no compensation arrangements.

## Types of Investments

We primarily offer advice on equity securities, corporate and municipal bonds, exchange traded funds, certificates of deposit, money market and mutual funds.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## Assets Under Management

As of December 31, 2019, we provide continuous management services for \$58,970,857 in client assets on a discretionary basis, and \$3,099,046 in client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

**Additional Fees and Expenses**

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

For clients in wrap accounts, you will be charged an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian. Please see the Other Financial Industry Activities and Affiliations section below which explains our relationship with Royal Alliance.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives may sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our firm in connection with providing you with any advisory service that we offer. At our discretion, our firm may offset our advisory fees to the extent our associated persons earn commissions in their separate capacities as registered representatives and/or insurance agents.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. IARs of RFG who are also licensed insurance agents can effect transactions in insurance products and earn the standard and customary commissions for these activities. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. Clients are instructed that they may use the insurance agency and agent of their choosing for insurance services. Moreover, the fees charged by our firm for advisory services are separate and distinct from any commissions earned by its employees who are also independent insurance agents for the sale and servicing of insurance products. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.



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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the **Advisory Business** section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$250,000 per family to open an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Our investment approach revolves around our belief that retirees can be hurt more by big losses than they can be helped by chasing high returns. With this core belief always in mind, we use technical analysis to help determine **WHEN** to take on more risk or when to reduce risk. And, we use fundamental analysis to help determine **WHAT** to **BUY** or **SELL**.

Below are the types of analyses we may utilize:

- **Technical Analysis** - Technical analysis involves using price and volume information for a particular security or market sector. This price and volume information is analyzed and the resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. When using technical analysis we review statistics to determine trends in security prices and use them to help make our investment decisions based on those trends. We also use technical analysis to determine trends in market sectors. This analysis may only be able to predict how a particular investment or sector will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy. From time-to-time we use technical data purchased from outside sources.
- **Fundamental Analysis** - When using fundamental analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality that are used to help determine the future value of an investment. Data we review is generally considered reliable but we cannot guarantee nor have we verified its accuracy. From time-to-time we use fundamental data purchased from outside sources. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of

the data is correct, there may be other factors that determine the value of securities other than those considered in fundamental analysis. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- Cyclical Analysis - Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends. We divide market cycles into three stages. **Stage I** encompasses the transition from late bear market to early bull market. **Stage II** is the mid- to late bull market period when economic growth is more firmly established. In **Stage III**, the bull market runs out of steam. The length of an economic cycle is difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and, consequently, the changing value of securities that would be affected by these changing trends.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

No one style is used alone and our analysis is accomplished by using a combination of the methods listed above. Nevertheless, risks are that the analysis methods won't always work since markets change and methods of analysis that worked in the past might not work today or in the future. Often times the market can demonstrate mixed signals and it's possible we could focus on the wrong one(s). Additionally, the information we use might be inaccurate and/or outside events can occur suddenly that can negate our strategy. Shorter-term strategies may under perform longer-term strategies and may also result in unfavorable tax treatment.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes. Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon a client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Their restrictions and guidelines may affect the composition of their individual portfolio.

For our Third Party Advisory ("TPA") Services clients, we do not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party investment advisers based on research reports and analysis of performance provided by third-party advisers and publicly available research and reports regarding investment strategies and programs generally offered by a variety of third-party investment advisers. We primarily rely on investment portfolios and strategies developed by the TPA and their portfolio managers. We may recommend replacing the TPA if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of client assets. Regardless of account size or any other factors, we strongly recommend that clients continuously consult with a tax professional prior to and throughout their relationship with our firm.

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Most custodial firms use the FIFO ("First In First Out") accounting method as the default method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend equity securities, corporate and municipal bonds, exchange traded funds, certificates of deposit, money market and mutual funds however, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Municipal bonds, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is

due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Investing in mutual funds and exchange traded funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the fund.

Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to certain limits. However, because the returns are generally very low, it's possible for inflation to outpace the return. Likewise, US Government securities are backed by the full faith and credit of the United States government but it's also possible for the rate of inflation to exceed the returns.

A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The US Securities and Exchange Commission notes that "While investor losses in money market funds have been rare, they are possible". In return for this risk, you should earn a greater return on your cash than you'd expect from an FDIC insured savings account (money market funds are not FDIC insured).

### **Risk of Loss**

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market

tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Item 9 Disciplinary Information**

Neither our firm nor any of our associated persons has any reportable disciplinary information.

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

All representatives of our firm that provide advice to you ("Advisory Representatives") are associated with Royal Alliance Financial, Inc. ("Royal Alliance") as Registered Representatives. Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

IARs of RFG who are also licensed insurance agents can effect transactions in insurance products and earn the standard and customary commissions for these activities. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. Clients are instructed that they may use the insurance agency and agent of their choosing for insurance services. Moreover, the fees charged by our firm for advisory services are separate and distinct from any commissions earned by its employees who are also independent insurance agents for the sale and servicing of insurance products. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **Recommendation of Other Advisers**

We may recommend that you use a third party adviser ("TPA") based on your needs and suitability. We will receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.



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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Stephen M. Rosenberg at (478) 922-8100 or via e-mail at [steve@rfmoney.com](mailto:steve@rfmoney.com).

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities for you at the same time we or persons associated with our firm buy or sell such securities for our own accounts. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that we shall not have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

As described in the Other Financial Industry Activities and Affiliations section, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct be processed through Royal Alliance's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Block Trades**

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

## **Item 13 Review of Accounts**

Wealth Management Platform accounts are monitored on a continuous basis with a review conducted at least annually. All other accounts are monitored on a periodic basis as detailed in the agreement for services. Stephen Rosenberg, President; Joseph Blackgrove, Senior Vice President, Louis McNamara, Jr., Vice President and Sherri Goss, Vice President, will perform reviews for those client accounts for which they are the assigned IAR.

Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

When meeting with clients, we will provide you with periodic written reports detailing holdings and other information in conjunction with account reviews. You will also receive statements, on at least a quarterly statement, from your account custodian(s).

We will perform reviews and updates of financial plans at a client's request. However, additional fees may be incurred.

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

### **Client Referrals**

We may directly compensate non-employee (outside) individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. You should request that our Solicitors disclose to you whether multiple referral relationships exist and whether comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Other Compensation**

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that Royal Alliance sponsors which may be more expensive for us to use.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, Royal Alliance will assess all transaction charges to us as a percentage fee based on the assets under management. This may influence us to charge you a higher quarterly account fee than we would otherwise charge you in an effort to recoup charges Royal Alliance charges us.

Certain Third Party Advisory Service programs may provide our Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third Party Advisory Service platforms. We may have an incentive to recommend Third Party Advisory Service programs that provide us with the above referenced opportunities over those that do not.

Mr. Rosenberg and Mrs. Goss have each authored or co-authored several books related to financial, retirement, and estate planning. These books are available for sale for a fee.

## **Item 15 Custody**

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Stephen Rosenberg, President, at (478) 922-8100 or via e-mail at [steve@rfmoney.com](mailto:steve@rfmoney.com).



## Item 16 Investment Discretion

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds. Our investment authority may be subject to specified investment objectives, guidelines and/or conditions imposed by you. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry. If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s).

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## Item 17 Voting Client Securities

### Proxy Voting

We will not vote proxies on behalf of your advisory accounts. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

In certain circumstances our Advisory Representatives may use investment discretion in your account, subject to your approval. We are well capitalized in full compliance with applicable regulations and do not foresee any financial conditions that may impair our fulfillment of reasonable obligations or contractual commitments to you.

## Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## Item 20 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Stephen M. Rosenberg, President, at (478) 922-8100 or via e-mail at [steve@rfmoney.com](mailto:steve@rfmoney.com), if you have any questions regarding this policy.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account or you. In the event the trading error results in an erroneous profit, you will keep the profit.