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Ms. Shirley Coria is Vice President and Chief Operating Officer (“COO”) of NPB Financial Group, LLC. All public inquiries about this Brochure should be directed to her attention. Her e-mail address is: [shirley.coria@npbfg.com](mailto:shirley.coria@npbfg.com).

***The date of this Brochure is May 31, 2020. This Brochure has NOT been approved by the U.S. Securities and Exchange Commission (“SEC”) or any State securities authority. Our registration as an Investment Advisor with the SEC and/or any State does not imply a certain level of skill or training.***

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## I. Introduction and Background

NPB Financial Group, LLC, ("NPB"), was founded in August 2005, and began doing business in January 2006. NPB was founded by Neal E. Nakagiri, Mark S. Pash and James H. Braziel. NPB is registered with FINRA as a general securities broker-dealer ("BD") and registered with the SEC as an Investment Advisor ("IA"). NPB is licensed to offer and sell securities, insurance and annuities, and investment advice, to the public.

Messrs. Nakagiri, Pash and Braziel are Member-Managers of NPB.

Mr. Nakagiri is the President and Chief Compliance Officer ("CCO"). He has been in the securities industry since 1976.

Mr. Pash is a Certified Financial Planner and maintains an office in Encino, California. He specializes in financial planning, and has been in the securities industry since 1980.

Mr. Braziel is a Certified Financial Planner and maintains an office in Chico, California. He specializes in estate planning, and has been in the securities industry since 1966.

Ms. Shirley Coria is Vice President and Chief Operating Officer. She has been in the securities industry since 1983.

Mr. Gary Ching is Vice President and Chief Financial Officer ("CFO"). He has been in the securities industry since 1986.

Mr. Frank Chan is Vice President and Chief Marketing Officer. He has been in the securities industry since 1994.

Mr. Ivan Parry is Assistant Vice President, Compliance. He has been in the securities industry since 1990.

Messrs. Nakagiri, Pash, Braziel, Ching, Chan and Ms. Coria are equity owners of NPB in varying percentages.

As of May 31, 2020, NPB has approximately fifty (50) men and women who are licensed to offer investment advice relating to securities and investments to the public. They are also dually-licensed as Registered Representatives under NPB's broker-dealer registration. They work in various offices located in Arizona, California, Idaho, Nevada, North Carolina and Utah.

## II. Material Changes

**Please note that on May 5, 2020, NPB accepted \$141,097 from the federal government subject to the Payment Protection Program and CARES Act to help pay its staff. NPB plans to meet all of the terms of the PPP Loan so that NPB will not have to repay any of the PPP Loan.**

NPB Financial Group, LLC ("NPB") will provide our disclosure brochure ("Brochure") to you when we enter into an Investment Advisory Agreement with you. Our Brochure will be updated no less than annually. Within 120 days of our fiscal year end—December 31 of each year—we will make available a summary of material changes which have been made to our

Brochure since its last annual update. This summary will include information about how you may obtain an updated Brochure at no charge, and it will include the date of the last annual update. We will provide updated disclosure information about material changes more frequently as needed. **The following is a summary of revised disclosures of information previously provided in our Brochure, dated March 31, 2020.**

“Section IV of NPB’s Brochure dated November 1, 2019, discloses ***Fees, Compensation and Conflicts of Interest*** in connection with NPB’s investment advisory and broker-dealer activities. NPB’s registered representatives and investment adviser affiliates will receive, in addition to advisory fees, compensation from third parties in the form of distribution fees, also called 12b-1 fees, relating to the sale or holding of certain share classes of mutual funds. IA Affiliates of NPB providing investment advice to advisory clients on behalf of NPB can, and do, select mutual fund investments in share classes that pay 12b-1 fees when those advisory clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This practice represents a conflict of interest because IA Affiliates have an incentive to recommend mutual fund shares based on the compensation received rather than solely for the benefit of NPB’s investment advisory clients. Additionally, this added 12b-1 compensation paid to us will result in a lower investment return compared to the return available on the purchase of a share class of the same mutual fund that does not pay 12b-1 fees”.

Additionally, this Brochure contains revised disclosures under Section IV titled Fees, Compensation and Conflicts of Interest regarding, in summary, NPB’s new policy, effective March 19, 2020, prohibiting the purchase of a mutual fund share class that generates a 12b-1 fee for an IA client who opens and maintains an IA account with NPB on NPB’s Pershing account platform. This is only a summary of our new policy, and is qualified by the full text of the policy under Section IV of this Brochure.

The foregoing represents a summary of the revisions. A copy of our current Brochure containing the complete revisions may be requested by contacting Shirley Coria at 818-827-7132 or [shirley.coria@npbfg.com](mailto:shirley.coria@npbfg.com). We will provide you with a copy of our current Brochure, **dated May 31, 2020**, at no cost to you.

Information about our IA Affiliates may be found in our Brochure Supplements.

### III. Investment Advisory Business

NPB offers investment advice about securities and other investments through its professionally-licensed IA Affiliates. Investment advice can be financial planning, estate planning, or other types of investment planning tailored to the goals and objectives of our clients. Our clients may include individuals, trusts, estates, retirement plans, corporations and other business entities.

Some of our IA Affiliates are licensed as attorneys, accountants, real estate agents and other professional licensees. Detailed biographical information about any particular IA Affiliate is available as a Brochure Supplement.

Some of our IA Affiliates will manage funds and securities for clients on a discretionary basis. “Discretionary basis” means that pursuant to a written Investment Management Agreement (“IMA”),

the client and the IA Affiliate agree on an investment philosophy, strategy and objective at the outset of the relationship. The decision to buy or sell any particular security is left to the discretion of the IA Affiliate, who does not have to contact the client to discuss the purchase or sale of a security before its execution. Fees, charges and costs are set forth in the IMA. The usual method of payment is a monthly or quarterly fee, calculated as a percentage of the current value of the investment portfolio on a monthly or quarterly basis, and charged in advance or in arrears. Other payment arrangements can be negotiated between the client and the IA Affiliate, including, but not limited to, hourly fees and project fees.

Some of our IA Affiliates will manage funds and securities for clients on a non-discretionary basis. An IMA is completed, but the client and the IA Affiliate must agree beforehand each time a purchase or sale of a security occurs. Fees, charges and costs are set forth in the IMA. In addition to monthly or quarterly fees based on the current value of the investment portfolio, an hourly fee, fixed fee or project fee can be agreed upon.

The usual range of fees is 0.50% to 3% on an annualized basis. Hourly fees and project fees are negotiated between the client and the IA Affiliate at the time the service is agreed to be provided.

The purchase of a security that generates a brokerage commission or service fee, payable to NPB in its capacity as a broker-dealer, creates a conflict of interest. NPB and the IA Affiliate will receive normal and customary brokerage commissions, including mutual fund 12b-1 fees, variable annuity trail commissions and similar brokerage-related revenues, when securities are bought or sold when acting in a broker-dealer capacity.

Full disclosure of the brokerage commission, 12b-1 fee, variable annuity trail commission, etc. will be made by the IA Affiliate prior to, or at the time of, execution of the IMA. If a purchase of a security results in a brokerage commission, 12b-1 fee or trail commission, the IA Affiliate may waive or otherwise credit and offset, any investment advisory fee that is due and payable.

As of December 31, 2019, NPB managed \$ 62,126,000 million on a discretionary basis, and another \$120,920,000 million on a non-discretionary basis.

#### IV. Fees, Compensation and Conflicts of Interest.

As stated in the prior Section regarding Investment Advisory Business, the usual Investment Management Agreement will set forth in writing a particular fee schedule, usually stated as a percentage of the Assets Under Management (“AUM”) for the particular client. The fee is charged monthly or quarterly, in advance or in arrears, and is often deducted from the account. A bill is generated by the IA Affiliate, which shows the fee calculation for the particular time period.

If agreed upon, the fee bill may be paid from a completely separate source, such as a client’s checking account.

NPB reserves the right to charge interest for any late fee payments.

The IMA will specify whether there are any additional fees, costs or charges, in connection with managing the client's portfolio. This could include fee and charges for costs imposed on NPB or the IA Affiliate by NPB's clearing firm, Pershing LLC, or a third-party service provider, such as the U.S. Post Office. Full written disclosure of such additional fees and charges will be included as part of the IMA.

If the investment management fee is charged in advance, a pro-rata refund will be provided promptly if the agreement for services is terminated prior to the time the fee is fully earned.

The purchase of a security that generates a brokerage commission payable to NPB and the IA Affiliate, creates a conflict of interest. NPB is dually-licensed as a broker-dealer and an investment advisor. Many IA Affiliates are dually-licensed as IA Affiliates and Registered Representatives of the broker-dealer. NPB and its IA Affiliates will receive normal and customary brokerage commissions when securities are bought while acting in a broker-dealer and Registered Representative capacity.

Full disclosure of the brokerage commission, 12b-1 fee, trail commission and the like, will be made prior to, or at the time of, execution of the IMA. If a purchase of security results in a brokerage commission, 12b-1 fee or trail commission being paid to NPB and the IA Affiliate, the IA Affiliate has the ability to waive, or otherwise credit and offset, any investment advisory fee that is due and payable.

It is assumed that the recommendation to purchase, or the actual purchase of a mutual fund, will be a purchase of the "lowest cost share class" that is available at the time of purchase. If a different share class is recommended to be purchased, the IA Affiliate is required to disclose that fact, plus the reason for recommending the purchase of the "other" share class. This conflict of interest disclosure must be done in writing, within the IMA, and therefore, agreed to by the client. ***A mutual fund share class with a 12b-1 fee will have a lower investment return than a mutual fund share class WITHOUT a 12b-1 fee.***

NPB and its registered representatives receive compensation in connection with the purchase and sale of securities or other investment products, including our and our registered representatives' receipt of compensation from third parties in the form of distribution fees, also called 12b-1 fees, for the sale and holding of certain share classes of mutual funds. 12b-1 fees earned by us and persons in their capacities as registered representatives are separate and in addition to our investment advisory fees. This practice represents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely on your needs. Persons providing investment advice to investment advisory clients on behalf of our firm can, and do, select mutual fund investments in share classes that pay 12b-1 fees when those advisory clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. There is an added expense to our advisory clients, and additional third party compensation paid to us, associated with our recommendation to you and your purchase of a mutual fund share class which includes a 12b-1 fee expense. ***A mutual fund share class with a 12b-1 fee will have a lower investment return than a mutual fund share class WITHOUT a 12b-1 fee.***

As noted above, this presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above. Full disclosure of the 12b-1 fees and related conflict of interest, as discussed above, will be confirmed and made by your IA Affiliate prior to, or at the time of, execution of

the IMA or at the time of any recommendation of a mutual fund investment in share classes that pay 12b-1 fees.

**Effective March 19, 2020, the purchase of a mutual fund share class that generates a 12b-fee is prohibited for an NPB Investment Advisor client who opens and maintains an IA (“NPF”) account with NPB Financial Group, LLC, on NPB’s Pershing account platform. This prohibition only applies to a new purchase, and not to any existing mutual fund share classes that the NPB Investment Advisor client may have purchased or acquired, prior to March 19, 2020—from NPB or from any other source or financial institution. This prohibition DOES NOT APPLY to the purchase of a mutual fund share class that generates a 12b-1 fee, if the purchase is executed “away” from NPB (i.e., the purchase is executed at another Finra broker-dealer, such as Schwab, Fidelity, etc.), and NPB does NOT receive any part of the resultant 12b-1 fee that is paid to the other Finra broker-dealer.**

V. Performance-based fees and Side-by-side Management

NPB and its IA Affiliates do not offer performance-based fee arrangements to any client.

VI. Types of Clients

NPB offers investment advice to individuals, trusts, estates, retirement plans, corporations and other business entities.

NPB has no minimum requirements in terms of size of the account for any client. Some of our IA Affiliates may require a certain type of client and/or size of account. That determination is left to the discretion of the IA Affiliate.

VII. Methods of Analysis, Investment Strategies and Risk of Loss

IA Affiliates use various methods of investment analysis, including charting, fundamental, technical and cyclical analysis. They read and interpret financial news, corporate reports, research reports, corporate ratings services, company filings with the SEC and company press releases. They listen to conference calls and webinars that discuss various investments, products, strategies and domestic and foreign financial news. They attend conferences, symposiums and meetings that cover financial and securities industry news, latest developments in product design and economists’ viewpoints and analysis. IA Affiliates attend meetings and conferences that enable them to design investment strategies that have favorable tax benefits.

Investment strategies are tailored to each client, and can be designed for growth, income or a combination of growth and income. There are clients that primarily seek preservation of principal. There are also clients that may want to be more aggressive in their investing. It is up to the client and the IA Affiliate to come to an understanding of the type of investment strategy, or strategies, to be used, as well as the type of investment products to be used—as certain strategies and products may increase or decrease the risk of loss of principal in the short or long term.

Generally, NPB and its IA Affiliates believe in long term investment strategies. NPB discourages the use of speculative products and strategies.

VIII. Disciplinary Information.

On November 17, 2017, NPB was censured and fined \$35,000, for violations of NASD Rule 3010 and Finra Rule 2010, for failing to establish, maintain and enforce adequate written supervisory control policies and procedures related to business-related e-mail. (See Finra case file 2014038994601).

#### IX. Other Financial Industry Affiliations and Activities.

NPB is registered as a broker-dealer with the SEC, Finra and various States.

NPB is a member firm of the Municipal Securities Rulemaking Board ("MSRB") and the Securities Investor Protection Corporation ("SIPC").

An IA Affiliate may be a member of a professional or academic association, including, but not limited to, holding the designation of Certified Financial Planner.

As stated previously, an IA Affiliate may be licensed as an attorney, accountant, real estate agent, or insurance agent. Please see the Individual Brochure Supplement for more detailed information about any particular IA Affiliate.

NPB and its IA Affiliates may review, evaluate and refer clients to third party Investment Advisors. Those third party investment advisors are licensed with the SEC or states. A referred client will enter into an IMA with that other firm. As part of the IMA, the IA Affiliate (and NPB) will receive a portion of the investment management fee that is paid by the client. Such fee-sharing is disclosed in writing at the time the IMA is set up and signed by the client. The client is offered the Brochure for the third party investment advisor, in order to more completely understand the nature of the business of that investment advisor.

#### X. Code of Ethics.

IA Affiliates agree to abide by NPB's Code of Ethics. The Code of Ethics discusses the idea that an IA Affiliate will avoid conflicts of interest where possible, and will disclose actual and potential conflicts of interest to the client. The Code sets forth the principle that that IA Affiliate owes a fiduciary duty to the client while conducting his or her own personal affairs, including avoiding serving his or her own personal interests ahead of clients, avoiding the taking of inappropriate advantage of his or her position with NPB and avoiding any actual or potential conflicts of interest, or any abuse of his or her position of trust.

A copy of NPB's Code of Ethics is available to any client upon request.

#### XI. Brokerage Practices

As stated previously, IA Affiliates of NPB are licensed to offer investment advice, and are Registered Representatives of NPB under NPB's broker-dealer license. As such, it is possible for an IA Affiliate to recommend the purchase (or sale) of a security as part of investment advice, and then execute the purchase (or sale), and generate a brokerage commission, 12b-1 fee or trail commission, as part of the executed transaction.

Because of the dual registration, it is convenient for the IA Affiliate to use NPB as the broker-dealer to implement or execute part or all of the recommended investment advice (e.g., pursuant to a financial plan).



NPB has policies and procedures that will allow partial or complete waivers of applicable brokerage commissions for clients, (e.g., a stock could be bought with zero commission, depending on the agreement between the client and the IA Affiliate). Such waivers should be fully discussed prior to any purchase (or sale) activity being initiated. There are numerous combinations of brokerage commissions, and potential waivers relating to those brokerage commissions. Clients are encouraged to ask, so that they are fully informed as to the true costs of obtaining investment advice and then implementing, or executing, that advice.

Some of the referral arrangements with third party investment advisors mentioned earlier, require the use of certain broker-dealers as part of the arrangement. Clients should carefully read and ask questions about such arrangements in order to fully understand the use of such required broker-dealers.

#### XII. Review of Accounts

Client accounts are monitored daily, weekly, monthly or quarterly, depending on the type of investment and current economic conditions, by each IA Affiliate. Regular reviews are made when significant changes in the investment markets or economic conditions indicate a need for reallocation of investments or when certain pre-established percentage changes occur and indicate moves in or out of the investments. These percentages (or other parameters) are discretionary, and are established after consultation with the client by each IA Affiliate and may vary depending on the type of investment. A reallocation may be made if the client's investment objective or financial situation changes.

A detailed report may be provided to the client periodically, and/or on an ad hoc basis, depending on the client's specific needs or requests. The report will reflect the current value of the portfolio.

A branch manager or an office of NPB will review the work of the IA Affiliate, as assigned.

#### XIII. Client Referrals and Other Compensation

NPB has no arrangements to pay unrelated third parties for client referrals.

#### XIV. Custody

NPB and its IA Affiliates do not hold or maintain custody of any client funds or securities. Funds and securities are held by Pershing LLC as a custodian and clearing firm for NPB. Mutual fund companies, annuity companies, real estate companies and other financial institutions may hold funds or securities as investments are made. Client accounts may be maintained at Schwab and other Finra broker-dealers.

It is important that clients receive, review and maintain confirmations and statements that are sent directly to the client from the relevant financial institution.

#### XV. Investment Discretion

Please see the earlier discussion under Section III, Investment Advisory Business.

#### XVI. Voting of Client Securities and Proxies

It is NPB policy that the client will vote proxies for securities that are held in the name of the client. An IA Affiliate may advise the client as to how to vote, but the actual voting process must be done by the client.

XVII. Financial Information

NPB files an audited financial statement with the SEC, Finra and State regulators. A copy of the NPB Financial Group, LLC audited balance sheet and income statement for December 31, 2019, as filed with the SEC, may be obtained by contacting Shirley Coria, VP and COO. Her e-mail is [Shirley.coria@npbfg.com](mailto:Shirley.coria@npbfg.com), and her phone number is 818-827-7132.

XVIII. Brochure Supplements (Individual biographical information for each IA Affiliate)

An individual Brochure Supplement is available for each IA Affiliate, and is provided to the client as appropriate.