

Item 1 – Cover Page  
**FORM ADV PART 2A**

**Journey Financial Group, Inc.  
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Suite 265B  
Buffalo Grove, IL 60089  
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www.JFGPlan.com**

**February 24, 2021**

**This brochure provides information about the qualifications and business practices of Journey Financial Group, Inc. If you have any questions about the contents of this Brochure, please contact us at (847) 229-9191 and/or [Journey@JFGPlan.com](mailto:Journey@JFGPlan.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 Journey Financial Group, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Journey Financial Group, Inc. is 123565.**

**Any references to Journey Financial Group, Inc. as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.**

## **Item 2 - 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.

Our last annual updating amendment occurred on February 4, 2020. Since that date we made the following change:

- In Item 4 we revised the amount of assets under our management.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

Additionally, we will further provide you with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting McLain Tallungan at (847) 229-9191 and/or [Journey@JFGPlan.com](mailto:Journey@JFGPlan.com). Additional information about Journey Financial Group, Inc. is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The website also provides information about any persons affiliated with Journey Financial Group, Inc. who are registered, or are required to be registered, as investment adviser representatives of Journey Financial Group, Inc.

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#### **Item 4 - ADVISORY BUSINESS**

Journey Financial Group, Inc. (hereinafter referred to as “JFG”) is an investment advisory firm offering a variety of advisory services customized to your individual needs.

- A. JFG was established in February 1997. JFG is wholly owned by McLain Tallungan, President.
- B. JFG offers the following advisory services. Each of the services is more fully described below.
- Asset Management
    - Vision2020 Wealth Management Platform – Advisor Managed Portfolios
    - Vision2020 Wealth Management Platform – Genesis Model Portfolios Program
    - Vision2020 Wealth Management Platform – Unified Managed Account Program
  - Asset Allocation and Monitoring Services Not Involving Asset Management
  - Financial Planning and Consultative Services
  - Third Party Advisory Services
  - Retirement Plan Consulting Services

#### **Asset Management Services**

As referenced above, JFG offers three management platforms: Vision2020 Wealth Management Platform – Advisor Managed Portfolios, Vision2020 Wealth Management Platform – Genesis Model Portfolios Program, and Vision2020 Wealth Management Platform – Unified Managed Account Program.

The programs vary based on custodian account size requirements, strategy and allocation, wrap or bundled (you pay a single fee for transactions and management), and non-wrap or unbundled (you pay a fee for management and transactional fees). Accounts maintained through Royal Alliance Associates, Inc. (“Royal Alliance”) at Pershing, LLC (“Pershing”) and valued at \$150,000 or more will typically participate in a wrap or bundled fee program. Accounts maintained through Royal Alliance at Pershing and valued at less than \$100,000 will not participate in a wrap program fee.

JFG provides continuous and ongoing management of your account. To determine your asset allocation and manage your assets, JFG uses a combination of applying its model portfolios and customizing the allocation and holdings to your specific situation. JFG customizes your portfolio allocation taking into consideration your limitations or restrictions, the market and economy at the time of investment and your financial situation, goals and objectives.

Unless otherwise expressly requested by you, JFG will manage the account on a discretionary basis and will make changes to the allocation as deemed appropriate by JFG. JFG will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. JFG may actively trade securities and hold such holdings for periods of 30 days or less or maintain positions for longer

or shorter term periods. Discretionary authority will be granted by you to JFG by execution of the Asset Management agreement.

If you elect to have your accounts managed on a nondiscretionary basis, no changes will be made to the allocation of your account without prior consultation with you and your expressed agreement. However, JFG will periodically rebalance your account to maintain the initially agreed upon asset allocation. JFG does not deem rebalancing as a form of discretion.

Management services are reserved for clients with an investment objective of growth or income and growth.

JFG primarily uses open-ended mutual funds and uses no-load and load waived or mutual funds purchased at net asset value (NAV). However, managed accounts are not exclusively limited to mutual funds and can include stocks and bonds which are typically transferred or requested by you and exchange traded funds (ETFs).

Transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

#### **Vision2020 Wealth Management Platform – Advisor Managed Portfolios**

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, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and 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 Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.”**

**VISION2020 Wealth Management Platform – Genesis Model Portfolios Program**

The Wealth Management Platform - Genesis Model Portfolios Program (“Model Program”) offers Clients managed asset allocation models (“Asset Allocation Models”) of mutual funds or exchange traded funds (“ETFs”) diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers (“Program Managers”) such as BlackRock Investment Management, LLC and Vanguard Advisors, Inc, as well as other various managers made available by the program sponsor. The Model Program is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee. The program sponsor, Vision2020 Wealth Management Corp. can add or delete managers as deemed appropriate.

Based upon the risk tolerance of each Client, the Model Program utilizes a system that selects a specific Asset Allocation Model which may contain either 1) a combination of mutual funds or 2) a combination of exchange traded funds (“ETFs”) depending on which Program Manager is used. Together, we will select a recommended Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

**For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.**

**Effective December 30, 2019 this program is no longer offered to new accounts. The Genesis Model Portfolio Account option will be offered only to new accounts through the Unified Managed Account Program.**

**VISION2020 Wealth Management Platform – ~~SMA and UMA~~ Unified Managed Account Program**

The Wealth Management Platform – Unified Managed Account Program (“UMA”) provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. UMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

After you discuss your financial goals and objectives with your Advisory Representative, we will recommend an asset allocation model (“UMA Model”) to you which will consist of:

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- a) Investment Strategies serviced and created by investment managers or your Advisory Representative that generally consist of a selection of mutual funds, exchange traded products, equities and/or bonds;
- b) Mutual funds and ETFs (“Funds”);
- c) or a combination of the preceding bundled together in an investment asset allocation model.

We will suggest a UMA Model to you based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your UMA account.

**For further UMA details, please see the Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in UMA. Please read it thoroughly before investing.**

#### **Asset Allocation and Monitoring Services Not Involving Asset Management**

If you have accounts for which JFG is not able to offer its management services, you can obtain asset allocation advice from JFG. The frequency of the advice will be solely depending on your ability to provide JFG with current and accurate account information. Preferably, JFG should be given duplicate statements or not less than quarterly statements. JFG will monitor your account on a periodic and not on continuous and ongoing, basis.

This service option provides you a portfolio reporting service comprised of a written report providing information on your entire investment portfolio. This will include your bank accounts, annuities, bonds, mutual funds, stocks, options, limited partnerships, investment coins, collectibles, real estate holdings (not including personal residence), and qualified plan assets. The report will provide a comprehensive listing of your investments and provide cost basis, current market value, distributions received, return on investment, internal rate of return, and allocation of portfolio among various categories. Implementation of the advice and execution of the transactions is solely your responsibility. JFG and its advisory representatives will not participate in the implementation of the advice.

Based on the information gathered from you, JFG will provide you with a written asset allocation recommendation. The recommendations offered by JFG will be limited to those securities available in your account.

JFG has designed various models for the program to assist in managing your account: Income, Total Return and Growth.

## **Financial Planning Services**

JFG will schedule a meeting with you and present the analysis of your situation and recommendations for steps to be taken to assist you to work toward financial goals.

Plans are based on your financial situation at the time and are based on financial information disclosed by you to JFG. You are advised that certain assumptions are made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. JFG cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Should your financial situation or investment goals or objectives change, you must notify JFG promptly of the changes. You are advised that the advice offered by JFG may be limited and is not meant to be comprehensive. Therefore, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement advice through JFG or Advisory Representatives. Should you implement the plan with JFG's Advisory Representatives commissions or other compensation will be received in addition to the advisory fee paid to JFG.

In formulating the financial plan, JFG will consider only the financial products offered through Royal Alliance. As a result, the financial plan may not be comprehensive because JFG cannot recommend use of financial products that otherwise might be appropriate investments but that not offered through Royal Alliance.

## **Retirement Plan Consulting Services**

We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting its management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

1. Platform Provider Search and Plan Set-up
2. Strategic Planning and Investment Policy Development/Review.
3. Plan Review.
4. Plan Fee and Cost Review.
5. Acting as Third Party Service Provider Liaison.
6. Assessment of Plan Investments and Investment Options.
7. Plan Participant Education and Communication.
8. Investment Advice to Participants.
9. Plan Benchmarking
10. Plan Conversion to New Vendor Platform
11. Assistance in Plan Merger
12. Legislative and Regulatory Updates; Plan Corrections



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The Company may also engage us to provide a review of executive benefits, for separate compensation.

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA.

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company.

We will serve in a nondiscretionary ERISA fiduciary capacity with respect to some but not all of the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

### **General Information**

You are advised the investment recommendations and advice offered by JFG are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform JFG promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify JFG of any such changes could result in investment recommendations not meeting your needs.

- C. JFG tailors the advisory services it offers to your individual needs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities.

JFG may ask you to complete a fact finder or data gathering questionnaire to assist JFG with obtaining information about your financial situation and history. Additionally, JFG will meet with you and conduct an interview and data gathering session to continue the due diligence process. The information gathered by JFG will assist JFG to provide you with the requested services and customize the services to your financial situation. Depending on the services you have requested, JFG will gather various financial information and history from you including, but not limited to:

- Retirement and financial goals
- Investment objectives
- Investment horizon
- Financial needs
- Cash flow analysis
- Cost of living needs

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- Education needs
- Savings tendencies
- Other applicable financial information required by JFG in order to provide the investment advisory services requested.

- D. JFG participates in wrap fee programs described above: The Advisor Managed Portfolios Wrap Fee Program Brochure and The Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure.

There is no significant difference between how JFG manages wrap fee accounts and non-wrap fee accounts. However, as further disclosed above and in Item 5 below, if a client determines to engage JFG on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). JFG will receive a portion of the wrap fee as disclosed in Item 5 and in the client's advisory agreement. If the client determines to engage JFG on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody).

- E. As of January 15, 2021, we provide continuous management services for approximately \$205,000,000 in client assets on a discretionary basis.

## **Item 5 - FEES AND COMPENSATION**

### **Asset Management Services**

#### **Vision2020 Wealth Management Platform – Advisor Managed Portfolios**

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

Additionally, we offer Advisor Managed Portfolios with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary fees apply. Please see the Advisor Managed Portfolios Wrap Fee Program Brochure for further details.

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Our Advisor Managed Portfolios account fee schedule is as follows:

<b>Account Size</b>	<b>Annual Fee</b>
First \$250,000	1.75%
Next \$250,000	1.50%
Next \$500,000	1.25%
Amounts in excess of \$1,000,000	1.00%

### **VISION2020 Wealth Management Platform – Genesis Model Portfolios Program**

We offer the Genesis Model Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary Model Program fees apply. Please see the Genesis Model Program Wrap Fee Program Brochure for further details.

Our Genesis Model Program account fee schedule is as follows:

<b>Account Size</b>	<b>Annual Fee</b>
First \$250,000	1.75%
Next \$250,000	1.50%
Next \$500,000	1.25%
Amounts in excess of \$1,000,000	1.00%

### **VISION2020 Wealth Management Platform – Unified Managed Account Program**

We offer Unified Managed Account Program ("UMA") as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

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Additional, ancillary UMA fees apply. Please see the Wealth Management Platform - Unified Management Account Wrap Fee Program Brochure for further details.

Our account fee schedule is as follows:

<b>Account Size</b>	<b>Annual Fee</b>
First \$250,000	1.75%
Next \$250,000	1.50%
Next \$500,000	1.25%
Amounts in excess of \$1,000,000	1.00%

### **Asset Allocation and Monitoring Services Not Involving Asset Management, Financial Planning Services and Retirement Plan Consulting Services**

You are advised that fees for planning services are strictly for planning services. Therefore, you will pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

Fees are negotiable. Your fees will be dependent on several factors including time spent with JFG, number of meetings, complexity of your situation, amount of research, services requested and staff resources.

<b>Fee Type</b>	<b>Maximum Fee</b>	<b>Payable</b>
Fixed Fee	\$10,000	Payable one-half (1/2) upon execution of the advisory agreement with JFG and the balance due at the time of presentation of the plan, unless otherwise negotiated with you. For longer term relationships, fees will be invoiced quarterly in advance.
Hourly Fee	\$350 per hour	Payable at the end of each month based upon time spent by JFG.

#### Termination Provisions

You may terminate advisory services obtained from JFG, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with JFG. Thereafter, you may terminate investment advisory services with 30-days written notice to JFG. You will be responsible for any time spent by JFG.

#### **General Information**

Advisory Representatives of JFG are dually registered representatives of Royal Alliance Associates, Inc. ("Royal Alliance"), a registered broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and SIPC.

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If you elect to implement investment advice received from JFG through JFG Advisory Representatives, such advice can be implemented on a fee basis through JFG or on a fee and/or commission basis through Royal Alliance. JFG Advisory Representatives will receive a portion of the fee and/or commission. This practice presents a conflict of interest and gives JFG and its Advisory Representatives an incentive to recommend investment products based on the compensation received rather than on a client's needs.

Advisory Representatives of JFG, who are Registered Representatives, receive trail commissions (i.e. 12b-1 fees) for a period of time as a result of directing securities transactions through Royal Alliance. Load and no-load mutual funds pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. 12b-1 fees are initially paid to Royal Alliance and a portion passed to the Advisory Representatives. The receipt of such fees could represent an incentive for the Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a conflict of interest.

You are advised investment company securities, such as mutual funds, have different fee and cost structures depending on the share class. Class A, B, and C shares or comparable share classes are considered to have higher expenses but will often have lower trading costs. Institutional share classes such as class F and I shares will have lower internal expenses but can have higher trading costs. Disclosure of share classes is outlined in the prospectus. It is important to consider and evaluate the internal costs. Though internal costs are not evident on statements and confirmation, you continue to pay internal costs and expenses which considered along with the advisory fee you pay JFG, your total costs could be considered high.

JFG will attempt to mitigate conflicts of interest by:

- Informing you of conflict of interest in this Disclosure Brochure.
- Maintaining and abiding by our Code of Ethics which requires us to place your interest first and foremost.
- Advising you of the right to decline to implement our recommendations and the right to choose other financial professionals for implementation.
- Recognizing and advising you JFG is a fiduciary and has an obligation to conduct its business in the best interest of its clients and not in JFG's interest.

As stated above, JFG recommends mutual funds that pay 12b-1 fees and no-load funds.

You may purchase the securities recommended by JFG directly or through other brokers or agents not affiliated with JFG.

JFG will offset advisory fees charged for advisory services with a portion of initial commissions received by JFG's advisory representatives as a result of a client purchasing commissionable securities and/or insurance product. The amount of offset will be determined based on time and services provided to the client to complete the transaction for the securities and/or insurance product.

## **IRA Rollover Considerations**

As part of our consulting and advisory services, we offer you recommendations and advice concerning your employer retirement plan or other qualified retirement account. Our recommendations may include you consider withdrawing the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA"). Further, we offer our management services be applied to those funds and securities rolled into an IRA or other account for which we will receive compensation. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as described above under Item 5. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

It is important for you to understand many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Move the funds to a new employer's retirement plan.
3. Cash out and taking a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage it is important you understand the following:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.

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- c. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. In the event your plan offers asset management or model management, there may be a fee associated with the services that is more or less than our asset management fee.
- 3. Our strategy may have higher risk than the option(s) provided to you in your plan.
- 4. Your current plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost.
- 5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
- 6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
- a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
- 7. You may be able to take out a loan on your 401k, but not from an IRA.
- 8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- 9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- 10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

### **Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

This section is not applicable to JFG since JFG does not charge performance based fees.

### **Item 7 - TYPES OF CLIENTS**

JFG's services are geared toward individuals both high net worth and other than high net worth. Additionally, JFG provides services to pension and profit sharing plans, charitable organizations and corporations and other businesses.

JFG generally requires a minimum amount of assets be deposited to an account for the purpose of obtaining asset management services. JFG will generally require you to deposit a minimum of \$50,000 (cash or securities). However, under certain circumstances, JFG can waive the minimum account size requirement and accept accounts less than \$50,000. Such circumstances include but not be limited to additional assets will soon be deposited or you have other accounts under management

with JFG. Performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised.

## **Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

- A. JFG conducts fundamental and technical analysis. Fundamental analysis generally involves looking at economic and financial factors. Additionally, we are assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. JFG will conduct technical market analysis and technical trend following. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns.

JFG investment management philosophy is long term (i.e. purchases of securities held at least a year). However, JFG will monitor portfolio holdings and if there are concern factors, JFG may determine to not continue to maintain the position in your portfolio. Factors that may result in a change include but are not limited to, economic factors, management changes with the security, tax law changes, objective change, and news or press releases.

- B. You are advised investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by JFG will require you to be prepared to bear the risk of loss and fluctuating performance.

JFG does not represent, warrant or imply that the services or methods of analysis used by JFG can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by JFG will provide a better return than other investment strategies.

- C. JFG primarily uses mutual funds. The risks with mutual funds include
- Manager Risk: which is the risk that an actively managed mutual 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 mutual 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 mutual 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 mutual fund.

These 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.



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Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's Web site. At the client's request at any time JFG will direct the client to the appropriate Web page to access the prospectus.

Long-term purchases – 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 creates an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

Fundamental and technical analysis does not attempt to anticipate market movements. This represents a potential risk, as the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the security.

No investment strategy can avoid loss. Investing in securities involves risk of loss that you need to be prepared to bear.

### **Item 9 - DISCIPLINARY INFORMATION**

Investment Advisers must disclose any legal or disciplinary events that would be material to your evaluation of JFG or the integrity of our services. There is no reportable disciplinary information required for JFG or its management persons that is material to your evaluation of JFG, its business or its management persons.

### **Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

- A. As previously stated, Advisory Representatives are dually registered as advisory representatives of JFG and as registered representatives of Royal Alliance. You are under no obligation to purchase or sell securities through your Advisory Representative. However, if you choose to implement the plan, commissions can be earned in addition to any fees paid for advisory services. Commissions may be higher or lower at Royal Alliance than at other broker/dealers. Advisory Representatives have a conflict of interest in having you purchase securities and/or insurance related products through Royal Alliance in that the higher their production with Royal Alliance the greater potential for obtaining a higher pay-out on commissions earned.

Under the rules and regulations of the FINRA, Royal Alliance has an obligation to perform certain supervisory functions regarding certain activities engaged in by advisory representatives who are also registered representatives of Royal Alliance. For such supervisory

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functions, JFG pays Royal Alliance a portion of the advisory fees they receive. Royal Alliance and JFG are not affiliated.

- B, C. JFG is not and does not have a related person who is a: futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Further, JFG is not and does not have a related person who is: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

JFG attempts to mitigate the conflicts of interest with the receipt of commissions if recommendations are implemented by providing you with these disclosures. Further, you are encouraged to consult other professionals and may implement recommendations through other financial professionals. Furthermore, as registered representatives with Royal Alliance, Advisory Representatives are subject to a supervisory structure at Royal Alliance for their securities business.

**Item 11 - CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

**Code of Ethics**

- A. JFG has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. JFG takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as JFG's policies and procedures. Further, JFG strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with JFG's Privacy Policy. As such, JFG maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, JFG's Code of Ethics establishes JFG's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.
- B. Neither JFG nor its associated persons recommends to clients or buys or sells for client accounts any securities in which we have a material financial interest.
- C. JFG and its associated persons buys or sells securities identical to those securities recommended to you. Therefore, JFG and/or its associated persons have an interest or position in certain securities that are also recommended and bought or sold to you. JFG and its associated persons will not put their interests before your interest.
- D. JFG is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have

knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

## **Item 12 - BROKERAGE PRACTICES**

As previously stated, Advisory Representatives are registered representatives of Royal Alliance. As a result, they are subject to FINRA Conduct Rule 3040 which restricts them from conducting securities transactions away from Royal Alliance unless Royal Alliance provides them with written authorization. JFG is independently owned and operated and not affiliated with Royal Alliance.

Not all investment advisers require you to maintain accounts at a specific broker/dealer. You may maintain accounts at another broker/dealer. However, the services provided by JFG will be limited to only advice and will not include implementation. If you select another brokerage firm for custodial and/or brokerage services you will not be able to receive asset management services from JFG.

In initially selecting Royal Alliance, JFG conducted due diligence. JFG's evaluation and criteria includes:

- Ability to service you
- Staying power as a company
- Industry reputation
- Ability to report to you and to JFG
- Availability of an efficient trading platform
- Products and services available
- Technology resources
- Educational resources
- Execution capability
- Financial responsibility and viability
- Confidentiality and security of your information
- Responsiveness
- Other factors that may bear on the overall evaluation of best price and execution

There is an incentive for JFG and the Advisory Representatives to recommend a broker/dealer over another based on the products and services that will be received rather than your best interest. Therefore, clients may pay commissions higher than those charged by other broker/dealers in return for the products and services received by JFG and/or its Advisory Representatives. The products and services JFG and its Advisory Representatives receive from the broker/dealer or account custodian will be used to benefit all clients including those clients who elect to maintain their accounts elsewhere.

Royal Alliance has a wide range of approved securities products for which Royal Alliance performs due diligence prior to selection. Royal Alliance's registered representatives are required to adhere to these products when implementing securities transactions through Royal Alliance. Commissions charged for these products may be higher or lower than commissions you may be able to obtain if

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transactions were implemented through another broker/dealer. Royal Alliance also provides Advisory Representatives, and therefore the JFG, with back-office operational, technology, and other administrative support. Other services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. Such services are intended to help Advisory Representatives and JFG manage and further develop its business enterprise.

Royal Alliance and its clearing broker/dealer, Pershing, LLC also make available to JFG other products and services that benefit JFG but may not directly benefit you. Some of these other products and services assist JFG with managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of JFG's fees from your accounts; and assist with back-office functions; recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of JFG's accounts, including accounts not held through Royal Alliance.

JFG can choose to aggregate ("bunch") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. JFG conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated on a random basis. Under certain circumstances, the amount of securities maybe increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.

### **Item 13 - REVIEW OF ACCOUNTS**

- A. If you are participating in the Asset Management Services and Asset Allocation Services not involving continuous and ongoing management you will be invited to participate in at least an annual review or as agreed by you and your Advisory Representative. You may request more frequent reviews and set thresholds for triggering events that would cause a review to take place. Your Advisory Representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

If you are participating in Financial Planning Services you will not receive regular reviews. JFG recommends you have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely your decision. Additionally, you will be charged review fees based on the fee schedule disclosed under the program. Other than the initial plan or analysis, there will be no other reports issued.

McLain Tallungan, President and Advisory Representative, and Marilyn Bilyk conduct all client reviews.

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- B. You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him review the portfolio allocation and make recommendations for changes.
- C. You will be provided statements at least quarterly direct from the account custodian. Additionally, you will receive confirmations of all transactions occurring direct from the account custodian. At least annually when you attend the annual review, JFG will provide you with a consolidated report of your managed account. You should compare the report with statements received direct from the account custodian. Should there be any discrepancy the account custodian's report will prevail.

**Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

- A. Certain Advisory Representatives of JFG received incentives from Royal Alliance Associates, Inc. in the form of transition or retention loans. Included in the note is loan forgiveness provided the individual achieves production thresholds set by Royal Alliance Associates, Inc. and/or remains registered with Royal Alliance Associates, Inc. for a stated period of time. There is a conflict of interest for the individual to generate business through Royal Alliance Associates, Inc. in order to sell a product or the fee charged to you in order to achieve the established production thresholds and qualify for loan forgiveness. To mitigate this conflict of interest this disclosure has been provided to you. If you have any concerns about the appropriateness of the recommendations provided to you, please contact the JFG's Chief Compliance Officer.

Additionally, Royal Alliance Associates, Inc. offers incentives to attend certain conferences based on achieving production thresholds. There is no requirement to sell a certain product or amount of a specific product. Qualification for trips and conferences is based on overall production and meeting the production levels determined by Royal Alliance Associates, Inc. If the thresholds are satisfied, Royal Alliance Associates, Inc. can cover certain travel and conference costs.

Product vendors recommended by JFG provide monetary and non-monetary assistance with client events, provide educational tools and resources. JFG does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. JFG's due diligence of a product does not take into consideration any assistance it receives. Therefore, this is not considered a conflict of interest but a benefit for you and JFG.

- B. JFG does not directly or indirectly compensate any person who is not a supervised person of JFG for referrals.

## **Item 15 - CUSTODY**

Pershing will 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 qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from Pershing will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### **Wire Transfer and/or Standing Letter of Authorization**

Our firm, or Advisory Representatives, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as the following criteria are met:

You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;

1. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
2. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
3. You can terminate or change the instruction;
4. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
5. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
6. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

JFG complies with the conditions of the safe harbor provisions and is therefore exempt from the annual surprise exam requirement for Advisers that have custody.

## **Item 16 - INVESTMENT DISCRETION**

You may grant JFG authorization to manage your account on a discretionary basis. Discretionary authority will give JFG the authority to buy, sell, exchange and convert securities in your managed accounts. You will grant such authority to JFG by execution of the advisory agreement. You may terminate discretionary authorization at any time upon receipt of written notice by JFG.

Additionally, you are advised that:

- 1) You may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;
- 2) Your written consent is required to establish any mutual fund, variable annuity, or brokerage account;
- 3) JFG requires the use of the broker/dealer with which your Advisory Representative is registered for sales in commissionable mutual funds or variable annuities, if you elect to implement recommendations through your Advisory Representative;
- 4) With the exception of deduction of JFG's advisory fees from the account, if you have authorized automatic deductions, JFG will not have the ability to withdraw your funds or securities from the account.

## **Item 17 - VOTING CLIENT SECURITIES**

JFG does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact JFG about questions you may have an opinion on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

## **Item 18 - FINANCIAL INFORMATION**

- A. JFG will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.
- B. As stated above, JFG has discretionary authority over client accounts; however that authority does not extend to the withdrawal of any client assets, with the exception of deduction of JFG's advisory fees from your accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to you or any other client.
- C. Neither JFG nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.