

# Item 1: Cover Page

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

GR Financial Group, LLC

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February 11, 2021

This Firm Brochure provides information about the qualifications and business practices of GR Financial Group, LLC (“GR”). If you have any questions about the contents of this Brochure, please contact us at 520-577-4711 or [info@gr-financialgroup.com](mailto:info@gr-financialgroup.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about GR Financial Group, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 172370.

## **Item 2    Material Changes**

This Firm Brochure is our disclosure document prepared according to the SEC's requirements and rules.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the 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 business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## Item 4 Advisory Business

GR Financial Group, LLC is a SEC-registered investment adviser with its principal place of business located in Tucson, AZ. GR Financial Group, LLC began conducting business in 2014.

Listed below are the firm's principal shareholders (i.e., those individuals and / or entities controlling 25% or more of this company).

- Scott D. Genzman, Managing Member, President/Owner
- Lynsey M. Richter, Managing Member, Senior Vice President/Owner

GR Financial Group, LLC offers the following advisory services to our clients:

- **Individual Portfolio Management**
- **Financial Planning**
- **Consulting Services**
- **Educational seminars/workshops**

### **Individual Portfolio Management**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. The firm provides continuous advice on both a discretionary and non-discretionary basis.

Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

In general, our investment recommendations and portfolios are largely built around various mutual fund products, however, our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and can generally include advice regarding exchange-listed securities, securities traded over-the-counter, foreign issuers, warrants, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States governmental securities, options contracts on securities, interests in partnerships investing in real estate, and interests in partnerships investing in oil and gas interests.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **Financial Planning**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the

client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- *PERSONAL*: We review family records, budgeting, personal liability, estate information and financial goals.
- *TAX & CASH FLOW*: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- *INVESTMENTS*: We analyze investment alternatives and their effect on the client's portfolio.
- *INSURANCE*: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile(s).
- *RETIREMENT*: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- *DEATH & DISABILITY*: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- *ESTATE*: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. GR Financial Group, LLC will not be held responsible for the clients' implementation of advice through third parties or advice received from third-parties in connection with a financial plan.

The investments we analyze for clients generally include: exchange-listed securities, securities traded over-the-counter, foreign issuers, warrants, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States governmental securities, options contracts on securities, interests in partnerships investing in real estate, and interests in partnerships investing in oil and gas interests.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **Consulting Services**

Clients can also receive investment advice on a more focused basis. This includes advice on an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns and the firm also provides outside financial consulting services to clients regarding self-directed retirement accounts including self-directed IRA's, 401k, 401a, 403b and 457 plans on securities and/or non-securities topics separate from the creation of a financial plan and portfolio review.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Change to Recommendations may be of a specific or generic nature.

#### **Amount of Managed Assets**

GR Financial Group, LLC actively manages as of December 31, 2020 \$733,704,123.39 of clients' assets on a discretionary basis.

## **Item 5 Fees and Compensation**

#### **Individual Portfolio Management**

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.50% to 1.5%

Fees are paid monthly in advance. The fees for the first month under management will be prorated. Fees are payable on the first business day of the calendar month. Fees are based on the account's asset value as of the last business day of the prior calendar month.

The account will be charged an initial fee pro rata for the period from the date the initial deposit or the transfer of assets occurs through the last business day of the calendar month, and shall be based on the account's asset value as of the last business day of such calendar month. Subsequent advisory fees will be paid monthly in advance. The initial fee is due on the first business day following the end of the first calendar month.

***Limited Negotiability of Advisory Fees:*** Although GR Financial Group, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These factors include, among other considerations; the complexity of the client assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition and reports to be generated. The specific annual fee schedule is identified in the signed investment advisory agreement for each account held by the client with the adviser.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

#### **Financial Planning Fees**

GR Financial Group, LLC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$100 to \$5,000 depending on the specific arrangement reached with the client. Fixed fees are due and payable in advance.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the plan.

### Consulting Service Fees

GR Financial Group, LLC Consulting Service fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Consulting Services fees are calculated and charged on a fixed fee basis, typically ranging from **\$20 to \$500 a month** subject to the specific arrangement reached with the client. Fixed fees are due and payable in advance.

### GENERAL INFORMATION

*Commission Compensation:* Management personnel and advisers of our firm, in their individual, are separately licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacities, these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12-b1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals may recommend that a client invest in a security which results in a commission being paid to the individual. Please refer to the "Other Financial Industry Activities and Affiliations" section (Item 10) for additional information.

Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

*Other Non-Cash Compensation:* In addition, GR Financial Group, LLC sometimes receives sponsorship(s) from various Mutual Fund companies. The monetary sponsorship is given for educational seminars and conferences offered by the Adviser. Thus, a conflict of interest exists with respect to recommendations to buy or sell such funds that offer sponsorship.

*Termination of the Advisory Relationship:* A client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, an agreement may be canceled at any time, by either party, for any reason upon receipt of **30** days written notice. **As disclosed above, certain fees are paid in advance of services provided.** Upon termination of any account where 30 days written notice was received, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

*Mutual Fund Fees:* All fees paid to GR Financial Group, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs (Exchange Traded Funds) to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Although GR Financial Group, LLC generally recommends no-load or load-waived mutual funds, a client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

*Wrap Fee Programs and Separately Managed Account Fees:* We do not participate in Wrap Fee Programs or Separately Managed Account Fees.

*Additional Fees and Expenses:* In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transaction for the client's account. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

*ERISA Accounts:* GR Financial Group, LLC is deemed to be a fiduciary to advisory clients that are participants in employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, GR Financial Group, LLC will only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

*Advisory Fees in General:* Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

*Limited Prepayment of Fees:* Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

GR Financial Group, LLC does not charge performance-based fees.

## Item 7 Types of Clients

GR Financial Group, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations
- Corporations or other businesses not listed above

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

### **Methods of Analysis**

GR Financial Group, LLC develops model portfolio investment recommendations based on an individual's investment objective using third-party services, including but not limited to Dorsey Wright & Associates and Morningstar Direct, and TD Ameritrade-Think or Swim.

*Asset Allocation.* Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.



A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. GR Financial Group, LLC will re-balance portfolios

*Sector Analysis.* In this type of technical analysis, we measure the movements of a particular sector or sectors in an attempt to predict its market strength against the overall market to help determine our allocation focus.

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents 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 stock.

*Mutual Fund and/or ETF (Exchange Traded Fund) Analysis.* We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

*Stock Analysis:* We attempt to measure the intrinsic value of a security by looking at economic and financial factors surrounding the company to determine if the security is underpriced or overpriced.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

*Relative Strength Analysis.* In this type of technical analysis, we measure the movements of a particular stock, mutual fund, or ETF against both its peers and the overall market in an attempt to predict the price movement of the security. We also use this analysis to determine the overall trend of the market and underlying sectors.

*Charting.* In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

*Risks for All Forms of Analysis.* Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies**

We use the following strategies in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

GR Financial Group, LLC believes that there are times for long term purchases, and times for short term purchases depending on current market conditions and does not emphasize one over the other.

*Long-term Purchases.* We primarily purchase Mutual Funds and/or ETF's with the idea of holding them in a client's account for a year or longer. Typically, we employ this strategy when:

- we have conviction that the underlining fund and fund company will continue to have consistent growth opportunity.
- we want core exposure to the particular asset class over time, regardless of the current projections of this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

*Short-term Purchases.* When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the funds we purchase or the overall market we purchase.

*Trading.* We purchase securities with the idea of selling them very quickly (typically within 30 days or less). On a limited basis, we may do this in an attempt to take advantage of our predictions of brief price swings.

*Margin Transactions.* On a limited basis, we may purchase stocks for a clients' portfolio with money borrowed from the clients' brokerage account. This allows the purchase of more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

*Option Writing.* We may, on a limited basis, use options as an investment strategy for experienced investors. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

*Risk of Loss.* Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## Item 10 Other Financial Industry Activities and Affiliations

Clients should be aware that the receipt of additional compensation by GR Financial Group, LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. GR Financial Group, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we can ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

### **Broker Dealer Affiliations**

Management personnel of GR Financial Group, LLC are separately licensed as registered representatives of Mutual Securities Inc., an unaffiliated broker-dealer. These individuals, in their separate capacity, can affect securities transactions for which they will receive separate, yet customary compensation.

While GR Financial Group, LLC and these individuals endeavor at all times to put the interest of the clients first as part of GR's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

### **Insurance Agent Affiliations**

Management personnel/advisers of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of agent recommendations. The implementation of any or all recommendations is solely at the discretion of the client. GR Financial Group, LLC will make every attempt to recommend the best products available for our clients, whether or not they are fee based or commissioned based.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable Federal Securities Laws.

GR Financial Group, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement and recordkeeping provisions.

GR Financial Group, LLC Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@gr-financialgroup.com](mailto:info@gr-financialgroup.com), or by calling us at 520-577-4711.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm sometimes buys or sells for their personal account's securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be *included* in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as *securities representatives of a broker-dealer, and/or licensed as an insurance agent/broker of various insurance companies*. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## Item 12 Brokerage Practices

GR Financial Group, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits in connection with recommending clients to broker dealers or its advisory services.

GR Financial Group, LLC, (“GR”) has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, “Fidelity”) through which Fidelity provides GR Financial Group, LLC with Fidelity’s “platform” services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like GR Financial Group, LLC in conducting business and in serving the best interest of their clients but that may benefit GR.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charges for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables GR to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity’s commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to Registrant, at no additional charge to GR, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by GR (within specified parameters).

As a result of receiving such services for no additional cost, GR may have an incentive to continue to use or expand the use of Fidelity’s service. GR examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interest of GR’s clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where GR determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although GR will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by GR will generally be used to service all of GR’s clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client’s account. GR and Fidelity are not affiliates, and no broker-dealer affiliated with Registrant is involved in the relationship between GR and Fidelity.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than, Fidelity if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Fidelity, it should be understood that GR will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between

the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

Clients should note, while GR has a reasonable belief that Fidelity is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use a particular broker.

For clients in need of brokerage or custodial services, we will recommend the use of Fidelity, where appropriate to client needs. As previously disclosed, the recommendation of this broker creates a conflict of interest because management and certain personnel are licensed as registered representatives with the recommended firm.

However, financial planning and consulting clients are not under any obligation to effect trades through any recommended broker and are free to select any broker of their choice. Clients should be aware that best execution and lower commission may not necessarily be achieved if recommended transactions are placed through these individuals, in their separate capacities as registered representative. Not all advisers require their clients to direct brokerage.

## Item 13 Review of Accounts

### **Individual Portfolio Management**

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

These accounts are reviewed by one or more of the following individuals: Scott Genzman, Lynsey Richter, Sandy Widmer, Ben Genzman, Ryan Genzman, Jamie Gonzales or Sonja Saponara.

**Reports:** GR Financial Group, LLC does not typically provide reports in addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer or custodian.

### **Financial Planning**

**Reviews:** While reviews will occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**Reports:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

### **Consulting Services**

**Reviews:** While reviews will occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

**Reports:** Consulting Services clients will not typically receive reports due to the nature of the service.

## Item 14 Client Referrals and Other Compensation

It is GR Financial Group, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

GR Financial Group, LLC does not accept nor allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## Item 15 Custody

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

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

Our firm does not have custody of client accounts in any other manner.

## Item 16 Investment Discretion

Clients may hire us to provide discretionary or non-discretionary asset management services. A discretionary account is when we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell
- determine when to buy or sell a security

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. We will obtain the client's approval before executing transactions in the client's account for non-discretionary accounts.

## Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.



We do not offer any consulting assistance regarding proxy issues to clients.

## Item 18 Financial Information

GR Financial Group, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. GR Financial Group, LLC has no additional financial circumstances to report.