



# LGG FINANCIAL

**The Luts & Greenleigh Group, Inc.  
d/b/a LGG Financial**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: September 29, 2021**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of The Luts & Greenleigh Group, Inc. d/b/a LGG Financial (“LGG Financial” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (301) 312-6660.

LGG Financial is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about LGG Financial to assist you in determining whether to retain the Advisor.

Additional information about LGG Financial and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 305002.

**The Luts & Greenleigh Group, Inc.  
7200 Wisconsin Avenue, Suite 300, Bethesda, MD 20814  
Phone: (301) 312-6660 \* Fax: (301) 560-8560  
<http://www.lggfinancial.com>**

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of LGG Financial.

LGG Financial believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. LGG Financial encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- Advisory Persons of the Advisor are no longer licensed insurance professionals.
- The Advisor may recommend that a Client utilizes Independent Managers. Please see Item 4 and Item 5 for additional information.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 305002. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (301) 312-6660.

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## Item 4 – Advisory Services

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### A. Firm Information

The Luts & Greenleigh Group, Inc. d/b/a LGG Financial (“LGG Financial” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The Advisor is organized as a Corporation under the laws of the State of Maryland. LGG Financial was founded in September 2012 and launched as a registered investment advisor in October 2019. LGG Financial is owned and operated by Brian Luts (Partner) and David Greenleigh (Partner and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by LGG Financial.

### B. Advisory Services Offered

LGG Financial offers investment advisory services to individuals, high net worth individuals, trusts and estates (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. LGG Financial’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Wealth Management Services

LGG Financial provides Clients with wealth management services, which generally includes a broad range of comprehensive financial planning and consulting services in connection with discretionary management of investment portfolios. These services are described below.

*Investment Management Services* – LGG Financial provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while primarily providing discretionary investment management and related advisory services. LGG Financial also provides non-discretionary investment management for a single legacy client engagement. LGG Financial works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to determine a portfolio strategy. LGG Financial will then apply one of its model portfolios to achieve the Client’s investment goals. LGG Financial may also utilize one or more Independent Managers to manage a portion of Client assets. LGG Financial investment portfolios primarily consist of low-cost, diversified mutual funds and individual bonds. The Advisor may also utilize individual stocks, exchange-traded funds (“ETFs”), and/or options contracts to meet the needs of the Client. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

LGG Financial’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. LGG Financial will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

LGG Financial evaluates and selects investments for inclusion in Client model portfolios only after applying its internal due diligence process. LGG Financial may recommend, on occasion, redistributing investment allocations to diversify the portfolio. LGG Financial may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. LGG Financial may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

At no time will LGG Financial accept or maintain custody of a Client's funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices.

*Financial Planning Services* – LGG Financial will typically provide a variety of financial planning and consulting services to Clients. Services are offered in several areas of a Client's financial situation, depending on their goals and objectives. Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings, insurance needs, and/or other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

LGG Financial may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client's financial situation, observations, and recommendations.

Financial planning and consulting recommendations poses a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

*Use of Independent Managers* – LGG Financial may recommend that a Client utilizes one or more unaffiliated investment managers or investment platforms (collectively "Independent Managers") for all or a portion of a Client's investment portfolio, based on the Client's needs and objectives. In certain instances, the Client may be required to authorize and enter into an investment management agreement with the Independent Manager[s] that defines the terms in which the Independent Manager[s] will provide its services. The Advisor will perform initial and ongoing oversight and due diligence over each Independent Manager to ensure the strategy remains aligned with Clients' investment objectives and overall best interests. The Advisor will also assist the Client in the development of the initial policy recommendations and managing the ongoing Client relationship. The Client will be provided with the Independent Manager's Form ADV Part 2A – Disclosure Brochure (of a brochure that makes the appropriate disclosures).

Among other Independent Managers, the Firm may utilize the turn-key portfolio and practice management software platform ("Platform") of Adhesion Wealth Advisor Solutions, Inc. ("Adhesion Wealth"). Adhesion Wealth has developed a customized single-source managed account solution which it makes available to its clients and the clients of third-party investment advisers such as the Firm. The Platform assists investment advisers with highly intuitive tools to provide SMA and UMA portfolios, bringing an increased scale and flexible wealth management solutions to assist in providing better outcomes. Adhesion Wealth will provide, as appropriate, personalized portfolio management, ability to create low-cost, index-based portfolio solutions, trade order management, order aggregation, and other administrative and operational services.

*Schwab Bank Pledged Asset Line®* – The Advisor may introduce certain Clients to a Pledged Asset Line®, a non-purpose revolving line of credit made available through Charles Schwab Bank, secured by eligible assets held in an account maintained at the Custodian. ("Lending Program"). In such instances, the Client's assets in their account[s] at the Custodian will be utilized as collateral for a non-purpose revolving line of credit. The recommendation of a Lending Program presents a conflict of interest as the Advisor will continue to receive investment advisory fees for managing the collateralized assets in the Client's account[s]. Clients are not

obligated to engage the Advisor for the Lending Program. For additional information related to the risks involved non-purpose loans and lines of credit, please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.

### **C. Client Account Management**

Prior to engaging LGG Financial to provide investment advisory services, each Client is required to enter into an agreement with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – LGG Financial, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – LGG Financial will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – LGG Financial will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – LGG Financial will provide investment management and ongoing oversight of the Client's investment portfolio.

### **D. Wrap Fee Programs**

LGG Financial includes securities transaction fees, custody fees and administrative fees and fees for certain independent managers (herein "Covered Costs") together with its investment advisory fees. Including these fees into a single asset-based fee is considered a "Wrap Fee Program". The Advisor customizes its investment management services for its Clients. The Advisor sponsors the LGG Financial Wrap Fee Program solely as a supplemental disclosure regarding the combination of fees. Depending on the level of trading required for the Client's account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees. Please see Appendix 1 – Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

### **E. Assets Under Management**

As of December 31, 2020 LGG Financial manages \$426,363,010 in Client assets, \$383,635,530 of which are managed on a discretionary basis and \$42,727,480 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

### **A. Fees for Advisory Services**

#### Wealth Management Services

Wealth management fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the agreement. Wealth management fees are based on the market value of assets under management at the end of the prior calendar quarter plus or minus the true up of any contributions or withdraws for prior quarter to the prior quarter estimated advance fee. Wealth management fees range from 0.85% to 1.50% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, the use of independent managers, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The wealth management fee in the first quarter of service is prorated from the inception date of the Account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts



managed by LGG Financial will be independently valued by the Custodian. LGG Financial will not have the authority or responsibility to value portfolio securities.

#### Use of Independent Managers

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its wealth management fee as described above. The Client will pay a separate fee to the applicable Independent Manager. For clients who enter into contracts directly with independent managers, the terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Independent Manager. Independent Managers typically do not offer any fee discounts but may have a breakpoint schedule which will reduce the fee with an increased level of assets placed under management with an Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 2.00% annually.

**Adhesion Wealth**—The Client will enter into a separate agreement with Adhesion Wealth regarding the assets allocated to independent managers on their platform. The Client will pay a separate fee for their services based on Adhesion Wealth's disclosure brochure and applicable contract[s] with Adhesion Wealth. Services offered through Adhesion Wealth are detailed in Item 4.B.

### **B. Fee Billing**

#### Wealth Management Services

Wealth management fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with LGG Financial at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the wealth management fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by LGG Financial to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Use of Independent Managers

For Client accounts implemented through an Independent Manager, the Client's overall fees may include LGG Financial's wealth management fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager[s], as applicable. In certain instances, the Independent Manager or the Advisor may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s]. Trading by independent managers on the Adhesion Wealth platform is executed through Charles Schwab with no transaction costs as they are included in LGG's wrap fee.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in Client accounts, provided that the Client's accounts meet the terms and conditions of the Custodian's brokerage requirements. However the Custodian typically charge for mutual funds and other types of investments. LGG Financial includes Covered Costs as part of its overall wealth management fee through the LGG Financial Wrap Fee Program. Securities transaction fees for Client-directed trades may be charged back to the Client. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure.

In addition, all fees paid to LGG Financial for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of LGG Financial, but would not receive the services provided by LGG Financial which are designed, among other things,

to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by LGG Financial to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

#### **D. Advance Payment of Fees and Termination**

##### Wealth Management Services

LGG Financial may be compensated for its services in advance of the quarter in which advisory services are rendered. Either party may terminate the wealth management agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the wealth management agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid wealth management fees from the effective date of termination to the end of the quarter. The Client's wealth management agreement with the Advisor is non-transferable without the Client's prior consent.

##### Use of Independent Managers

In the event that the Advisor has determined that an Independent Manager is no longer in the Client's best interest, or a Client should wish to terminate their relationship with the Independent Manager, the terms for termination will be set forth in the respective agreements between the Client or the Advisor and the Independent Manager. LGG Financial will assist the Client with the termination and transition as appropriate.

#### **E. Compensation for Sales of Securities**

LGG Financial does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the wealth management fees noted above.

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

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LGG Financial does not charge performance-based fees for its wealth management services. The fees charged by LGG Financial are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

LGG Financial does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

#### **Item 7 – Types of Clients**

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LGG Financial offers wealth management services to individuals, high net worth individuals, trusts and estates. The amount of each type of Client is available on LGG Financials' Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. LGG Financial generally does not impose a minimum relationship size, however certain Independent Managers may impose a minimum fee.

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

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##### **A. Methods of Analysis**

LGG Financial primarily employs fundamental and technical analysis methods in developing investment strategies for its Clients. Research and analysis from LGG Financial are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. This criteria consists generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a



potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that LGG Financial will be able to accurately predict such a reoccurrence.

As noted above, LGG Financial generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. LGG Financial will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, LGG Financial may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. LGG Financial will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with certain components of the Advisor's investment approach:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF

purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

#### Bond Risks

Bonds are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond. (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

#### Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

#### Margin Borrowings

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

#### Short Sales

A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

#### Real Estate Investment Trusts ("REITs")

Investing in Real Estate Investment Trusts ("REITs") involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. For Example, equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

#### Non-Purpose Loans and Lines of Credit

Non-purpose loans and lines of credit carry a number of risks, including but not limited to the risk of a market downturn, tax implications if collateralized securities are liquidated, and an increase in interest rates. A decline in the market value of collateralized securities held in the account[s] at the Custodian, may result in a reduction in the draw amount of the Client's line of credit, a demand from the Lending Program that the Client deposit

additional funds or securities in the Client's collateral account[s], or a forced sale of securities in the Client's collateral account[s].

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving LGG Financial or its management persons.** LGG Financial values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 305002.

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

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The sole business of LGG Financial and its Advisory Persons is to provide advisory services to its Clients. Neither LGG Financial nor its Advisory Persons are involved in other business endeavors. LGG Financial does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

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### **A. Code of Ethics**

LGG Financial has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with LGG Financial ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. LGG Financial and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of LGG Financial's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (301) 312-6660.

### **B. Personal Trading with Material Interest**

LGG Financial allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. LGG Financial does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. LGG Financial does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

LGG Financial allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommend (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by LGG Financial requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or delegate. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While LGG Financial allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will LGG Financial, or any Supervised Person of LGG Financial, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

LGG Financial does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize LGG Financial to direct trades to the Custodian as agreed upon in the wealth management agreement. Further, LGG Financial does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where LGG Financial does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by LGG Financial. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. LGG Financial may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

LGG Financial will generally recommend that Clients establish their account[s] at Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's "qualified custodian". LGG Financial maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **LGG Financial does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.**

**2. Brokerage Referrals** - LGG Financial does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where LGG Financial will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). LGG Financial will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

#### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. LGG Financial will execute its transactions through the Custodian as authorized by the Client.

LGG Financial may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients' accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by David Greenleigh, Chief Compliance Officer of LGG Financial. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify LGG Financial if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by LGG Financial**

LGG Financial may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, LGG Financial may receive non-compensated referrals of new Clients from various third-parties. Clients are under no obligations to engage these service providers.

#### Participation in Institutional Advisor Platform

LGG Financial has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like LGG Financial. As a registered investment advisor participating on the Schwab Advisor Services platform, LGG Financial receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.



*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services and financial support to LGG Financial that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. LGG Financial believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

## **B. Client Referrals from Solicitors**

LGG Financial does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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LGG Financial does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct LGG Financial to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by LGG Financial to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

## **Item 16 – Investment Discretion**

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LGG Financial generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by LGG Financial. LGG Financial also has non-discretionary authority over assets of a single legacy client engagement. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of a wealth management agreement containing all applicable limitations to such authority. All discretionary trades made by LGG Financial will be in accordance with each Client's investment objectives and goals.

## **Item 17 – Voting Client Securities**

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LGG Financial does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Neither LGG Financial, nor its management, have any adverse financial situations that would reasonably impair the ability of LGG Financial to meet all obligations to its Clients. Neither LGG Financial, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. LGG Financial is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.





# LGG FINANCIAL

**The Luts & Greenleigh Group, Inc.**

## **Form ADV Part 2A – Appendix 1 ("Wrap Fee Program Brochure")**

**Effective: September 29, 2021**

This Form ADV2A - Appendix 1 ("Wrap Fee Program Brochure") provides information about the qualifications and business practices for The Luts & Greenleigh Group, Inc. ("LGG Financial" or the "Advisor") services when offering services pursuant to a wrap fee program. This Wrap Fee Program Brochure shall always be accompanied by the LGG Financial Disclosure Brochure, which provides complete details on the business practices of the Advisor. If you did not receive the complete LGG Financial Disclosure Brochure or you have any questions about the contents of this Wrap Fee Program Brochure or the LGG Financial Disclosure Brochure, please contact the Advisor at (301) 312-6660.

LGG Financial is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Wrap Fee Program Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Wrap Fee Program Brochure provides information about LGG Financial to assist you in determining whether to retain the Advisor.

Additional information about LGG Financial and its Advisory Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 305002.

## **Item 2 – Material Changes**

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Form ADV 2A - Appendix 1 provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses Wrap Fee Programs offering by the Advisor.

### Material Changes

The following material changes have been made to this Wrap Fee Program Brochure since the last filing and distribution to Clients:

- Advisory Persons of the Advisor are no longer licensed insurance professionals.

### Future Changes

From time to time, the Advisor may amend this Wrap Fee Program Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure (along with the complete LGG Financial Disclosure Brochure) or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

You may view this Wrap Fee Program Brochure and the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 305002. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (301) 312-6660.

## **Item 3 – Table of Contents**

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## **Item 4 – Services Fees and Compensation**

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### **A. Services**

The Luts & Greenleigh Group, Inc. (“LGG Financial” or the “Advisor”) provides customized wealth management services for its Clients. This Wrap Fee Program Brochure is provided as a supplement to the LGG Financial Disclosure Brochure (Form ADV 2A). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting LGG Financial as your investment advisor.

As part of the investment advisory fees noted in Item 5 of the Disclosure Brochure, LGG Financial includes securities transaction fees for mutual funds, custody fees and administrative fees and fees for certain independent managers (herein “Covered Costs”) as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”. The Advisor sponsors the LGG Financial Wrap Fee Program.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of Covered Costs into the single “bundled” investment advisory fee. This Wrap Fee Program Brochure references back to the LGG Financial Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on LGG Financial’s investment philosophy and related services.**

### **B. Program Costs**

Advisory services provided by LGG Financial are offered in a wrap fee structure whereby Covered Costs are included in the overall investment advisory fee paid to LGG Financial. As the level of trading in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the Covered Costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client, however, the Client is not charged more if there is higher trading activity or other Covered Costs in the Client’s account[s]. A Wrap Fee structure presents a conflict of interest as the Advisor may have an incentive to limit the number of trades placed in the Client’s account[s] or to utilize securities that do not have transaction fees. As noted above, the Advisor’s recommended Custodian does not charge securities transaction fees for ETF and equity trades in Client accounts, provided the Client’s accounts meet the terms and conditions of the Custodian’s brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. As such, the Advisor is incentivized to utilize ETFs and other equity securities to limit the overall cost to the Advisor. The Advisor will only place Client assets into a Wrap Fee Program when it is believed to be in the Client’s best interest. **Please see Item 5 – Fees and Compensation of the Disclosure Brochure for complete details on fees.**

### **C. Fees**

Wealth management fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the agreement. Wealth management fees are based on the market value of assets under management at the end of the prior calendar quarter. Wealth management fees range from 0.85% to 1.50% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, the use of independent managers, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The wealth management fee in the first quarter of service is prorated from the inception date of the Account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by LGG Financial will be independently valued by the Custodian. LGG Financial will not have the authority or responsibility to value portfolio securities.

As noted above, the Wrap Fee Program includes Covered Costs incurred in connection with the discretionary investment management services provided by LGG Financial.

In addition, all fees paid to LGG Financial for wealth management services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. Securities transaction fees for Client-directed trades will be charged back to the Client. The Client may also incur other costs assessed by the Custodian or other third parties other than the Covered Costs noted above, , such as wire transfer fees, fees for trades executed away from the Custodian and other fees. The Advisor does not control nor share in these fees. The Client should review both the fees charged by the fund[s] and the fees charged by LGG Financial to fully understand the total fees to be paid. Please see Item 5.C. – Other Fees and Expenses in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### **D. Compensation**

LGG Financial is the sponsor and portfolio manager of this Wrap Fee Program. LGG Financial receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Covered Costs associated with the management of the Client's account[s].

### **Item 5 – Account Requirements and Types of Clients**

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LGG Financial offers investment advisory services to individuals, high net worth individuals, trusts and estates. LGG Financial generally does not impose a minimum account size for establishing a relationship. Please see Item 7 – Types of Clients in the Disclosure Brochure for additional information.

### **Item 6 – Portfolio Manager Selection and Evaluation**

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#### **Portfolio Manager Selection**

LGG Financial serves as sponsor and as portfolio manager for the services under this Wrap Fee Program.

#### **Related Persons**

LGG Financial Advisory Persons serve as portfolio managers for this Wrap Fee Program. LGG Financial does not serve as a portfolio manager for any third-party Wrap Fee Programs.

#### **Performance-Based Fees**

LGG Financial does not charge performance-based fees for its investment advisory services.

#### **Supervised Persons**

LGG Financial Advisory Persons serve as portfolio managers for Client accounts, including the services described in this Wrap Fee Program Brochure. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

#### **Methods of Analysis**

Please see Item 8 of the Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on the research and analysis methods employed by the Advisor.

#### **Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. LGG Financial will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided

information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. Please see Item 8.B – Risk of Loss in the Disclosure Brochure for details on investment risks.**

#### **Proxy Voting**

LGG Financial does not accept proxy-voting responsibility for any Client.

### **Item 7 – Client Information Provided to Portfolio Managers**

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LGG Financial is the sponsor and sole portfolio manager for the Program. A portion of assets may be managed by an unaffiliated money manager, where Client information will be shared with other portfolio managers. Please also see the LGG Financial Privacy Policy (included after this Wrap Fee Program Brochure).

### **Item 8 – Client Contact with Portfolio Managers**

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LGG Financial is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at LGG Financial. Client's also have the ability to reach out to Independent Managers for any direct inquiries.

### **Item 9 – Additional Information**

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#### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

**There are no legal, regulatory or disciplinary events involving LGG Financial or its management persons.**

LGG Financial values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 305002.

Please see Item 9 of the LGG Financial Disclosure Brochure as well as Item 3 of each Advisory Person's Brochure Supplement for additional information on how to research the background of the Advisor and its Advisory Persons.

#### Other Financial Activities and Affiliations

The sole business of LGG Financial and its Advisory Persons is to provide investment advisory services to its Clients. Neither LGG Financial nor its Advisory Persons are involved in other business endeavors. LGG Financial does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

#### **B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

LGG Financial has implemented a Code of Ethics that defines the Advisor's fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with LGG Financial ("Supervised Persons"). Complete details on the LGG Financial Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### Review of Accounts

Securities in Client accounts are monitored on a regular and continuous basis by David Greenleigh, Chief Compliance Officer of LGG Financial. Details of the review policies and practices are provided in Item 13 of the Form ADV Part 2A – Disclosure Brochure.

#### Other Compensation

*Participation in Institutional Advisor Platform* – LGG Financial has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent

advisory firms like LGG Financial. As a registered investment advisor participating on the Schwab Advisor Services platform, LGG Financial receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services and financial support to LGG Financial that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. LGG Financial believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

Please see Item 14 – Other Compensation in the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on additional compensation that may be received by LGG Financial or its Advisory Persons. Each Advisory Person's Brochure Supplement (also included with this Wrap Fee Program Brochure) provides details on any outside business activities and the associated compensation.

#### Client Referrals from Solicitors

LGG Financial does not engage paid solicitors for Client referrals.

#### Financial Information

Neither LGG Financial, nor its management, have any adverse financial situations that would reasonably impair the ability of LGG Financial to meet all obligations to its Clients. Neither LGG Financial, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. LGG Financial is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.



## Privacy Policy

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Effective: September 29, 2021

### Our Commitment to You

The Luts & Greenleigh Group, Inc. ("LGG Financial" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. LGG Financial (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

LGG Financial does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> LGG Financial does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where LGG Financial or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> LGG Financial does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (301) 312-6660.