

ESG Planning

Firm Brochure - Form ADV Part 2A

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This Form ADV Part 2A brochure provides information about the qualifications and business practices of ESG Planning. If you have any questions about the contents of this brochure, please contact us at (408) 642-1322 or by email at: james@esgplanning.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Registration with the SEC does not imply that ESG Planning or any individual providing investment advisory services on behalf of ESG Planning possesses a certain level of skill or training. Additional information about ESG Planning is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This section of the brochure requires disclosure of any material changes associated with the investment advisor. Since the filing of our brochure, in September 2021, ESG Planning has experienced the no material change.

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Item 4: Advisory Business

A. Description of the Advisory Firm

ESG Planning (“ESG”; “we”; “our”; or “Adviser”) is a registered investment adviser that with the United States Securities and Exchange Commission (“SEC”). ESG was organized as a Corporation in the State of California in May 2020 and is wholly owned by its principal James Rukstalis.

B. Types of Advisory Services

Portfolio Management Services

ESG provides portfolio management services to clients based on their individual needs through separately managed accounts (“SMAs”). We construct tailored investment portfolios by assessing each client’s personal financial situation. Clients are assigned to an investment adviser representative (“IAR”) and each IAR meets with the client(s) to consider their investment objectives, risk tolerance, tax considerations, time horizons, cash flow needs, and other personal preferences including reasonable investment restrictions when designing an investment portfolio.

Based on information gathered by clients during meetings, the IAR will provide personalized investment advice, including recommending portfolio asset allocations and target weights among certain asset classes. Asset allocations will vary depending upon a client’s level of risk, liquidity needs, time horizons, and their ability to withstand losses.

Once an investment portfolio is constructed for the client, ESG employs periodic portfolio reviews and portfolio rebalancing while also considering tax implications. Material changes in a client’s financial situation, risk tolerance, and/or market conditions may trigger portfolio reviews and trade executions to rebalance portfolio asset allocations back to assigned target weights for each asset class.

ESG typically will have discretion to determine the securities to buy or sell within client portfolio accounts. ESG also offers non-discretionary investment advisory services upon request.

Financial Planning Services

In addition to investment advisory services, ESG, through its IARs, also provide clients with financial planning services, which involves an evaluation of a client’s current and future financial position by using currently known factors, such as assets, debts, and sources of income and expenses to predict future cash flows, valuation of assets, and timing of withdrawals. Financial plans may include retirement planning, estate planning, college planning, and debt management and risk management. Financial plans also

include recommendations made by IARs for clients to engage in 1) the structuring of tax saving strategies (although not tax or legal advice), 2) real estate loan originations and refinancing, and 3) the acquisition of life insurance and other insurance products such as fixed annuities. ESG and its IARs are compensated with commissions and or other fees with regard to the aforementioned recommendations, and therefore, raises conflicts of interests, as described more fully below.

Clients are under no obligation to act upon the ESG, its affiliates or IARs' recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to execute the transaction through ESG or affiliates thereof.

C. Client Tailored Services and Client Imposed Restrictions

ESG offers the same suite of services to all of its clients. Clients may impose restrictions on investing in certain securities or types of securities. However, if the client-imposed restrictions prevent ESG from properly servicing the client account, or if the restrictions would require ESG to deviate from its standard suite of services or from recommended investment portfolios, ESG reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. ESG does not sponsor or participate in any wrap fee programs.

E. Assets Under Management

As of December 31, 2021, ESG had \$ 119,925, 032 assets under management on a discretionary basis.

Item 5: Fees and Compensation

A. Fee Schedule

ESG is compensated an asset-based fee for providing portfolio management services (a portfolio "Management Fee"). ESG charges clients Management Fees, monthly or quarterly in advance, based on a percentage of all assets under management (which could be held in one or more accounts) as of the last business day close of the prior relevant billing month or quarter. The Management Fee is calculated pro rata, and payable monthly or quarterly, based on the percentages shown in the standard fee schedule below.

Portfolio Management Fee Schedule

Assets Under Management	Annual Management Fee
Up to \$1,000,000	1.35%
\$1,000,001 - \$2,000,000	1.25%
\$2,000,001 - \$3,000,000	1.15%
\$3,000,001 - \$5,000,000	1.05%
\$5,000,001 - \$10,000,000	0.90%
Over \$10,000,000	0.75%

Management Fees are generally negotiable, and the agreed upon fee arrangement is memorialized in the client Investment Advisory Contract ("Agreement"). Unless a client has received the Form ADV Part 2A (and Form CRS) at least 48 hours prior to signing their Agreement, the Agreement may be terminated by the client within five business days of signing their Agreement without incurring any penalty or paying any Management Fees. After the five business days have lapsed, clients may terminate their Agreement immediately upon written notice.

The first Management Fee payment will be based on the account's market value of assets under management as of the last business day of month in which the account is first opened. The first Management Fee payment will be pro-rated to cover the period from the last day of the first month that the account(s) are opened through the end of that calendar quarterly billing period.

After the first billing period is complete, the Management fee will be based on the total market values of all managed accounts as of the close of the last business day of the preceding month or calendar quarter.

Management Fee will not be adjusted (either increased or reduced) for interim fund contributions or withdrawals during a billing cycle.

Services to Family and Friends of ESG Planning

Certain family members or friends of ESG Planning principals may receive the same or similar advisory services as Clients for advisory fees that are zero or negotiated at a rate lower than what is available to its Clients. These lower advisory fees charged to family or friends are not available to Clients.

Financial Planning Fees

Clients are not charged for the initial creation of a financial plan. Clients may request additional plans or reports for a fee.

B. Timing and Payment of Portfolio Management Fees

Payment of Portfolio Management Fees

ESG has the authority to instruct the custodians to directly debit (i.e., deducted) the portfolio management fees from client accounts. Client Agreements allow that management fees be automatically withdrawn directly from the client's accounts without having to obtain consent for each time that such fees are deducted from managed accounts.

ESG bills clients for Management Fees (according to the established fee scheduled) on either monthly or quarterly in advance as agreed to in client Agreements.

C. Client Responsibility For Third Party Fees

Management Fees paid to ESG do not include other fees that the clients must pay directly or indirectly to third parties in connection with the management of accounts. Clients are responsible for the payment of all third-party fees, such as custodial fees, brokerage fees, wire transfer fees, transactions costs, etc.) In addition, clients should be aware that ESG may recommend securities such as mutual funds, exchange traded funds ("ETFs") and insurance products that may also charge internal administrative and management fees, along with other transaction costs (such as loads) and other fees such as 12b-1 distribution fees (in circumstances where a particular recommended fund does not offer a share class without a distribution fee) where such costs are separate and distinct from the Management Fees charged by ESG. (Please see Item 12 of this Form ADV Part 2A regarding the factors that we consider in selecting or recommending broker-dealers for client's transactions.)

D. Prepayment of Fees

Clients must pay ESG Management Fees monthly or quarterly in advance. The Adviser or client can terminate the Agreement prior to the end of a billing period. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis for the days remaining in the billing period beginning from the date the written termination notice from the client is received to the end of the monthly or quarterly billing period. Refunds will be paid to clients via check within fourteen days from the date of receipt of the client's

written termination notice. ESG shall not, under any circumstances, require the prepayment of \$1,200 or more in fees or six or more months in advance

E. Outside Compensation For the Sale of Securities to Clients

Neither ESG nor its supervised persons accept any compensation for the purchase or sale of securities, including commissions, loads, and mutual fund 12b-1 distribution fees.

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

ESG does not charge or accept performance-based fees and does not engage in side-by-side management.

Item 7: Types of Clients

ESG generally provides advisory services to the following types of clients:

- | | |
|------------------------------|------------------------------|
| ❖ Individuals | ❖ Trusts |
| ❖ High-Net-Worth Individuals | ❖ Defined Contribution Plans |

There is no account minimum for any of ESG's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

In formulating investment advice and managing assets, ESG analyzes each client's specific financial situation and particular needs by obtaining an understanding of their risk tolerance, time horizon, desired rates of return, tax considerations, and other constraints. This in turn guides ESG's portfolio construction, asset allocation decisions and guides the selection of investments from a universe of ETFs and mutual funds that are suitable for a client's investment portfolio.

ESG analyzes each investment recommended for client portfolios using financial products such as Morningstar, fund prospectuses, statements of additional information, ratings data, expense profiles, and performance track records. We also analyze the overall

markets to help forecast and predict the economic environment, including that we monitor various interest rates, Federal Reserve actions, and changes in tax laws.

Investment Strategies

ESG uses a long-term investment philosophy and primarily employs passive investment management, which is an investment strategy designed to achieve about the same performance returns as a particular market index or benchmark. Our passive investing involves constructing portfolios that comprise primarily of ETFs and mutual funds that represent various distinct asset classes. The asset classes are weighted in a manner that correlate and achieve certain characteristics such as risk and returns. The ETFs and mutual funds that are used to construct passive portfolios are typically index ETFs, index mutual funds, and/or actively managed ETFs or mutual Funds. ESG may also recommend ETFs and mutual funds comprised of securities that are considered socially responsible, i.e., environmental, social, and corporate governance-related investments. Clients are not required to be invested in socially responsible investment funds in the form of ETFs and mutual funds but may be recommended to the extent this asset category meets a client's desired investment goals.

Most ETFs are also passively managed to the extent such funds follow an index, and therefore, passively managed funds may be managed at a lower cost as compared to actively managed funds. Daily trades of an index ETF or index mutual fund involve the purchase and sale of securities that follow a particular index. Contrary to passively managed funds, actively managed funds may buy or sell the underlying securities in the fund on a daily basis without regard to conformity to a particular index. Whereas daily trades of an actively managed ETF or mutual fund involve the purchase or sale of securities in conformance with the fund's investment objective that does not involve a particular index. Consequently, actively managed ETFs and mutual funds may carry higher internal costs because of the underlying trading activity.

From time to time, ESG will also employ the use of leverage, which is the use of borrowed money for investment purposes. ESG recommends, when suitable, that clients obtain a cash-out mortgage, such as through a home refinance, on their owned real estate where we invest the borrowed cash-out proceeds following an asset allocation of ETFs and/or mutual funds designed to achieve a particular return. This strategy's goal is for the profits (i.e., return) from the invested borrowed proceeds to exceed the interest rate on the mortgage. Clients should recognize the use of leverage carries significant risks, including the risk of losing more than your principal and losing the real estate that is used as collateral on the borrowed proceeds that have been invested.

We also recommend other investment products, though an insurance agency affiliate, JR Financial that may complement the investment portfolios managed by ESG. Such investment products include fixed annuities.

B. Risks of Investment Strategy and Methods of Analysis

Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks to investors include the following investment related risks:

- Inflation (Purchasing Power) Risk: Risk that inflation will undermine investment returns through a decline in purchasing power. Generally, bond payments are most at risk because they are mostly based on fixed interest rates.
 - Interest Rate Risk: Potential to for investment losses due to changes in the interest rates. If interest rates rise the value of a bond or any other fixed income investment will decline.
 - Economic Risk: The chance that macroeconomic conditions like exchange rates, government regulation, or political instability will affect an investment.
 - Market Risk: This is a “systematic risk” that cannot be diversified away and is resulting from losses in the overall performance of the financial markets.
 - Political/Regulatory Risk: Is a form of economic risk faced by investors as a result of political changes or instability in a country.
 - Legal or Legislative Risk: The potential that regulations or legislation by the government could significantly alter the business prospects of one or more companies.
 - Currency Risk: Risk in losing money due to unfavorable moves in exchange rates.
 - Reinvestment Risk: refers to the possibility that an investor will be unable to reinvest cash flows (e.g., coupon payments) at a rate comparable to their current rate of return.
 - Strategy Risk: Is the risk that failed business decisions may pose to a company and as a result could affect the underlying stock of that company.
 - Leverage Risk: Highly magnifies the potential for profit and loss. This strategy could potentially cause an audit by the IRS and the result of penalties. ESG Planning does not and will not purchase leveraged accounts for clients in any capacity. From time to time these securities may transfer into ESG Planning from an outside source.
 - Socially Responsible Investing Risks: The risk that the investment may not yield any measurable improvement to the environment, social values and governance held by the client’s values.
 - Carrier Risk. The risk that the claims-paying ability of an insurer may not be realized thereby compromising the payments owed to investors in insurance products.
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- Key Man Risk. ESG is a small firm led by James Rukstalis, who as President is responsible for performing and overseeing several key functions including: (i) development of investment strategies and new product offerings; (ii) business development and client engagement; (iii) supervision of personnel; (iv) trading and research; and (v) operational risk assessments and service provider selection/monitoring. This fact of course leads to “key man risk,” or the risk that something could happen to Mr. Rukstalis that negatively affects your portfolio and, in more severe situations, disrupt the continuation of firm

services. To address key person risk, the Firm has undertaken succession planning, yet investors should also consider that the composition of personnel within an organization may change over time, or a firm may cease operations due to loss of key personnel (or “Key Person Event”). When a Key Person Event occurs, there is a risk that new personnel or a successor organization may achieve less success than their predecessors.

- **Pandemic Risk.** The recent COVID-19 pandemic has caused and continues to cause disruptions in economies and individual companies and volatility in financial markets throughout the world, including those in which ESG clients invest. The impact of the pandemic and resulting economic disruptions may negatively impact the clients and the performance of their portfolios due to, among other things, (i) interruption of business operations resulting from travel restrictions, (ii) reduced consumer spending, and quarantines of employees, customers and suppliers in areas affected by the outbreak, (iii) closures of manufacturing facilities, warehouses and logistics supply chains, and (iv) uncertainty about the duration of the virus’ impact on global financial markets. Governments and central banks throughout the world have responded to the pandemic and resulting economic disruptions with a variety of fiscal and monetary policy changes, including direct capital infusions into companies and other issuers, new monetary policy tools, and lower interest rates, but the ultimate impact of these efforts is uncertain. It is not possible to determine the duration or severity of the disruption in financial markets or the long-term economic impact of the COVID-19 pandemic, or other future epidemics or pandemics, which may adversely affect the clients’ performance and investment strategies and significantly reduce available investment opportunities.
- **Cybersecurity Risk.** ESG and its service providers on whom it relies depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect clients and their managed assets, despite the effort ESG and its service providers adopt in technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well the confidentiality, integrity, and availability of information belonging to the clients and/or their investors. For example, unauthorized third parties may attempt to access, modify, disrupt the operations of or prevent access to these systems of ESG and/or its service providers on whom ESG relies for data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of systems to disclose sensitive information and gain access to ESG’s data or that of its clients. A successful penetration of the security of ESG’s systems or its service providers on whom ESG relies could result in the loss or theft of a client’s data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidence could cause ESG or its service providers on whom it relies to incur regulatory penalties, reputational damage additional compliance costs, or financial loss.
- **Business Continuity Risk.** ESG has adopted a business continuation strategy to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers, or networks. The recovery strategies are designed to limit the impact on clients from any business interruption or disaster. Nevertheless, our ability to conduct business can be curtailed by a disruption in the infrastructure that supports our operations.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The risks specific to those investments that are recommended by ESG are detailed below, which carry the same general risks described under Item 9.B.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have internal costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Equities: Equity investments generally refer to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income: Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (NAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even

paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another, and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Commodities: **Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

The specific investments recommended for client accounts are not guaranteed or insured by the FDIC or any other government agency. Certain investments, including private fund, commodities and insurance products are not subject to SIPC coverage.

We use our best judgment and good faith efforts in making suitable investment recommendations to our clients. It is the responsibility of the client to give us complete information and to notify us of any changes to their financial circumstances, goals, or risk tolerance. We cannot guarantee any particular portfolio rate of return or that any particular investment decision or recommendation made by ESG will be profitable.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a potential Client's evaluation of ESG or the integrity of its management. ESG has no information applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither ESG nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither ESG nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

James Robert Rukstalis is also an independent licensed insurance agent (California Insurance Identification #0D71530), and from time to time, will offer clients advice or products through ESG's affiliate JR Financial, which is an insurance agency also wholly owned by James Robert Rukstalis. Other IARs of ESG will recommend products and services provided by JR Financial to ESG clients. Clients should be aware that any JR financial services or products pay a commission or other compensation to ESG's IARs,

which involves a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. As a way to address conflicts of interests in connection with recommending JR Financial services and products, ESG will only make such recommendations to clients upon analyzing the suitability and ensuring such services and products complement the overall client's financial plan. Clients are in no way required to utilize the services of any representative of ESG in connection with JR Financial, and clients should recognize the insurance products and services offered by JR Financial might be obtained by third parties at lower costs.

ESG and/or IARs receive compensation such as commissions and/or fees from JR Financial, an insurance agency (which is wholly owned by James Robert Rukstalis who owns ESG) in connection with the sale of insurance, sale of annuities, purchase/sale of real estate, real estate loan originations, and structuring tax strategies. To address conflicts of interest arising from ESG recommending and directing clients to JR Financial, ESG reviews the products and services offered by JR Financial for suitability.

James Robert Rukstalis is Real Estate Salesperson NMLS #368804 (Loan Origination) and Notary Public. ESG may recommend its clients obtain real estate loan and notary services also provided by JR Financial. Clients should be aware that these services are a conflict of interest because JR Financial is an affiliate of ESG and acts as the loan originator on the client's loans. In connection with loan originations, JR Financial receives compensation by the loan broker involved with the loan originations. Clients are not required to utilize the services of any ESG representative in connection with JR Financial, and clients should recognize that they could obtain real estate loans from another originator or lender on better terms.

ESG does not utilize nor select third-party investment advisers.

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

A. Code of Ethics

ESG has a written Code of Ethics that employees are required to follow. Our Code of Ethics prohibits insider trading and addresses employee personal securities trading restrictions, including that employee cannot trade securities without first obtaining pre-clearance from the CCO. In addition, the Code of Ethics contains provisions that covers the following areas: Prohibited Purchases and Sales, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Political Contributions, Loans, Confidentiality of Client Information, Outside Activities, Certification of Compliance, among other things. ESG's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

ESG does not recommend that clients buy or sell any security in which a related person to ESG or ESG has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, employees (including IARs) of ESG may buy or sell securities for themselves that they also recommend to clients. In such cases, this may raise a conflict of interest with clients. In order to mitigate this conflict of interest, ESG requires Access Persons of the Firm, who are subject to the ESG Code of Ethics, are required to obtain pre-clearance from the Chief Compliance Officer (“CCO”) prior to placing any trades in securities and that such employee personal trades can only be placed at the same time as client trades or after client trades have been executed.

D. Trading Securities At/Around the Same Time as Clients’ Securities

ESG also allows employees to place securities transactions for themselves at or around the same time as clients. Access Persons trading personally at or around the same time as clients may create a conflict of interest. In order to mitigate this conflict of interest, ESG requires employees to obtain pre-clearance from the CCO prior to placing any trades in securities and that such employee personal trades can only be placed at the same time as client trades or after client trades have been executed.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

ESG places securities transactions for execution with the broker-dealer associated with the custodian where client accounts are held. ESG has a fiduciary duty to seek “best execution,” which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest cost commission or commission equivalent, and ESG may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in ESG’s research efforts. We may recommend ETFs that have transaction costs that will be paid by the client to the executing broker-dealer, and we may recommend no-load or load mutual funds.

1. Research and Other Soft-Dollar Benefits

While ESG has no formal soft dollar’s program in which soft dollars are used to pay for third party services, ESG may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions (“soft

dollar benefits"). ESG may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and ESG does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. ESG benefits by not having to produce or pay for the research, products, or services, and ESG will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that ESG's acceptance of soft dollar benefits may result in higher commissions charged to the client; however, this does not apply to transaction costs associated with ETFs and mutual funds since those transaction costs are generally subject to ticket charge or loads that are set, not negotiable, and would not be higher or lower because of our receipt of any soft dollar benefits.

2. Brokerage for Client Referrals

ESG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

ESG does not require clients to use a particular broker-dealer; however, we do recommend particular broker-dealers because administratively it is more efficient to manage accounts held at the same custodian. Clients should recognize that if ESG or the client requires a particular broker-dealer/custodian that such a directed brokerage arrangement may result in the inability by ESG to obtain volume discounts, negotiate commissions or obtain best execution for some transactions that may result in disparities in commission charges and the potential conflict of interests arising from directed brokerage practices.

B. Aggregating (Block) Trading for Multiple Client Accounts

If ESG buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek efficient execution. In such case, ESG would place an aggregate order with a particular broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. ESG would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for ESG's advisory services provided on an ongoing basis are reviewed at least annually by James Rukstalis, President, with regard to clients' respective investment policies and risk tolerance levels.

Reviews of client accounts may happen more frequently depending on movements in the market and whether clients experience a material change in circumstances such as a job loss, buying or selling a home, having to save for college, and other life events.

Written reports are provided to clients periodically, and include a portfolio summary, market analysis, and performance data.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by James Rukstalis, President. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, ESG's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of ESG's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

ESG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, ESG will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, in states that require it, ESG will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

ESG is also deemed to have custody of client accounts to the extent we have authority to disburse or transfer certain funds from client account(s) pursuant to Standing Letters of Authorization ("SLOA") executed by clients. With regard to SLOAs, ESG will follow the safeguards specified by the SEC rather than undergo an annual audit, unless otherwise required.

Clients will receive all account statements from the custodian of their accounts that are required in each jurisdiction, and they should carefully review those statements for accuracy. We also provide clients with periodic written reports summarizing portfolios and performance return data. We urge clients to review custodian statements and compare these to reports that ESG provides.

Item 16: Investment Discretion

ESG manages client accounts on either a discretionary or non-discretionary basis, subject to the restrictions (if any) that have been imposed by clients. The advisory contract established with each client sets forth the discretionary or non-discretionary authority for trading. Where investment discretion has been granted, ESG generally manages the client's account and makes investment decisions without prior consent or consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Clients with discretionary accounts will execute a limited power of attorney to evidence discretionary authority. For accounts that are non-discretionary, IARs will discuss investment recommendations and seek consent prior to executing trades. ESG will also have discretionary authority to determine the broker-dealer to be used for a purchase or sale of securities for a client's account.

Item 17: Voting Client Securities (Proxy Voting)

ESG, as a matter of policy, will not be responsible for voting client securities. Clients may contact ESG for advice or information about a particular proxy vote, but we do not exercise proxy-voting authority over client securities and should not be designated by custodians as the party to receive information on voting client proxies. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide Clients with certain financial information or disclosures about their financial condition. ESG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.