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**3/13/2014**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Kapusta Financial Group. If you have any questions about the contents of this brochure, please contact us at 412-851-1400 or [kfg@kapustafinancial.com](mailto:kfg@kapustafinancial.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.**

**Kapusta Financial Group is a registered investment adviser located in Pennsylvania. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.**

**Additional information about Kapusta Financial Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## ***Material Change***

**This Brochure, dated March 13, 2014, is an update from our previous brochure dated March 13, 2013. Changes to this brochure include the following:**

- **Item 4, Assets Under Management, was updated to reflect regulatory assets under management as of December 31, 2013.**

**The above list includes a description of material changes made to the firm's current Disclosure Brochure (Form ADV Part 2A). Currently, our brochure may be requested by contacting George M. Kapusta, President, at [george@kapustafinancial.com](mailto:george@kapustafinancial.com). Our brochure is also available free of charge, on our web site, at [www.kapustafinancial.com](http://www.kapustafinancial.com).**

**Additional information about Kapusta Financial Group is available by accessing the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Kapusta Financial Group who are registered, or are required to be registered, as investment adviser representatives of the firm.**

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## **Advisory Business**

Form ADV Part 2A, Item 4

**Kapusta Financial Group, Inc. (“KFG” or “the firm”) is a registered investment adviser that was founded 1997. The principal owner of the firm is George M. Kapusta, President, and the firm’s main office is located in Pittsburgh, Pennsylvania.**

**KFG offers both financial planning and asset management services to its clients for a fee. The services are offered separately to clients but serve to provide one purpose, the overall wellbeing of a client’s financial situation to achieve his or her financial goals. The following is a description of the services offered by the firm:**

### **Comprehensive Financial Planning**

**With its comprehensive financial planning services, KFG prepares a personalized, comprehensive analysis of a client’s current financial situation based upon the information and assumptions provided by the client. The scope of the analysis will include goals, assets, liabilities, investments, insurance, tax planning, education funding, retirement planning and estate planning. KFG meets with the client for the presentation of the initial comprehensive plan and on a periodic basis thereafter, until all areas of the plan have been fully reviewed.**

### **Investment Management**

**KFG offers non-discretionary individual portfolio management and investment supervisory services (“Investment Management”). The firm provides individualized investment advice to clients based upon the client's specific needs. Through personal consultations, KFG gathers specific financial data to develop a client’s personalized profile, which includes a client’s investment objectives, current financial position, risk profile, investment time horizon, tax situation and liquidity needs. KFG reviews the client's personalized profile and based upon this review, determines an appropriate asset allocation model for the client. Such model takes into account the client's existing investments, liquidity needs, portfolio goals, tax objectives and risk tolerance. KFG then recommends any necessary re-positioning of a client’s investments or makes non-discretionary recommendations for new investments to implement the client's recommended asset allocation model.**

### **Retirement Planning**

Retirement planning services are offered to those clients who desire a specialized review of retirement needs. KFG reviews and analyzes all resources available to a client for retirement. Projections are made for living expenses during retirement. Income taxes, inflation and the client's needs are compared to the client's sources of retirement funds, including qualified retirement plans, Social Security, and all other available assets. Working with the client, KFG then identifies long-term savings and investment requirements. In addition, after a retirement projection is agreed upon between KFG and the client, the firm will provide an investment analysis and recommended repositioning of assets, typically using Modern Portfolio Theory, to help the client achieve the agreed upon long-term rate of return projection identified in the retirement analysis.

### **Estate Planning**

In the estate planning services offered by the firm, KFG prepares a detailed plan and analysis of a client's estate as it relates to possible federal and state inheritance tax liability. The written analysis includes generic investment recommendations dealing with the client's financial concerns relating to accomplishing the client's estate planning objectives. While KFG renders agreed upon estate planning advice, the firm does not provide legal or tax advice as it relates to estate planning issues. Clients are strongly encouraged to consult with their appropriate legal and tax counselors for specific legal and tax advice relating to their estates.

### **Investment Consulting**

In this more limited service, KFG will review a client's current investments and make non-discretionary recommendations concerning possible repositioning of the client's assets based on the client's goals, risk tolerance, and time horizon. This is a one-time review at the client's request. With this limited service, KFG is not responsible for providing continuing advice regarding the client's investments, nor will the firm provide any investment performance reports. A client may or may not choose to implement KFG's investment recommendations.

### Planning by Module

In some cases, it may be appropriate for KFG to offer limited financial planning services to a client, based on a client's specific area of concern. In these cases, KFG will prepare a personalized analysis and written recommendation in a specific area of financial planning that is of particular concern to the client. This will not be a comprehensive plan but will focus on one or more of the following areas at the client's request:

- Education Funding/Planning
- Employee Benefits Analysis
- Insurance Needs Analysis
- Medicaid/Nursing Home Analysis
- Tax Reduction Strategies
- Retirement Plan Analysis for Businesses

### General Information Regarding Investment Advice

For any of the investment advisory services offered by KFG, the firm does not limit its investment recommendations to any specific type of product or security. A client's individual needs and objectives are analyzed to determine appropriate investments and products for the client. Since different types of investments typically involve different types of risk, the firm conducts a risk analysis of the client and his/her overall portfolio, before recommending a certain investment. KFG manages assets on a non-discretionary basis, which means the client is always free to place restrictions on the types of investments the firm recommends for the client's portfolio. The client may also decline to implement any of the recommendations made by the firm.

In general, the firm utilizes equity investments in individual stocks, mutual funds, and exchange traded funds. KFG also provides recommendations on fixed income investments, including individual bond positions, bond mutual funds, certificates of deposit, and fixed income exchange traded funds. In addition, KFG provides advice related to real estate, leasing, or oil & gas limited partnerships, and may also provide advice on other products as appropriate for the specific client. The firm may also offer advice on non-securities products.

As part of its comprehensive approach to investment advisory services, KFG may refer clients to unaffiliated third-party service providers for specific areas for which a client may need advice. Examples of these referrals may include local CPAs or attorneys. KFG offers this referral service as a convenience to clients only, and any decision to engage a third-party service provider lies solely with the client. KFG is not responsible or liable for any of the services provided by these unaffiliated third-parties

### Assets Under Management

As of December 31, 2013, KFG was providing investment advisory services to 192 clients. The firm was providing regular and continuous Investment Management services for 671 accounts, and the total value of assets under management in these accounts was \$82,186,330.

## **Fees and Compensation**

Form ADV Part 2A, Item 5

For Investment Management services, KFG charges its clients an annualized fee based on a percentage of assets under management. The firm typically requires a minimum account size of at least \$100,000, although this minimum may be achieved through the householding of multiple accounts, or it may be waived at the sole discretion of KFG.

Clients will pay a management fee based on a percentage of the fair market value of the managed assets as of the date of the Advisory Agreement. The client and KFG will agree as to the then current value of managed assets, and the client will be invoiced accordingly. Thereafter, the client will be billed a portion of the annual percentage of assets under management fee, on a quarterly basis in advance, based on the value of the managed assets as of the date of the Advisory Agreement. The current fee schedule for managed assets is as follows:

<b>Assets Under Management</b>	<b>Amount Annual Percentage</b>
Up to \$250,000	1.15%
\$250,001 to \$1,000,000	.90%
\$1,000,001 to \$2,500,000	.65%
\$2,500,001 and above	.55%

Asset-Based Fees are payable quarterly, in advance, immediately following presentation of an invoice. The invoice will show the value of the assets on which the fee was assessed, the amount of the fee, and the method by which the fee was calculated. Clients may also give KFG express written permission to deduct fees from the client's custodial account, if a client so chooses. KFG will provide written notice to the custodian of the amount of fees to be debited. Custodians will send statements to clients at least quarterly, detailing the amount of fee debited from the client's account. Clients are responsible for verifying the accuracy of fees debited. While KFG has established the above referenced fee schedule, the firm may negotiate fees under certain, limited circumstances, at its sole discretion. Factors considered when determining whether a different fee will be negotiated include, among other things, the complexity of the client's financial situation, related accounts under management, portfolio style, and the provision of other services provided to the client. In some cases, clients may be subject to a different fee schedule in effect at the time their account was established and specified in their Advisory Agreement with KFG. These different fee schedules may be higher or lower than current fee arrangements. KFG may, in its sole discretion, determine when, if ever, previous fee schedules will or will not apply to existing clients. Clients will receive advance written notice of any change in their applicable fee schedules.

For all other advisory services described in Item 4 above, including comprehensive planning, retirement planning, estate planning, investment consulting, and planning by module, KFG will charge an hourly rate not to exceed \$250 per hour. In some cases, KFG will charge a fixed project fee not to exceed \$5,000. The client and KFG will agree to the fee methodology at the time an Advisory Agreement is executed. For hourly fees, fees will be due and payable upon presentation of an invoice. For fixed fee relationships, one-half of the fixed fee is due and payable at the execution of the Advisory Agreement and the remaining portion will be due and payable upon presentation of an invoice. All fees are negotiable at KFG's sole discretion.

#### **General Information Regarding Fees and Account Termination**

In addition to the advisory fees described above, clients may be subject to custodial and account fees charged by account custodians or broker/dealers with whom clients establish accounts. Such additional fees may include, but are not limited to, transaction charges, IRA fees and other account administrative fees. Please see additional disclosure made for Item 12, Brokerage Practices, later in this brochure. In cases where shares of mutual funds or exchange traded funds are included in clients' portfolios, clients may also be subject to fees and expenses charged directly by the mutual fund or exchange traded fund company. Such fees may include, but are not limited to, management fees, fund expenses, distribution fees, and 12b-1 fees. Clients should refer to the applicable product prospectus for a complete discussion of the fees and charges associated with the product.

KFG's associates who provide investment advice to clients ("KFG associates") are registered securities representatives of Dautrich, Seiler Financial Services, Inc. ("DSFS"), an unaffiliated registered broker-dealer, member FINRA. In some cases, KFG's clients may purchase securities products from KFG associates in their capacity of registered representative. While this is rare, examples of such transactions would include certain variable annuity transactions. In these cases, KFG's associates may receive a portion of the gross dealer concession paid on the securities products, acting in the capacity of DSFS registered representatives. In other cases, KFG associates may receive additional compensation in the form of 12b-1 fees paid by a mutual fund issuer. Complete information regarding any such fees is disclosed in the product prospectus or fund statement of additional information. KFG's associates spend the vast majority of their time on the investment advisory activities of KFG, and activities related to DSFS represent a very small percentage of the firm's business. Receipt of these payments, although rare, may present a conflict of interest in that KFG associates may be induced to recommend certain investments for which they may receive additional payment. KFG endeavors at all times to recommend only those investments that meet its clients' needs and objectives, regardless of the potential for receiving additional payment. In cases where additional payment will be received by KFG associates, such payment will be disclosed to clients prior to the transaction being placed. Clients may decline to implement any recommendations made by KFG associates, or they may implement recommendations through another broker/dealer of their choice.

**Clients have the option of purchasing investment products through another broker/dealer of their choice; however KFG associates may be unable to provide Investment Management services for assets purchased away from custodians recommended by KFG.**

**As part of its comprehensive approach to investment advisory services, KFG may refer clients to unaffiliated third-party service providers for specific areas for which a client may need advice. Examples of these referrals may include local CPAs or attorneys. In these cases, clients may be subject to additional fees charged by the third-party service provider to whom the client has been referred. KFG does not receive any portion of the fees charged by these third-party service providers. In addition, KFG offers this referral service as a convenience to clients only, and any decision to engage a third-party service provider lies solely with the client. KFG is not responsible or liable for any of the services provided by these unaffiliated third-parties.**

**Clients may terminate Advisory Agreements at any time upon prior written notice. If an Agreement is terminated within the first five business days, clients are entitled to a full refund of any fees paid. If an Advisory Agreement is terminated after more than five business days, clients are assessed fees on a pro-rata basis, based on the number of days that investment management services were provided. Any pre-paid fees will be refunded on a pro-rata basis, based on the number of days advisory services were provided.**

***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

**KFG does not charge performance-based fees.**

## ***Types of Clients***

Form ADV Part 2A, Item 7

**KFG provides investment advisory services to individuals, high-net worth individuals, pension and profit sharing plans, corporations or other businesses, trust, estates and charitable organizations. As described in Item 5 above, KFG typically requires a minimum account size of \$100,000 for Investment Management clients. Household accounts may be aggregated to meet this asset threshold, and this minimum may be waived at KFG's sole discretion.**

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

**KFG uses various methods of analysis in formulating the investment advice offered on behalf of the firm. KFG takes a holistic approach to evaluate an overall portfolio strategy and asset allocation that meets a client's needs and objectives. Rather than focusing on specific investments, KFG's associates identify an appropriate ratio of securities, fixed income investments, cash and other investments, to build a portfolio that is suitable for a client's investment needs, objectives and risk tolerance. KFG typically does not recommend frequent and short-term trading strategies for its clients. Portfolios are typically made up of various mutual funds, fixed income securities, and exchange traded funds. Portfolios may also include individual equity or bond positions, certificates of deposits, and variable or fixed annuity products.**

**KFG conducts its research on the investments it recommends using publicly available performance information. KFG utilizes Morningstar, Standard & Poors, Index Universe, The Street Ratings Report and other internet based research sites. KFG evaluates the experience and track record of product managers, to determine whether a manager has demonstrated the ability to manage assets under varying economic situations. KFG also evaluates the underlying investments in a mutual fund or exchange traded fund, to determine whether the manager invests in a manner that is consistent with the fund's investment objective. A risk associated with this type of analysis is that past performance is not a guarantee of future results. While a manager may have demonstrated a certain level of success in past economic times, he or she may not be able to replicate that success in future markets. In addition, just because a manager may have invested in a certain manner in past years, such manager may deviate from his/her strategy in future years. To mitigate this risk, KFG attempts to select investments from companies with proven track records that have demonstrated a consistent level of performance and success. KFG also relies on an assumption that the rating agencies it uses to evaluate investments is providing accurate and unbiased analysis.**

**KFG uses investment management strategies that it feels best meet its clients' needs and objectives. Such strategies typically include long-term investment strategies of holding investments for a year or longer. While this strategy typically meets the needs and objectives of our clients, long-term investment strategies may include the risk of not taking advantage of short-term gains that could be profitable to a client. In addition, all securities investments involve risk and clients may lose all or part of their investment. Clients who elect to invest in securities must be willing to bear this risk. For this reason, KFG takes extra care to determine an appropriate risk tolerance of its clients. Investment recommendations are made with this risk tolerance in mind.**

***Disciplinary Information***

Form ADV Part 2A, Item 9

**Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of KFG or the integrity of KFG's management. KFG has no reportable information applicable to this Item.**

## **Other Financial Industry Activities and Affiliations**

*Form ADV Part 2A, Item 10*

As discussed previously in Item 5 above, KFG associates are registered representatives of Dautrich, Seiler Financial Services, Inc., an unaffiliated registered broker/dealer and FINRA member. In this capacity, KFG associates may affect securities transactions for clients for which they may receive separate, yet customary compensation. Clients always have the option of declining any investment recommendation made by KFG, and they may affect transactions with firms or representatives of their choice. However, if clients elect to transact recommendations with firms or agents other than those recommended by the firm, KFG associates may be unable to provide investment advisory services for those investments.

While KFG associates always endeavor to put clients' interests first and foremost, clients should be aware that the receipt of additional compensation itself creates a conflict of interest when making investment recommendations. To address the potential for a conflict of interest, KFG associates make certain to disclose to clients, any fees or compensation associated with recommended investment products. Clients are provided with applicable product prospectuses and offering materials, which discuss the fees associated with the applicable products. Clients are also asked to sign applicable disclosure documents and/or account applications that point out important product features and fees. As fiduciaries, KFG associates make product recommendations that they feel are in the client's best interest and are based on the specific needs and objectives of the client, not the compensation potential of the product.

George M. Kapusta, President of Kapusta Financial Group, is also licensed as an insurance agent. If clients choose to purchase non-variable insurance products from Mr. Kapusta, he may receive separate, yet customary compensation in the form of an insurance commission. While Mr. Kapusta endeavors to put clients' interests first and foremost, clients should be aware that the receipt of additional compensation itself creates a conflict of interest when making insurance recommendations. To address the potential for a conflict of interest, Mr. Kapusta makes certain to disclose to clients, any fees or compensation associated with recommended insurance products. Clients are provided with applicable product offering materials that discuss the fees associated with the applicable product. Clients are also asked to sign applicable disclosure documents and applications that point out important product features and fees. As a fiduciary, Mr. Kapusta makes product recommendations that he feels are in the client's best interest and are based on the specific needs and objectives of the client, not the compensation potential of the product.

In some cases, KFG associates may refer clients to a third-party service provider for specific services. KFG associates are not compensated for these referrals. KFG associates make these referrals when they feel it is in the client's best interest to do so, based on the specific needs and objectives of the client. Clients are under no obligation to engage the services of the third-party service provider and clients do so at their own discretion. KFG is not liable or responsible for any of the services provided by an unaffiliated third-party service provider.

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

Form ADV Part 2A, Item 11

**KFG has adopted a Code of Ethics to promote the principles of honesty and integrity in its business practices, and to maintain KFG's reputation as a firm that operates with the highest level of professionalism. KFG recognizes its fiduciary responsibilities to its clients, and its duty and pledge to place clients' interests first and foremost. In connection with this duty, all employees of KFG are subject to the firm's Code of Ethics, and are required to acknowledge their understanding of its terms. A copy of the KFG Code of Ethics will be provided to any client or prospective client upon request.**

**KFG's Code of Ethics establishes procedures for employees to report personal securities transactions and personal securities holdings. The Code sets forth procedures for management review of these reports. In some cases, KFG's employees may be required to obtain pre-approval for certain personal securities transactions or refrain from certain transactions altogether. KFG's Code of Ethics also sets forth the obligation of all KFG employees to comply with applicable state and federal securities laws, and the duty to cooperate in any investigation or inquiry conducted on or by KFG. Finally, KFG's Code of Ethics establishes procedures for the reporting of any potential violation of the firm's Code.**

**KFG or its owners, officers and employees may buy or sell securities that are the same or different than those they recommend to clients. While buying or selling the same security as a client would be incidental, it may represent a potential conflict of interest, which would be fully disclosed to the client. KFG or its owners, officers and employees may not sell securities from their accounts directly to a client, nor may they purchase securities directly from a client. KFG, its owners, officers and employees are prohibited from trading on material nonpublic information. KFG does not trade ahead of clients, but instead puts clients' interests first. Employees may not purchase or sell any security prior to a transaction being implemented for an advisory client, unless the timing of such transaction was done without the employee's knowledge of a client's transaction. KFG endeavors to ensure that the personal trading activities of its owners, officers and employees do not interfere with the decision making process for client investment recommendations. KFG also endeavors to ensure that the personal trading activities of its owners, officers and employees do not interfere with the implementation of investment recommendations made to clients.**

**KFG prohibits its owners, officers, and employees from participating in any principal transactions, where securities are purchased directly from, or sold directly to a client. KFG also prohibits its owners, officers and employees from purchasing shares in initial public offerings or private placement offerings, unless express written permission is provided in advance, by the firm's Chief Compliance Officer. KFG, its owners, officers and employees, do not recommend to clients that they buy or sell securities in which a person associated with KFG has a material financial interest.**

**As disclosed in Item 10 above, KFG associates are registered representatives of Dautrich, Seiler Financial Services, Inc., an unaffiliated registered broker/dealer. George M. Kapusta is also licensed as an insurance agent. These relationships may present conflicts of interest relating to client transactions. Please refer to Item 10 above for a complete discussion of these relationships.**

## **Brokerage Practices**

Form ADV Part 2A, Item 12

**KFG provides investment advisory services on a non-discretionary basis. As such, clients are free to implement or decline investment recommendations made by KFG associates. In addition, clients are free to implement investment recommendations at firms of their choice; however, if clients choose to implement transactions at firms other than those recommended by KFG associates, KFG may be unable to provide investment advisory services for those assets.**

**For Investment Management clients, KFG recommends that clients execute recommended brokerage transactions through either TD Ameritrade Investor Services, Inc. (“TD Ameritrade”) or Dautrich, Seiler Financial Services, Inc. (“DSFS”), the registered broker/dealer with which KFG associates are registered representatives. Clients are fully informed that they may execute transactions or implement recommendations through any broker/dealer or insurance company of their choice; however, if a client engages KFG for investment management services, TD Ameritrade will be used. TD Ameritrade is an unaffiliated SEC registered broker/dealer and FINRA member. TD Ameritrade offers independent investment advisers access to services that include custody of securities, trade execution, and clearance and settlement of transactions. While KFG cannot guarantee that the execution services provided by TD Ameritrade are the best executions available, the firm feels that that the overall quality of execution services provided by TD Ameritrade is in the clients’ best interests. If a client chooses to implement certain investment recommendations through KFG associates in their capacities as registered representatives, then securities products and insurance products recommended may be limited to those products that KFG associates can offer through DSFS or insurance companies with which KFG has relationships. The firm believes that the overall quality of the execution services provided by DSFS is in clients’ best interest, but best execution cannot be guaranteed.**

**As stated previously, KFG does not maintain discretionary control over client accounts and cannot, therefore, select broker/dealers for clients. However, the firm routinely recommends that clients utilize the brokerage and custodial services offered by TD Ameritrade or DSFS, unlike other advisors who may permit clients to direct brokerage. KFG is unable to negotiate specific transaction costs for transaction execution. Transactions executed by TD Ameritrade or DSFS will be subject to the transaction and commission fee schedule in effect at the time of execution. KFG does not negotiate commission rates or volume discounts. Therefore, brokerage and investment advisory services offered by KFG may cost a client more or less than similar investment advisory services offered by another firm, or by purchasing similar services separately.**

**KFG does not have any soft-dollar arrangements and does not receive any soft-dollar benefits. Through their affiliations with TD Ameritrade and DSFS, KFG associates have access to free research, software, account administrative support, record keeping, brokerage, custodial and other related services that are intended to support advisers in conducting an investment advisory business. KFG associates also have access to an extensive list of product offerings from which client recommendations can be made, and may have the ability to execute client no-load or low-load mutual fund transactions without transaction charges or with nominal transaction charges.**

**KFG associates may receive marketing support or reimbursement for marketing costs, such as expenses related to meetings held by, or attended by KFG associates. This support is not conditioned upon the placement or execution of client transactions. KFG does not use client brokerage commissions to obtain research or other products or services. KFG does not recommend broker/dealers in order to receive client referrals from such broker/dealers. KFG does not typically aggregate the purchase or sale of securities for various client accounts.**

## **Review of Accounts**

Form ADV Part 2A, Item 13

**Comprehensive Financial Planning:** Following meetings with a client, a comprehensive financial plan requires approximately one month to complete. Before the final report is presented, KFG will meet with the client to review all assumptions and information provided by the client. When appropriate, and only with a client's permission, KFG may request that outside professionals (i.e. legal and tax) review portions of the plan. KFG will meet with the client for the presentation of the initial comprehensive plan. KFG and the client will continue to meet on a periodic basis until all areas of the plan have been fully reviewed.

**Investment Management:** KFG associates will review assets under management at least quarterly or at the request of the client. Reviews may occur more frequently when the securities markets or economic conditions warrant such reviews. KFG will prepare quarterly, semi-annual or annual performance statements for each client, which list all assets, account values and rates of returns. Clients will also receive regular and periodic reports from the custodians at which their assets are held. Clients are encouraged to compare the information provided by KFG against the statements provided by the custodian. In the event of a discrepancy, the information provided on the custodial statements will prevail.

**Planning by Module:** This service focuses on a specific segment of a comprehensive financial plan. Clients who elect this service should periodically contact KFG to schedule a planning segment. KFG will not regularly review a client's financial situation after the initial performance of the agreed upon services.

**Retirement Planning, Investment Consulting and Estate Planning:** These services are completed at the time of the presentation of the analysis to the client. These services are considered to be one-time in nature. Clients who elect these services are responsible for requesting additional services and support. If KFG becomes aware of any material changes in the client's situation, KFG may contact the client to recommend a review; however, the firm is under no obligation to do so.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

**As discussed previously, KFG associates may receive product commissions or 12b-1 fees as a result of client investments with DSFS. KFG's primary business, however, is providing the investment advisory services described in this brochure and activities with DSFS represent a very small percentage of KFG's business. While the receipt of product commissions or 12b-1 fees may present a potential for conflict of interest in that it may incent KFG associates to recommend certain products, all fees and expenses related to transactions executed through DSFS are disclosed to clients in product offering materials or verbally by KFG associates. KFG associates recommend only those products that they feel are in a client's best interest. Clients are encouraged to read product offering materials carefully.**

**In some cases, KFG associates may refer clients to a third-party service provider for specific services. KFG associates are not compensated for these referrals. KFG associates make these referrals when they feel it is in the client's best interest to do so, based on the specific needs and objectives of the client. Clients are under no obligation to engage the services of the third-party service provider and clients do so at their own discretion. KFG is not liable or responsible for any of the services provided by an unaffiliated third-party service provider.**

## ***Custody***

Form ADV Part 2A, Item 15

**KFG does not maintain custody of client funds or securities, except to the extent that it has the ability to debit advisory fees directly from client accounts, as agreed to in writing by the client. Clients receive normal and customary custodial account statements that detail the advisory fees debited. Clients are encouraged to review custodial statements carefully to verify the accuracy of all fees. Clients are also encouraged to compare information provided on custodial statements with information provided on reports prepared by KFG.**

***Investment Discretion***

Form ADV Part 2A, Item 16

**KFG does not accept discretionary authority to manage securities accounts on behalf of clients.**

## ***Voting Client Securities***

Form ADV Part 2A, Item 17

**KFG does not accept authority to vote client securities on behalf of clients. Clients retain all rights to their brokerage accounts, including the right to vote proxies. Clients are responsible for directing each custodian of their assets to forward copies of all proxies and shareholder communications directly to the client. While KFG may provide information or consultation to assist a client in deciding how to vote a particular security, the ultimate decision and responsibility to vote a security lies with the client.**

## ***Financial Information***

Form ADV Part 2A, Item 18

**KFG does not require or solicit prepayment of more than \$1,200 in advisory fees more than six months in advance of services rendered. KFG is therefore not required to include a financial statement or balance sheet with this brochure.**

**KFG does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. KFG has not been the subject of any bankruptcy petition.**

## **Other Financial Industry Activities and Affiliations**

Form ADV Part 2A, Item 19

**Kapusta Financial Group, Inc. (“KFG” or “the firm”) is a registered investment adviser that was founded 1997. The principal owner of the firm is George M. Kapusta, President, and the firm’s main office is located in Pittsburgh, Pennsylvania. Mr. Kapusta also serves as the firm’s Chief Compliance Officer.**

**George was born in 1957 and has over 30 years’ experience in the financial services industry. He graduated from Clarion University in 1979, with a Bachelor of Science degree in Economics. In 1983, George earned a MBA from Boston University and in 1986 he earned the Certified Financial Planner (CFP®) designation. George is a U.S. Army veteran, serving as a commissioned officer in Augsburg, West Germany. He began his financial planning practice in Germany in 1983 and assisted U.S. Army and Air Force officers, U.S. Government civilians, school teachers and administrators with financial planning and investment management. In 1989, George relocated his practice to Pittsburgh, PA where he continued to build his business as Vice President of Laurel Financial Group.**

**KFG does not charge performance-based fees for its advisory services. All fees for advisory services are described in Item 5 above.**

**State registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of the firm’s management. KFG does not have any reportable information applicable to this Item.**

**Neither KFG nor its principal executive officers has any relationship or arrangement with any issuer of securities.**

## ***PRIVACY POLICY***

**KFG maintains a specific Privacy Policy that is distributed to each client at the time an account is opened and annually thereafter. KFG collects nonpublic information about clients from the following sources: information the firm receives from clients verbally, on applications or other forms and information about client transactions with others or the firm.**

**KFG may have to share non-public client information with unaffiliated firms in order to service client accounts. Additionally, KFG may have to provide information about clients to regulatory agencies as required by law. Otherwise, KFG will not disclose any client information to an unaffiliated entity unless a client has given express permission for the firm to do so.**

**KFG is committed to protecting client privacy. The firm restricts access to clients' personal and account information to those employees who need to know the information. KFG also maintains physical, electronic and procedural safeguards that the firm believes comply with Federal standards to protect against threats to the safety and integrity of client records and information.**