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**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Kapusta Financial Group, CRD #123349. If you have any questions about the contents of this brochure, please contact us at 412-851-1400 or 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.

Material Change

Since the filing of our last annual updating amendment dated March 19, 2019, we have no material changes to report.

Currently, our brochure may be requested by contacting George M. Kapusta, President, at george@kapustafinancial.com. Our brochure is also available free of charge, on our web site, at www.kapustafinancial.com.

Additional information about Kapusta Financial Group is available by accessing the SEC's web site at 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. Financial plans are based on a client’s financial situation at the time KFG presents the plan, and on the financial information the client provides. A client should promptly notify KFG if any financial situation, goals, objectives, or needs change. Clients are under no obligation to act on the financial planning recommendations made by KFG. Should a client choose to act on any recommendations, the client is not obligated to implement the financial plan through KFG. A client may act on KFG's recommendations by placing securities transactions with any brokerage firm.

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. If a client enters into non-discretionary portfolio management agreement with KFG, KFG must obtain approval prior to executing any transactions on behalf of a client's account. A client has an unrestricted right to decline to implement any advice provided by KFG on a non-discretionary basis.

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, 2019, KFG provided continuous management services for \$126,411,927 in client assets on a non-discretionary basis. KFG also managed \$4,531,257 in client assets on a non-continuous basis.

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 anniversary date of the Advisory Agreement. Fees are not adjusted each quarter based on the quarterly valuation. The value is reevaluated annually, to determine the current value of the account and the fee for the upcoming year. The client is notified, in advance, of the fee for each upcoming year. The current fee schedule for managed assets is as follows:

<u>Assets Under Management</u>	<u>Amount Annual Percentage</u>
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. KFG does not receive any portion of these fees. Clients should refer to the applicable product prospectus for a complete discussion of the fees and charges associated with the product. While KFG endeavors to select the lowest-cost share class available for a given mutual fund, the firm cannot guarantee that the lowest cost is always purchased depending on specific client circumstances and/or mutual fund performance or other factors.

Clients have the option of purchasing investment products through any 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.

Methods of Analysis and Investment Strategies

KFG may use one or more of the following methods of analysis or investment strategies when providing investment advice:

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company

and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Modern Portfolio Theory - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that in which one is invested, or perhaps just a particular investment, will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes one can predict how financial markets will perform in the short-term, which is difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

KFG's investment strategies and advice will vary depending upon each client's specific financial situation. KFG determines investments and allocations based on a client's predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. A client's restrictions and guidelines may also affect the composition of the portfolio. Clients must immediately notify us with respect to any material changes to their financial circumstances, including for example, a change in current or expected income level, tax circumstances, or employment status.

Tax Considerations

KFG's strategies and investments may have tax implications. Regardless of account size or any other factors, KFG strongly recommends that clients consult with a tax professional regarding the investing of assets. Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. A custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of investments. Clients are responsible for contacting their tax advisor to determine if this accounting method is the right choice for them. If a client's tax advisor believes another accounting method is more advantageous, the client should provide written notice to KFG immediately, so that KFG can alert the account custodian of the client's selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that investors must be prepared to bear. KFG does not represent or guarantee that services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. KFG cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential loss. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining KFG's services.

Liquidity Risk: The risk of being unable to sell an investment at a fair price at a given time due to high volatility or lack of active liquid markets. An investor may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that an investment horizon is shortened because of an unforeseen event, for example, the loss of a job. This may force an investor to sell investments that were expected to be held for the long term. If an investor must sell at a time markets are down, he/she may lose money. Longevity Risk is the risk of outliving savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

KFG primarily recommends mutual funds and exchange traded funds. However, KFG also provides advice on other types of investments as appropriate, since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, an investor can lose some or all of their principal. In return for this risk, an investor should earn a greater return on cash than one would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Money market fund rates are variable and the rate could go up or go down. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tend to be less than long term average returns on riskier investments. Over long periods of time, inflation can impact returns.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to, the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can increase if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, while other types of mutual funds charge fees that can reduce returns. Mutual funds can be "closed end" or "open end". Open end mutual funds continue to allow in new investors indefinitely, whereas closed end funds have a fixed number of shares which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its underlying index or other benchmark,

which may negatively affect the ETF's performance. In addition, for leveraged and inverse

ETFs that seek to track the performance of their underlying indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its underlying index, or its weighting of investment exposure to such securities may vary from that of the underlying index. Some ETFs may invest in securities or financial instruments that are not included in the underlying index, but which are expected to yield similar performance.

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

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, George M. Kapusta is also licensed as an insurance agent. This relationship 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 TD Ameritrade Investor Services, Inc. (“TD Ameritrade”). 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.

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, 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 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 affiliation with TD Ameritrade, 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 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

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.

KFG does not receive any compensation from any third party in connection with providing investment advice, nor does the firm compensate any individual or firm for client referrals.

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. KFG is also deemed to have custody by virtue of the fact that the firm allows clients to initiate standing letters of authorization for asset movement in custodial accounts. Client accounts are held at qualified custodians and KFG complies with rules and regulations for firms with this type of custody. 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.

Asset Transfer and/or Standing Letter of Authorization

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

KFG is not required to obtain a surprise annual audit, as would otherwise be required by reason of having custody, as long as the firm meets the following criteria:

- 1. Client provides a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;**
- 2. Client authorizes KFG in writing to direct transfers to the third party either on a specified schedule or from time to time;**
- 3. Client's qualified custodian verifies the authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;**
- 4. Client can terminate or change the instruction;**
- 5. KFG has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;**
- 6. KFG maintains records showing that the third party is not a related party to the firm nor located at the same address as the firm; and**
- 7. Client's qualified custodian sends client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.**

KFG meets the above criteria.

Investment Discretion

Form ADV Part 2A, Item 16

KFG does not accept discretionary authority to manage securities accounts on behalf of clients. KFG will obtain a client's approval prior to the execution of any transactions for an account(s). Clients have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

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.

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.