



Financial Advisor Due Diligence

Part 1: The Fiduciary Standard

Fiduciary Financial Group's Code of Ethics is based on the guiding principle that the interests of the client are our top priority. Fiduciary Financial Group's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When the potential for conflict arises, it is our obligation to put the client's interests over the interests of either employees or Fiduciary Financial Group. We are also required to disclose any actual, potential, or perceived conflicts of interest. We hold this standard so near and dear to our hearts that we decided to include it in our name, Fiduciary Financial Group.

Part 2: Cyber Security & Confidentiality

Fiduciary Financial Group takes cybersecurity very seriously, and only partners with those who take it equally as seriously. We use the IT company, Professional Computer Support (pcs-sf.com) which has been providing IT monitoring and maintenance for the last 30 years. We also use dual factor authentication for all systems where client information is stored to ensure that only those with proper authority are accessing your information. Finally, we maintain cybersecurity coverage for both our tax firm and wealth management firm. All employees understand and sign our compliance manual which states that, "client information is confidential and may not be distributed in any way nor discussed with anyone who is not an employee of Fiduciary Financial Group."

Part 3: Disclosure Information (ADV Part 1 Item 11)

- A. In the past ten years, have you or any advisory affiliate:
- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony? **NO**
 - (2) been charged with any felony? **NO**
- B. In the past ten years, have you or any advisory affiliate:
- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor involving: investments or an investment-related business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? **NO**
 - (2) been charged with a misdemeanor listed [above] **NO**
- C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:
- (1) found you or any advisory affiliate to have made a false statement or omission? **NO**
 - (2) found you or any advisory affiliate to have been involved in a violation of SEC or CFTC regulations or statutes? **NO**
 - (3) found you or any advisory affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? **NO**
 - (4) entered an order against you or any advisory affiliate in connection with investment-related activity? **NO**

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- (5) imposed a civil money penalty on you or any advisory affiliate, or ordered you or any advisory affiliate to cease and desist from any activity? **NO**
- D. Has any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority:
- (1) ever found you or any advisory affiliate to have made a false statement or omission, or been dishonest, unfair, or unethical? **NO**
 - (2) ever found you or any advisory affiliate to have been involved in a violation of investment-related regulations or statutes? **NO**
 - (3) ever found you or any advisory affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? **NO**
 - (4) in the past ten years, entered an order against you or any advisory affiliate in connection with an investment-related **NO**
 - (5) ever denied, suspended, or revoked your or any advisory affiliate's registration or license, or otherwise prevented you or any advisory affiliate, by order, from associating with an investment-related business or restricted your or any advisory affiliate's activity? **NO**
- E. Has any self-regulatory organization or commodities exchange ever:
- (1) found you or any advisory affiliate to have made a false statement or omission? **NO**
 - (2) found you or any advisory affiliate to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the SEC)? **NO**
 - (3) found you or any advisory affiliate to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? **NO**
 - (4) disciplined you or any advisory affiliate by expelling or suspending you or the advisory affiliate from membership, barring or suspending you or the advisory affiliate from association with other members, or otherwise restricting your or the advisory affiliate's activities? **NO**
- F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any advisory affiliate ever been revoked or suspended? **NO**
- G. Are you or any advisory affiliate now the subject of any regulatory proceeding that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.? **NO**
- H. (1) Has any domestic or foreign court:
- a) in the past ten years, enjoined you or any advisory affiliate in connection with any investment-related activity? **NO**
 - b) ever found that you or any advisory affiliate were involved in a violation of investment-related statutes or regulations? **NO**
 - c) ever dismissed, pursuant to a settlement agreement, an investment-related civil action brought against you or any advisory affiliate by a state or foreign financial regulatory authority? **NO**
- (2) Are you or any advisory affiliate now the subject of any civil proceeding that could result in a "yes" answer to any part of Item 11.H.(1)? **NO**



Part 4: Team & Active Credentials

- A. Juris Doctor (JD): Tom Vogelheim
- B. Certified Public Accountant (CPA): Richard Davey, Trevor Scotto, Tom Vogelheim, Shayne Cooper, Carine Arend, Braxton Parish, Carson Inglin
- C. Certified Financial Planner (CFP®): Richard Davey, Trevor Scotto
- D. Master of Science in Tax: Shayne Cooper, Braxton Parish
- E. IRS Enrolled Agent (EA): Christopher Moore, Samantha Bleeck, Ben Fookes

Part 5: Firm Size

- A. Clients' assets directly under management: ~\$680,000,000
- B. Client assets (real estate, businesses, banking assets, etc.): \$1,000,000,000+

Part 6: FFG's Partners

- A. To ensure that the assets of our clients are never in the wrong hands, our client's investment assets are custodied at Charles Schwab & Co. which custodies a total of \$7.13 Trillion as of Aug. 2022.
 - (1) Every account comes with Schwab's Security Guarantee, which states: "Schwab will cover losses in any of your Schwab accounts due to unauthorized activity."
 - (2) Accounts at Schwab are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 of protection for brokerage accounts held in each separate capacity (e.g., joint tenant or sole owner), with a limit of \$250,000 for claims of uninvested cash balances.
 - (3) Additional brokerage insurance—in addition to SIPC protection—is provided to Charles Schwab & Co., Inc. accounts through underwriters in London. Schwab's coverage with Lloyd's of London and other London insurers, combined with SIPC coverage, provides protection of securities and cash up to an aggregate of \$600 million, and is limited to a combined return to any customer from a Trustee, SIPC, and London insurers of \$150 million, including cash of up to \$1,150,000. This additional protection becomes available in the event that SIPC limits are exhausted.
 - (4) We never have standing authority to move assets between accounts unless the names and social security numbers on both accounts match. Any 3rd party transfers require signed paperwork by the client.

Part 7: FFG's Research

FFG utilizes several highly differentiated research sources to challenge our perspective to produce new ideas.

- (1) Macro Insights: Schwab, Dimensional Fund Advisors, JP Morgan Chase, BlackRock, Vanguard, First Trust, Advisor Perspectives
- (2) Sector Views: Schwab, Ned Davis
- (3) ETF & Mutual Fund Ratings: Morningstar, Schwab

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- (4) Individual Stock Analysis: Schwab, Morningstar, Value Line, Brownstone, Motley Fool, CFRA, Argus
- (5) Nobel Prize Winning Factor Based Research: Dimensional Fund Advisors
- (6) Technical Analysis: Schwab Equity Ratings & Ned Davis

Part 8: Key Client Segments

- A. Technology Company Executives
- B. Business Owners
- C. Retirees
- D. Affluent Families

Part 9: Client Case Experience

Fiduciary Financial Group has been involved in many complex client cases involving:

- A. Business Sales:
 - (1) Lumber company (\$100M+)
 - (2) Hotel chain (\$100M+)
 - (3) Plumbing company (\$10M+)
 - (4) Video game company (\$50M+), and
 - (5) Numerous software companies (mainly dealing with key executives)
- B. Equity Compensation Package Negotiations:
 - (1) Incentive & Non-Qualified Stock Options
 - (2) Restricted Stock Grants
- C. Nuptial Agreements (Pre & Post)
- D. Real Estate:
 - (1) Sales / Acquisitions
 - (2) Opportunity Zones / 1031 Exchanges
 - (3) Limited Partnerships
- E. Interfamily Transactions and Charitable Gifting:
 - (1) Generation Skipping Trusts
 - (2) Donor Advised Funds
 - (3) Irrevocable Life Insurance Trusts
 - (4) Charitable Trusts (CLATs, CRATs)

Part 10: Errors & Omissions Insurance Coverage

We maintain 3x the base-line E&O insurance coverage limits for each occurrence and in aggregate.

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