


Form ADV 2A Brochure

July 20, 2025





This brochure provides information about the qualifications and business practices of Layne Financial Group, LLC (IARD No. 336700). If you have any questions about the contents of this brochure, please contact us at: 304-202-3309. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Being registered as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Layne Financial Group, LLC is available on the SEC's website at www.adviserinfo.sec.gov.




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Item 2: Material Changes

The Material Changes section of this brochure will be updated annually or when material changes have occurred since the previous release of the Firm Brochure. This Firm Brochure being delivered is the complete brochure for the Firm.

- Material Changes have been made July 20, 2025. These changes include a correction to abbreviation "LFS" and transferred to "LFG."
- Client Advising Fees have been significantly reduced to better serve clients. Fee Caps for Fee advising services have been removed.

Item 4: Advisory Business

Firm Description

Layne Financial Group, LLC ("LFG") was founded in 2025 as a Registered Investment Advisor. The principal owner of LFG is Ethan M Layne.

LFG has \$25k in assets; including \$25k in discretionary assets under management, and \$0 in non-discretionary assets under management (as of 07/20/2025).

LFG generally provides Investment Management services to a select group of individuals, high net worth individuals, investment companies, corporate pension and profit-sharing plans, charitable institutions, foundation or endowments. Client relationships vary in scope and length of service.

Our collaborative process starts with trying to learn as much as we can about a client's need for return as well as their ability to tolerate market fluctuations. Once this is complete, we develop a portfolio mix that we believe can best deliver the risk / return

characteristics that are desired by each client. As well, LFG strives to maintain an ongoing relationship with clients so as to be able to adjust a client's portfolio through time as their needs change.

Types of Advisory Services

LFG provides investment management services, also known as asset management services, and furnishes investment advice through consultations.

WEALTH PLANNING AND ASSET MANAGEMENT

LFG offers discretionary direct asset management services to advisory clients. LFG offers clients continuous and on-going portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize LFG discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. Please note, a small percentage of these assets under management may be managed on a non-discretionary basis per client instructions and/or asset type.

As part of the comprehensive services offered, LFG may provide wealth planning services to clients. LFG is able to customize wealth plans by focusing on goals planning, tax planning and estate planning. By getting to know each client and understanding their needs, a dedicated wealth advisor will work to develop a wealth plan that fits their specific circumstances and goals.

LFG does not make available or offer advice with respect to proprietary products nor to a strictly limited menu of products or types of investments.

ADVISORY MANAGEMENT OF FUNDS

LFG does not provide management or advisory services to any investment company that has been registered under the Investment Company Act of 1940.

THIRD PARTY MANAGERS

LFG may utilize third party registered investment advisors to manage all or a portion of client portfolio assets. The services are provided to the clients of LFG pursuant to the Investment Advisory Agreement. LFG has conducted due diligence on one or more sub-advisors and has entered into an agreement with them to provide Asset Management Services to LFG's clients. LFG has the sole responsibility for the selection and termination of sub-advisors. LFG may also, from time to time, enter into additional written sub-advisory agreements with third party registered investment advisors as it deems appropriate and in the best interests of clients. In conjunction with the sub-advisor, LFG will create a portfolio of one or all of the following: stocks, bonds, notes, mutual funds, exchange-traded funds (ETFs) and other investment products. In order to ensure that LFG's initial determination of an appropriate model portfolio continues to be suitable and that the client's account continues to be managed in a manner fitting the client's financial circumstances, LFG will maintain client suitability information in the client's file and will communicate this information to the sub-advisor(s) in a timely manner. If LFG believes that the sub-advisor is performing inadequately, or if LFG believes that a different investment or sub-advisor is more suitable for the client's account, then LFG will recommend a different investment or sub-advisor as appropriate and will reinvest the client's assets according to the authority it has been granted.

PENSION & NONPROFIT CONSULTING

LFG provides Asset Management Services on a non-discretionary basis to a select group of corporate retirement plans (such as 401Ks), whereby the final decision for investment implementation rests with the plan. All investment recommendations for said plans are submitted to, and executed by, the custodian for the plan.

ONGOING FINANCIAL PLANNING SERVICES

In situations when clients desire a financial plan with no Asset Management services, a financial plan can be created based on an hourly fee. Fee Prices Range from \$250/hr. to \$450/hr.

Client Tailored Services and Client Imposed Restrictions

The risk tolerance for each client is documented within the advisory agreement. Investment strategies are created to reflect the desired risk tolerance. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client and LFG consent.

Wrap Fee Programs

LFG does not participate in wrap fee programs.

Client Assets under Management

LFG has \$25k in assets; including \$25k in discretionary assets under management, and \$0 in non-discretionary assets under management (as of 07/20/2025).

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

LFG bases its fees on a percentage of assets under management.

DISCRETIONARY

Fees for these services will be based on a percentage of assets under management as follows:

Wealth Planning and Financial Management

Assets Under Management	Annual Fee
First \$500,000	0.75%
Next \$500,000	0.65%
Next \$1,000,000	0.55%
Over \$2,000,000	0.45%

Pension & Nonprofit Consulting

Assets Under Management	Annual Fee
First \$500,000	0.55%
Next \$500,000	0.50%
Next \$1,000,000	0.45%
Over \$2,000,000	0.40%

Ongoing Financial Planning Services

Monthly Planning	Annual Fee
Monthly Planning	Billed Hourly
Quarterly Planning	Billed Hourly
Annual Planning	Billed Hourly
One-Time Planning	See Below*

*Base Fee of \$500 and Billed Hourly After.

Ongoing Financial Planning Services are based on an hourly rate of \$250 - \$450 with no cap on the end. Financial Planning Services client will not receive additional recommendations.

Performance allocation fees are never permitted by LFG.

All management fees are billed monthly in arrears based on the average daily market value of their accounts each calendar month. These fees are also negotiable in certain circumstances. Ongoing Financial Planning Services are paid in arrears after presentation of plan. No negotiation is permitted

Management fees are aggregated by household to meet LFG fee schedule break points. Monthly advisory fees deducted from the clients' account by the custodian will be reflected in an account statement provided by the custodian. Should a Client account fail to maintain sufficient cash or money market balance to pay advisory fees, securities in the Account(s) may be liquidated to cover advisory fees. Clients may terminate their account within 30 days of signing the Investment Advisory Agreement for a full refund. Thereafter, either party may terminate the agreement at any time, for any reason, upon written notice. Accounts initiated or terminated during an applicable calendar month will be charged a pro rata fee for the days of service provided in the month. Client shall be given thirty (30) days prior written notice of any increase in fees.

FEES FOR ADVISORY MANAGEMENT OF FUNDS

Where LFG serves as asset manager to the Fund(s), there are other fees associated with operating the fund. The net expense ratio for the Fund(s) is documented in the Fund's prospectus and will vary based on the total value of assets in the fund.

PENSION & NONPROFIT CONSULTING

Fees for the services offered to corporate retirement plans (i.e. 401Ks) or Nonprofit reserve accounts; fees will vary based on plan size.

THIRD PARTY MANAGERS

Where client accounts are managed by sub-advisers or third party managers, accounts will be charged a separate fee based on the strategy utilized, for which clients will execute a separate agreement with the respective sub-adviser and/or addendum to LFG's Agreement (if applicable).

Client Payment of Fees

Investment management fees are billed monthly, in arrears, meaning that fees will be deducted after the month billing period has ended. Fees are usually deducted from each account unless a client designates a specific account to facilitate billing. The client must consent in advance as disclosed in the Investment Advisory Agreement to direct debiting of their investment accounts.

Additional Client Fees Charged

Clients may also incur certain charges imposed by custodians, banks, or other third parties such as transaction costs, custodial fees, wire transfer charges, margin interest and / or electronic fund fees. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in that fund's prospectus. LFG does not receive any compensation other than the advisory fees described in this Brochure.

Finally, LFG is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, LFG is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, LFG may only charge fees for investment advice about products for which LFG and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice.

External Compensation for the Sale of Securities to Clients

LFG does not receive any external compensation for the sale of securities to clients, nor do any of the investment advisor representatives of LFG.

Item 6: Performance-Based Fees

Performance-Based Fees are never permitted by any advisor of LFG. We believe this practice is unfit to maintain a true fiduciary duty to clients.

Item 7: Types of Clients

Description

LFG generally provides Investment Management services to a select group of individuals, high net worth individuals, investment companies, corporate pension and profit-sharing plans, charitable institutions, foundation or endowments. Client relationships vary in scope and length of service.

Account Minimums

Managed Portfolios (Wealth Management)
For all portfolios managed on a discretionary basis, LFG requires a household minimum of \$0 to open an account. LFG reserves the right to wave this minimum account size at its discretion.

PENSION CONSULTING

For the purposes of corporate retirement plans managed on a non-discretionary basis, the account minimum required is \$0.

These account minimums may be waived by Investment Advisor Representatives at their discretion.

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

Methods of Analysis and Investment Strategies

The overarching goal of LFG's investment process is to provide individual investors access to the same strategies utilized by the country's largest endowments, foundations and pension plans.

LFG's services involve the development of dynamic asset allocation strategies that are implemented using all types of investment products available to the marketplace. Our asset allocation process involves the development of model portfolios based on each specific client's time frame, required rate of return and personal tolerance for risk, as well as utilizing modern portfolio theory as a tool for portfolio construction.

LFG utilizes a factor-based approach formulated on academic-based evidence. A factor-based approach utilizes time tested principles based on academic risk factors such as the market, size (small vs. large stocks), style (value vs. growth), momentum, profitability, term/credit factors (fixed income), as well as alternative investments. From time to time, LFG utilizes outside consultants to assist the investment committee with timely market research, as well as mean variance optimization and historical studies to ensure that our models reflect the impact of correlation, volatility (realized volatility) and friction, as well as being consistent with the expectations with our client's risk objective.

The investment and research process for the Managed Portfolios is based on forward looking market segment (asset class) decisions, as we believe asset allocation has the biggest impact on portfolio performance and risk management. The investment strategies utilized in LFG's Managed Portfolios are exclusive to institutional and investment advisor clients of LFG and are not directly accessible to retail clients.

SUB-ADVISOR RELATIONSHIPS:

LFG may identify and form relationships with sub-advisors that are compatible with the investment objectives of the client. Once the client has agreed to the strategy, LFG will assist with the implementation of the portfolio; continuously monitor the portfolio for performance, compliance with the investment guidelines, and material changes relating to the money manager. In addition, LFG reserves the right to reallocate assets on behalf of the client subject to the clients' approval. LFG will not place orders for transactions in the client's account or otherwise exercise trading authority over the Account at any time when a third party money manager(s) has trading authority over the Account. For investment supervisory services, compensation is derived as fee income based upon the percentage of assets under management. The compensation method is explained and agreed with the clients in advance before any services are rendered.

Risk of Loss (General)

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our 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. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Risks in General: Investments are not guaranteed and you may lose money on your investments. Investors or prospective investors should carefully review the disclosure, offering, and organizational documents for any third party manager or investment fund(s) under consideration for investment for a detailed explanation of many of the risks associated with any particular investment.

Clients should understand that investing in any securities including equities and fixed income involves a risk of loss of both income and principal that a client must be prepared to bear.

INVESTMENT STRATEGY RISK

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an investment advisory agreement, which contains their desired risk tolerance.

ADDITIONAL RISKS

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Management Style Risk: The ability of LFG to meet a client's investment objective is directly related to LFG's proprietary investment process. The process of identifying good investment opportunities is difficult and involves uncertainty. LFG's reliance on its long-term, academic based investment philosophy to identify attractive securities may prove to be incorrect certain times and may not produce the desired results.

Third-Party Manager Analysis: We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers prior to engaging them in a sub-advisory capacity in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions.

We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks

Item 9: Disciplinary Information

Criminal or Civil Actions

LFG and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

LFG and its management have not been involved in any administrative enforcement proceedings.

Self Regulatory Organization Enforcement Proceedings

LFG and its management have not been involved in any legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Neither LFG nor any of its employees are affiliated with a broker-dealer.

Futures or Commodity Registration

Neither LFG nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

LFG does not have a related person that is:

- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- A practicing attorney or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships

Please see Item 5, Fees and Compensation, for discussion concerning LFG's relationship with any mutual fund where LFG serves as investment manager to the Fund(s). When LFG recommends that its asset management clients invest in a Fund(s) where LFG is the investment manager, a material conflict exists in that LFG's incentive to recommend the fund may be based on economic factors and not necessarily the client's best interest. However, it is LFG's policy that the solicitation of asset management clients to invest in the fund be based on the client's goals and risk tolerance. In addition, if asset management clients do invest in the fund, LFG does not charge an advisory fee on those assets due to the fact that the Fund(s) pays a management fee to LFG.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

LFG may form relationships with sub-advisors that are compatible with the investment objectives of the client. Please see Item 8 for additional information regarding sub-advisors.

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

Code of Ethics Description

LFG has adopted a Code of Ethics for all supervised persons describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at LFG must acknowledge the terms of the Code of Ethics annually, or as amended.

LFG's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of LFG may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

LFG's Code of Ethics is based on the guiding principle that the interests of the client are our top priority. LFG'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 the employees and the company.

The Code of Ethics applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

LFG's current or prospective clients may request a copy of the Code of Ethics by contacting our office at 304-202-3309.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

LFG and its employees may buy or sell securities that are also held by clients. In order to avoid conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide LFG with copies of their brokerage statements.

The Chief Compliance Officer of LFG is Ethan Layne. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of LFG receive preferential treatment. Given the highly liquid nature of the securities that LFG recommends for its clients, the timing of employee trades should not have any impact on the market price of said securities.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

LFG does not maintain a proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist.

Item 12: Brokerage Practices

Factors Used to Select Custodians for Client Transactions

LFG does not have any affiliation with any custodian we recommend. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

In recommending custodians, LFG has an obligation to seek the “best execution” of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the custodian’s services. The factors LFG considers when evaluating a custodian for best execution include, without limitation, the custodian’s:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);

- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, security and stability;
- Prior service to us and our clients.

With this in consideration, LFG recommends Charles Schwab & Co., Inc., a registered broker-dealer, member FINRA and SIPC (“Schwab”). Clients will ultimately make the final decision of the custodian to be used to hold the Client’s investments by signing the selected custodian’s account opening documentation.

Research and Other Soft-Dollar Benefits

LFG does not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Schwab may provide us with certain services and products that may benefit us. All such soft dollar benefits are consistent with the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended.

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms. They provide Clients and LFG access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer Clients' accounts, while others help manage and grow. Schwab's support services are generally available on an unsolicited basis and at no charge. The benefits received by Advisor or its personnel do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to Clients, LFG at all times must put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by LFG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the choice of Schwab for custody and brokerage services. This conflict of interest is mitigated as related agents regularly reviews the factors used to select custodians to ensure our recommendation is appropriate.

Brokerage for Client Referrals

LFG receives no referrals from custodian, broker-dealer or third party in exchange for using a custodian, broker-dealer or third party.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Accounts are reviewed on a regular basis by the Investment Advisor Representative of the account. Accounts are reviewed more frequently when market conditions dictate. Absent specific client instruction, accounts are reviewed relative to asset allocations in the client's portfolio(s),

accuracy of portfolio holdings, continuing suitability of investment products and to check that account performance is still working toward the client's goals and objectives.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws or new investment information. Portfolios are also reviewed at a client's request or when a significant change in the client's circumstance occurs.

Content of Client Provided Reports and Frequency

Clients receive account statements monthly for managed accounts and are issued by the Advisor's custodian. Client also receives confirmations of each transaction in account from Custodian.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

As previously stated in Item 12 above, LFG may recommend Schwab as a custodian to LFG's clients. LFG is not part of the Schwab Advisor Services referral program, however, Schwab's institutional brokerage services includes access to a broad range of investment products, execution of securities transactions and custody of client assets.

The investment products available through Schwab include some to which LFG might not otherwise have access to or that would require a significantly higher minimum initial investment by LFG's clients.

LFG receives an economic benefit from Schwab in the form of the support products and services it makes available to LFG and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which LFG would otherwise have to pay once the value of LFG's clients' assets in accounts at Schwab reaches a certain amount. The availability of these services from Schwab benefits LFG because LFG does not have to produce or purchase them. Schwab has agreed to pay for products or services LFG would otherwise incur for technology, research, marketing and compliance consulting. These products and services are not contingent upon LFG committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive for LFG to recommend that clients maintain their account(s) with Schwab. LFG's receipt of this economic benefit does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts. All clients benefit from the use of these services.

Finally, Schwab may also have paid for business consulting and professional services received by LFG's related persons. Some of the products and services made available by Schwab through the program may benefit LFG, but may not benefit its client accounts. These products or services may assist LFG in managing and administering client accounts, including accounts not maintained at Schwab.

Other services made available by Schwab are intended to help LFG manage and further develop its business enterprise. The benefits received by LFG or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, LFG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by LFG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence LFG's choice of Schwab for custody and brokerage services.

LFG may also refer clients to a local accounting firm for accounting and/or tax services. If the client decides to use this local accounting firm, the client will pay the accounting firm directly for services rendered. At LFG's discretion, and based upon the size and nature of the client relationship, LFG may issue the client a credit for a portion of those fees incurred for client retention purposes. The credit will be applied against their monthly advisory fees.

Advisory Firm Payments for Client Referrals
LFG currently has and may enter into other agreements with solicitors who refer clients to LFG.

LFG may also refer clients to a local Law firm for Will and Estate Planning Services. If the client decides to use this local Law Firm, the client will pay the Law firm directly for services rendered.

LFG may also refer clients to another Insurance Firm for insurance products that compliment the risk structure chosen by the client. If the client decides to use this Insurance firm, the client will pay the Insurance firm directly for services and products rendered

Item 15: Custody

LFG is deemed to have custody because some clients have given us the authority to transfer assets to third parties pursuant to standing letters of authorization. Clients have also authorized LFG to directly debit advisory fees from their accounts. It was previously disclosed in the "Advisory Business" section (Item 4) and in the "Fees and Compensation" section (Item 5) of this Brochure that LFG directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a monthly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

ACCOUNT STATEMENTS

Clients will receive at a minimum quarterly statements from the custodian which holds and maintains the respective clients' investment assets (i.e. Charles Schwab Institutional). LFG urges clients to carefully review such statements and compare such official custodial records to any internally generated account statements that we may provide to said clients. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Furthermore, LFG does have access to client funds and/or securities to the extent of having advisory fees deducted from the client's account and paid to LFG by the respective account custodian and to complete any transfer of assets to third parties as requested by the client.

Item 16: Investment Discretion

DISCRETIONARY AUTHORITY FOR TRADING
Except as otherwise noted in Item 4, LFG usually receives discretionary authority from the client at the outset of an advisory relationship. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly select, monitor and replace appropriate investments in a manner consistent with the stated investment objectives of the particular client account. When discretionary authority is granted, it is limited to determine the security to purchase or sell as well as the amount of securities to purchase or sell.

When investing client assets, LFG will observe any investment policies, limitations and restrictions that a client may have. In the event a client has any unique investment guidelines and / or restrictions, they must be provided to LFG in writing.

Item 17: Voting Client Securities PROXY VOTES

LFG generally does not vote proxies on individual securities, ETF's or mutual funds held inside individual client portfolios. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

Typically, it should be noted that many client approved third-party managers do vote proxies on behalf of their clients. As such, we encourage all clients to review the proxy voting provisions of each third-party investment manager prior to engagement.

For any mutual fund where LFG serves as investment manager to the Fund(s), LFG practices "mirror voting", under which shares are voted in the same manner and proportion as some or all of the other shares not voted by the respective proxy committees.

LFG does at times support clients in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proof of Claims" in class action settlements.

Bankruptcy Petitions during the Past Ten Years

LFG nor its owners have been the subject of a bankruptcy proceeding.

custodian for client funds or securities and LFG does not require prepayment of fees of more than \$500 per client and six months or more in advance.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because LFG does not serve as a custodian for client funds or securities and LFG does not require prepayment of fees of more than \$500 per client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

LFG has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

