

# Freitag Financial Group, LLC

## Firm Brochure

*This brochure provides information about the qualifications and business practices of Freitag Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at (704) 887-4934 or by email at: [info@freitagfinancialgroup.com](mailto:info@freitagfinancialgroup.com). 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.*

*Additional information about Freitag Financial Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Freitag Financial Group, LLC's CRD number is: 150444*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Freitag Financial Group, LLC on February 21, 2018. Material changes relate to Freitag Financial Group, LLC policies, practices or conflicts of interests only.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since June 1, 2009, and the principal owner is Richard Emil Freitag.

### B. Types of Advisory Services

Freitag Financial Group, LLC (hereinafter "FFG") offers the following services to advisory clients:

#### *Investment Supervisory Services*

FFG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. FFG creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

FFG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Selection of Other Advisors*

FFG may direct clients to third-party investment advisers. Before selecting other advisers for clients, FFG will always ensure those other advisers are properly licensed or registered as investment adviser.

#### *Financial Planning*

Depending upon the unique circumstances of each client, a comprehensive financial plan may include some or all of the following planning components: Investments, Retirement, Insurance, Estate, Education and Tax. These services are based on fixed fees or hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

## *Services Limited to Specific Types of Investments*

FFG limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, third party money managers, REITs, insurance products including annuities, private placements, and government securities. FFG may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

FFG offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent FFG from properly servicing the client account, or if the restrictions would require FFG to deviate from its standard suite of services, FFG reserves the right to end the relationship.

### **D. Wrap Fee Programs**

FFG does not participate in any wrap fee programs.

### **E. Amounts Under Management**

FFG has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$19,651,242.00	December 2018

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1,000,000	0.75%
Above \$2,000,000	0.60%

There is a 0.50% fee for advising on all outside assets.

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client's accounts with client written authorization.

#### *Selection of Other Advisers Fees*

FFG may direct clients to third party money managers. FFG may be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between FFG and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

#### *Financial Planning Fees*

##### *Fixed Fees*

Depending upon the complexity of the situation and the needs of the client, the rate for creating comprehensive financial plans begins at \$2,500. The rate for specific areas of

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financial planning (Retirement, Investment, Insurance, Tax, Estate & Educational) begins at \$500 per area. The client will receive a quote prior to any work beginning. Fees are paid fifty percent in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

### *Hourly Fees*

The hourly fee for these services is \$150. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

## **B. Payment of Fees**

### *Payment of Investment Supervisory Fees*

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

Advisory fees may be invoiced and billed directly to the client with payments due within twenty-one days from the end of prior quarter. Clients may select the method in which they are billed.

### *Payment of Selection of Other Advisers Fees*

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected and will be disclosed to the client prior to entering into a relationship with the third-party advisor. Fees for selection of third-party managers are withdrawn directly from the client's accounts with client's written authorization or may be invoiced and billed directly to the client. Clients may select the method in which they are billed. Fees are paid quarterly.

### *Payment of Financial Planning Fees*

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

Fixed Financial Planning fees are paid via check fifty percent in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees

that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by FFG. Please see Item 12 of this brochure regarding broker/custodian.

### **D. Prepayment of Fees**

FFG collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client by mailed check.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither FFG nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

FFG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

FFG generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

### ***Minimum Account Size***

There is no account minimum.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

FFG's methods of analysis include fundamental analysis, technical analysis, and cyclical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

#### *Investment Strategies*

FFG uses long term trading, short term trading, margin transactions, and options (limited to writing covered calls).

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

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold : 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

## *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

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

### **C. Risks of Specific Securities Utilized**

FFG generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize margin transactions and options writing. Margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

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

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities and Affiliations**

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

Neither FFG nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

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

Neither FFG nor its representatives are registered as a FCM, CPO, or CTA.

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

Neither FFG nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

FFG may utilize or select other advisors or third party managers. FFG may be compensated via a fee share from the advisors or third party managers to which it directs those clients. Unless notified in advance by FFG, all assets are managed by FFG management.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

### **B. Recommendations Involving Material Financial Interests**

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

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of FFG may buy or sell securities for themselves that they also recommend to clients. FFG will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of FFG may buy or sell securities for themselves at or around the same time as clients. Access persons are prohibited from executing a securities transaction during a period of one day before and one day after the day which any client has a pending buy or sell order in the same security until that order is executed or withdrawn; however, in appropriate cases the CCO may waive such prohibition at his discretion if all client trades have been cleared or executed. This policy does not apply to transactions that do not present the potential for conflicts of interest, as set forth under the "Exempted Transactions" section of this policy.

## **Item 12: Brokerage Practices**

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

The Custodian, TD AMERITRADE Institutional, Division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA., was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. FFG will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### **1. *Research and Other Soft-Dollar Benefits***

FFG receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

#### **2. *Brokerage for Client Referrals***

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

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

FFG allows clients to direct brokerage. FFG may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage FFG may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

FFG maintains the ability to block trade purchases across accounts but will rarely do so. While block trading may benefit clients by purchasing larger blocks in groups,

we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13: Reviews of Accounts**

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

Client accounts are reviewed at least quarterly only by Richard Emil Freitag, Managing Director. Richard Emil Freitag is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at FFG are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Richard Emil Freitag, Managing Director. There is only one level of review and that is the total review conducted to create the financial plan.

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

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

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report detailing the client's account which may come from the custodian.

Clients are provided a one-time financial assessment concerning their financial situation. After the presentation of the assessment, there are no further reports. Clients may request additional plans or reports for a fee.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

FFG does not receive any economic benefit, directly or indirectly from any third party for advice rendered to FFG clients.

## **B. Compensation to Non -Advisory Personnel for Client Referrals**

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

## **Item 15: Custody**

FFG does not take custody of client accounts at any time. Custody of client's accounts is held primarily at TD AMERITRADE Institutional, Division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA. Clients will receive account statements from the custodian and should carefully review those statements. FFG urges clients to compare the account statements they receive from the custodian with those they received from FFG.

## **Item 16: Investment Discretion**

FFG does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

FFG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

FFG does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither FFG nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

FFG has not been the subject of a bankruptcy petition in the last ten years.



## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

FFG currently has only one management person and only one executive officer; Richard Emil Freitag. Richard Emil Freitag's education and business background can be found on the Supplemental ADV Part 2B form.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Richard Emil Freitag's other business activities can be found on the Supplemental ADV Part 2B form.

### **C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

FFG does not accept performance-based fees or other fees based on a share of capital gains or on capital appreciation of the assets of a client.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at FFG has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither FFG, nor its management persons, has any relationship or arrangement with issuers of securities.