

## Item 1: Cover Page

### Part 2A Appendix 1 of Form ADV

#### Wrap Fee Program Brochure

#### Merit Financial Group, LLC

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Merit Financial Group, LLC *dba Merit, Merit Financial Advisors, Botsford Financial Group, Botsford Private Wealth, Independent Advisor Partners, Financial Development Systems, Kirsch & Associates, Price Financial Group, SHARP ADVISORS, Worksite Financial Wellness, Allegiance Retirement Solutions, BluHawk Wealth Management, Consilium Associates, Consilium Financial Group, Guided Capital Wealth Management, I.M. Wealth Care, Simplified Financial and Wealth Realm*. If you have any questions about the contents of this Brochure, please contact Chief Compliance Officer Amelia B. Wood by telephone at (678) 867-7050 or email at [compliance@meritfa.com](mailto:compliance@meritfa.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 Merit Financial Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Merit Financial Group, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Wrap Fee Program Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

## Item 2: Material Changes

This Wrap Fee Program Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include the annual provision of a Summary of Material Changes (the "Summary") reflecting any material changes to this brochure since our last required "annual update" filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on March 29, 2019.

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## Item 4. Services, Fees & Compensation

### General information

Merit Financial Group, LLC (hereinafter “MFG,” “the Firm,” “we,” “our,” or “us”) was established as an SEC registered investment advisory firm in 2007.<sup>1</sup> Our mission is to provide a superior level of coordinated, objective advice to help you achieve your financial goals through professional wealth management. We provide our clients with a wide array of advisory services, including: asset management, financial planning, retirement plan advice, participant consulting, employee wellness programs and educational workshops.

Merit Financial Inc., is the principal owner of MFG. Rick L. Kent, the Firm’s Chief Executive Officer and Founder is the sole principal owner of Merit Financial Inc. In addition, Financial Development Systems, LLC (owned by Joseph “Jody” L. Owenby and Gregory V. Gerhard) and Wisdom Theory Financial Holdings, LLC (owned by Kay Lynn Mayhue) are also owners of MFG. Please see the **Brochure Supplement(s)** for more information on Mr. Kent, Ms. Mayhue, Mr. Owenby, and Mr. Gerhard and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

The firm also has a network of offices that provide advisory services under local *doing business as* (“DBA”) names. We provide investment advisory services to clients through licensed individuals who are Investment Adviser Representatives of our firm (referred to as your “investment adviser representative” throughout this brochure). Your investment adviser representative could be an independent contractor of our firm. Investment adviser representatives may have their own legal business entities whose business names and/or trademarks may appear on marketing materials as approved by us, or on client statements as accepted by your account’s custodian. Clients should understand that these businesses are legal entities of the investment adviser representative and not of our firm or the custodian. A complete list of our approved DBA names can be found by searching for Merit Financial Group, LLC CRD# 142457 at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This Wrap Fee Program Brochure describes the asset management services we offer through our Wrap Fee Program (the “Program”), which is administered through multiple clearing broker-dealers, including, LPL Financial, and TD Ameritrade, Inc. Information contained in this brochure applies specifically to the wrap fee program.

On a wrap fee basis, the asset-based fee charged to clients by us covers the Firm’s management fees, third-party portfolio management fees (if applicable), as well as commissions and transaction fees for certain brokerage transactions. The Program has been designed to simplify our clients’ payment of management fees and brokerage expenses. You will find additional information about the Firm in our Form ADV Part 2A, which is referenced variously herein, and provided in conjunction with this document.

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<sup>1</sup> Merit Financial Group, LLC also does business under the names: *Merit, Merit Financial Advisors, Botsford Financial Group, Botsford Private Wealth, Financial Development Systems, Independent Advisor Partners, Kirsch & Associates, Price Financial Group, SHARP ADVISORS, Worksite Financial Wellness, Allegiance Retirement Solutions, BluHawk Wealth Management, Consilium Associates, Consilium Financial Group, Guided Capital Wealth Management, I.M Wealth Care, , Simplified Financial and Wealth Realm.*

### Asset Management Services

We generally follow an established investment management process with a long-term orientation. For most clients, we believe that a long-term diversified approach is the most suitable investment strategy. As part of our asset management services, we may create a portfolio consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds, variable annuities and other public and private securities or investments. We also manage a select group of model asset allocation portfolios that are used in client accounts, when appropriate.

Each portfolio is designed to meet the client's particular investment goals, risk tolerance and financial circumstances. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned strategies and securities. Once a suitable portfolio has been determined, we review the portfolio periodically or as often as necessary and will rebalance and/or recommend modifications to the portfolio as needed.

Each investment adviser representative remains responsible for managing client portfolios directly or using us to assist with managing client portfolios. The experience of our investment adviser representatives, who may also serve as portfolio managers, will vary from one individual to another. No specific experience standard applies to our investment adviser representatives who will manage accounts, although all must have the knowledge and appropriate registrations to perform these services. Along those same lines, performance results will also vary from one investment adviser representative to another.

We will manage the client's investment portfolio on a discretionary or a non-discretionary basis. As a discretionary investment adviser, we will have the authority to supervise and direct the portfolio without prior consultation with the client. Under a non-discretionary arrangement, clients must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Clients may impose certain written restrictions in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship.

### General Fee Information

Some investment advisers require that clients pay management fees in addition to the brokerage expenses of the account. Accordingly, clients of those investment advisers would pay a management fee, plus the cost of transactions in the account. However, we provide services through the Program in order to simplify the payment of management fees and brokerage expenses. The Program fee includes the brokerage expenses (i.e., commissions, ticket charges, etc.) of the account as well as our management fee. Clients may pay more or less by participating in the Program than if they arranged to receive the same or similar services in a non-wrap fee arrangement. While we believe that the cost of the Program is competitive with other advisory account offerings, clients are responsible for determining whether the Program is appropriate for them. Because we pay the transaction and execution costs associated with client accounts, this creates a disincentive for us to trade securities in wrap accounts. In order to mitigate this potential conflict of interest our Firm will periodically test the impact of the Program fees on their clients' accounts.

Although clients do not pay a transaction charge for transactions in a Wrap account, clients should be aware that MFG and/or your investment adviser representative pays the Custodian(s) transaction charges for those transactions. The transaction charges paid by us vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to custodian(s). Transaction charges paid by the firm/IAR for equities and ETFs are \$0 to \$9. For mutual funds, the transaction charges range from \$0 to \$45. Because MFG and/or your investment adviser representative pays the transaction charges in Wrap accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$45. Clients should understand that the cost to the Adviser of transaction charges may be a factor that the Advisers consider when deciding which securities to select and how frequently to place transactions in a Wrap account.

In many instances, LPL Financial makes available mutual funds in Wrap accounts that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as “Class I,” “institutional,” “investor,” “retail,” “service,” “administrative” or “platform” share classes (“Platform Shares”). The Platform Share class offered for a particular mutual fund in Wrap accounts in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund.

Clients should understand that other Custodian(s) may offer the same mutual fund at a lower overall cost to the investor than is available through LPL Wrap accounts. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay Custodian(s) a 12b-1 fee for providing shareholder services, distribution, and marketing expenses (“brokerage-related services”) to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

MFG has a financial incentive to recommend Class A or Non-transaction Fee (“NTF”) Shares in cases where both Class A or NTF and Platform Shares are available. This is a conflict of interest which might incline your investment adviser representative, consciously or unconsciously, to render advice that is not disinterested. Although the client will not be charged a transaction fee for transactions, MFG pays LPL a per transaction charge for mutual fund purchases and sales in the account. MFG generally does not pay transaction charges for Class A or NTF Share mutual fund transactions accounts, but generally does pay transaction charges for Platform Share mutual fund transactions. The cost to your investment adviser representative and/or MFG of the transaction charges generally may be a factor which MFG and/or your investment adviser representative considers when deciding which securities to select and whether or not to place transactions in the account.

MFG’s internal policy regarding Mutual Fund shares class selection is that the Merit Investment Team will make the appropriate shares class selection based on account type and account size, per our Merit Investment Policies and Procedures. Account balances below a specified threshold in Merit Model Portfolios (as discussed below in **Item 8**) or American Funds Model Portfolios accounts will invest in a Mutual Fund share class that are NTF funds, that pay a 12b-1 fee, but are not always Class A shares. This policy is reviewed on a quarterly basis. All model portfolios managed by individual investment advisers and not part of the Merit Model or American Funds portfolios must be invested in Platform shares or best available share class based on the net expense ratio.

The lack of transaction charges to MFG for Class A or NTF Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, presents a significant conflict of interest between MFG and/or your investment adviser representative and the client. In short, it costs us less to recommend and select Class A or NTF share mutual funds than Platform shares, but Platform shares will generally outperform Class A or NTF mutual fund shares on the basis of internal cost structure alone. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with your Advisor the advisory fee for management of an account.

Clients participating in the Program are charged for direct asset management based on a percentage of assets under management of up to 1.75% annually. Annual fees are billed pro-rata on a quarterly basis in advance and are based on the value of your account on the last day of the previous quarter. Adjustments are made for deposits and withdrawals.<sup>2</sup> Our fees may be negotiable and in certain circumstances, a tiered fee schedule may be provided.

Investment adviser representatives are free to negotiate the fees to be charged for the services provided within the parameters set by MFG as disclosed in ADV Part 2A **Item 5 - Fees and Compensation** of this brochure. It is possible that different investment adviser representatives may charge different fees for providing the same service to clients. The specific level of services you will receive and the fees you will be charged will be specified in your advisory services agreement.

We do not usually offer direct billing as an option. Fees are generally automatically deducted from the client's managed account in accordance with the permission the client grants within the executed Asset Management Agreement and/or brokerage account application. Clients will receive at least quarterly account statements from the custodian reflecting the account holdings and value, and all deposits and disbursements from the account(s), including the amount of the fees paid to us. Please see ADV Part 2A, **Item 5 - Fees and Compensation** for more information.

In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. Upon notification of termination or within a reasonable time after learning of your termination of our services, we will seek to return pro-rata, a refund of unearned advisory fees.

Other Types of Fees & Expenses:

Fees paid to our Firm are exclusive of and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). Clients will pay certain fees in addition to the fees of the Program, such as margin interest, check fees, trade-away fees and other similar types of fees. Please see ADV Part 2A for more information in the following areas: **Item 12 - Brokerage Practices**.

The client should review all fees charged by funds, our Firm and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Clients participating in the Program may pay higher or lower fees than clients purchasing such services separately from other investment advisers, depending on the cost of services if provided separately and the level of trading in a particular client's account.

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<sup>2</sup> For accounts maintained at Fidelity Institutional and/or TD Ameritrade (or their affiliates), fees will only be prorated for intra-quarter deposits or withdrawals of \$100,000 or greater.

Program fees which our Firm does not pay to third parties in connection with transaction and execution expenses are retained by us. Because of this, we have a disincentive to trade securities in the accounts of clients in the Program. In order to mitigate this potential conflict of interest our Firm will periodically test the impact of the Program fees on their clients' accounts.

We may recommend or offer the wrap program services of other providers. Our investment advisor representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm.

### **Item 5: Account Requirements & Types of Clients**

We serve individuals, high net worth individuals, pension and profit-sharing plans, corporations, trusts, estates and charitable organizations. We may impose a minimum fee or minimum account balance for our asset management services, as set forth in the Asset Management Agreement.

### **Item 6: Portfolio Manager Selection & Evaluation**

The Program was designed to simplify the payment of management fees and brokerage expenses for our clients. The Wrap Program does not select advisers in addition to our Firm or its investment adviser representatives, which are the only Portfolio Managers for the Program.

We generally do not review and consider the performance of our firm's performance information or have a uniform and consistent basis to review that information. Each investment adviser representative remains responsible for managing client portfolios directly or using us to assist with managing client portfolios.

The experience of our investment adviser representatives who may also serve as portfolio managers will vary from one individual to another. No specific experience standard applies to our investment adviser representatives who will manage accounts, although all must have the knowledge and appropriate registrations to perform these services. Along those same lines, performance results will also vary from one investment adviser representative to another.

Please see ADV Part 2A for more information in the following areas: *Item 4 - Advisory Business, Item 6 - Performance Based-Fees and Side by Side Management, Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss, and Item 17 - Voting Client Securities.*

### **Item 7: Client Information Provided to Portfolio Manager**

Our Firm and its investment adviser representatives are the only Portfolio Managers under the Program. No information is shared with any other Portfolio Manager.

### **Item 8: Client Contact with Portfolio Manager**

Clients are always free to directly contact their portfolio manager with any questions or concerns they have about their portfolios or other matters.

## Item 9: Additional Information

Neither our Firm nor its Management Persons have any disciplinary disclosure required.

We do not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore have no disclosure with respect to this item.

In response to the 2020 COVID-19 pandemic, the President signed into law, The Coronavirus Aid, Relief and Economic Security Act (“the CARES Act”), which authorized more than \$2 trillion to battle COVID-19 economic crisis. One part of the CARES act includes the Paycheck Protection Program (“PPP”) offered through the Small Business Administration (“SBA”), which intends to help small businesses keep their companies operating and employees paid. The PPP Loan may be forgiven if a company accepting funds from the SBA uses at least 75% for payroll expenses. Due to the economic uncertainties surrounding the current COVID-19 pandemic, we believed it was necessary and prudent for us to apply for, and accept, the Payroll Protection Program loan offered by the Small Business Administration in order to support our ongoing operations. MFG used the PPP funds to continue payroll for the firm’s corporate employees and make other permissible payments, but by no means is our business impacted that we are unable to meet the contractual commitments to our clients, nor have we suffered any interruption of service. The loan is forgivable provided the firm satisfies the terms of the loan program.

Please see ADV Part 2A for more information in the following areas: ***Item 10 - Other Financial Industry Activities and Affiliations, Item 11 - Code of Ethics, Item 13 - Review of Accounts, Item 14 - Client Referrals and Other Compensation, and Item 18 - Financial Information.***