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FIRM BROCHURE

Form ADV Part 2

This brochure provides information about the qualifications and business practices of Daniel Financial Group, Inc. (DFG). If you have any questions about the contents of this brochure, please contact us at (501) 588-3564. We provide a brochure to all clients with whom the firm enters into an investment advisory or investment management contract. DFG must deliver this document to a client or prospective client:

- not less than 48 hours prior to executing a contract with DFG, or
- at the time of executing such contract, in which case the client has the right to terminate the contract with DFG within five business days without penalty. In fact, clients may cancel a contract with DFG at any time, without penalty, upon the firm's receipt of written notification from the client.

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 the Daniel Financial Group In, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Daniel Financial Group's CRD number is: 154906

(Registration does not imply a certain level of skill or training)

ITEM 2: Material Changes

Material Changes Daniel Financial Group, Inc. has updated it's brochure to include the new website and email address.

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Item 4: Advisory Business

- A. Description of Advisory Firm** Daniel Financial Group, Inc. (Kevin Daniel) has been a Registered Investment Advisor in Arkansas since 2011. Kevin Daniel owns it 100%.
- B. Types of Advisory Business we offer.** Daniel Financial Group, Inc. offers personalized investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Daniel Financial Group, Inc. (hereinafter “DFG”) offers the following services to advisory clients:

1. Financial Coaching and Consulting Services. DFG provides personalized financial planning and coaching services to individuals. This will typically involve providing a variety of services, mainly advisory in nature, to clients regarding the management of their financial resources based on an analysis of their individual needs. DFG will first conduct a complimentary initial consultation. After the initial consultation, if the client decides to engage the Firm for financial coaching, pertinent information about the client’s financial circumstances and objectives is collected and such information will be reviewed and analyzed. DFG will use collected information to provide the client with a financial plan designed to achieve the client’s stated goals and objectives. Financial coaching will also involve the client’s attendance at a financial workshop provided by DFG. The primary objective of this process is to allow DFG to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client’s financial goals and objectives.

The fee for our planning and coaching is up to \$2,500 which includes an educational workshop and one-on-one meetings to determine appropriate changes to the client’s investment strategy and who will carry out such changes. The fee is payable after services are rendered.

2. Workshops. DFG provides educational financial workshops to corporate groups, individuals, and business owners. Presentations may focus on issues relating to asset management, qualified plans (such as IRA, 401(k), 403(b), financial planning, and success coaching. Referrals from existing clients will be allowed to attend workshops in the Investor Coaching Series without charge. Some clients may only require advice on a single aspect of the management of their financial resources, including a review/recommendation as to the participant’s investments in a 401(k) plan. For these clients, the Firm offers hourly consulting services that address only those specific areas of concern.

3. If, or how we tailor our advisory services to your individual needs. All of our clients are different, so we tailor our services to meet your needs by consultations to discover your individual hopes, goals, and dreams. Then we analyze your current investments and make suggestions on how to meet your individual hopes, goals and dreams.

4. Wrap Fee Programs. DFG does not participate in wrap-fee programs.

5. Amount of Assets we Manage. DFG does not manage assets, but uses unaffiliated third-party money managers with model portfolios for client accounts.

Item 5: Fees and Compensation

A. How we are compensated. DFG's fees have 2 components. The non-negotiable hourly fee is \$150/ hour and is paid after the consultations. Written financial planning fees are up to \$2,500 and are non-negotiable. This fee is to be paid after the services are rendered.

If we help you select other money managers and we monitor them for you, the other money managers (registered or notice filed in Arkansas) pay us a portion of the fees generated by you. (For an explanation of the other money managers' fee and services, please refer to their Form ADVs and other materials, available from us.)

B. How our fees are paid. With your signed permission on a Limited Power of Attorney, we can have your custodian withdraw your third-party management fees at the end of each quarter or monthly. Or you may choose to have us bill you at the end of each quarter. It's your choice. Hourly fees are to be paid after services are rendered. For written financial plans, the fee is also to be paid after services are rendered.

C. Other types of fees. Our fees do not include transaction fees, brokerage commissions and other related costs and expenses, which you will pay. You may also pay fees charged by your custodian, mutual funds and other money managers, including: management fees, custodial fees, mutual fund fees, taxes and transfer fees. We do not receive a portion of any of these fees. Simply put, they are a necessary part of doing business in the securities industry. Please remember that by not charging securities sales commissions, we are keeping your out-of-pocket expenses as low as we possibly can.

D. Do we charge in advance. We do not charge in advance for our fees.

E. Do we get compensated (commissions) for the sale of securities. DFG does not accept commissions or any other form of compensation for selling you securities or other investment products. We can & do earn insurance commissions.

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

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

Item 7: Types of Clients

DFG generally provides investment advice to the following Types of Clients:

- Individuals
- High-Net-Worth Individuals
- Corporations

Minimum Account Size. DFG has an account minimum of \$25,000, and through DFG's discretion the minimum may be waived.

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

A. Our Analysis & Strategies. As mentioned in item 4(e) we do not manage assets. DFG offers management services to you through unaffiliated third-party portfolio managers. DFG will refer clients to third party advisers who will provide advice to clients in accordance with the relevant program provided by the third-party adviser. DFG will assist clients in selecting third party advisers whose investment programs and strategies have been reviewed by DFG and determined appropriate for DFG's clients based on their individual circumstances and goals. Services are provided primarily to individuals for individual accounts, individually owned retirement plans, and other types of individual account arrangement. (For an explanation of the other money managers' analysis and strategies, please refer to their Form ADVs and other materials, available from us.)

YOU SHOULD BE AWARE THAT INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT YOU SHOULD BE PREPARED TO BEAR. THIS RISK CAN INCLUDE LOSS OF YOUR PRINCIPAL INVESTMENT.

B. Material risks involved in our analysis or strategies. (For an explanation of the other money manager's risk, please refer to their Form ADVs and other materials, available from us.)

C. Do we recommend primarily a particular type of security. NO. The third-party money managers we use place client accounts in mutual funds and government securities, none of which are customarily considered to involve significant or unusual risk. But, as noted above, investing in securities ALWAYS INVOLVES RISK.

Item 9: Disciplinary Information

We have no legal or disciplinary events that are material to our existing clients or to prospective clients in their 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 DFG nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.
- B. **Registrations as a Futures Commission Merchant, Commodity Pool Operator, or a CT Advisor.** Neither DFG nor its representatives are registered as a FCM, CPO, or CTA.
- C. **Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.** DFG is also a licensed insurance agency through the state of Arkansas. The insurance agency primarily engages in the business of selling Medicare Supplements, Life Insurance, and occasional fixed annuities on a commission basis. These products are not investment related. Kevin Daniel spends approximately 15 hours a week selling insurance. No material conflicts of interest should arise from the sale of fixed insurance products with advisory clients.
- D. **Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections.** As noted before, DFG recommends other money managers to our clients. They are firms that manage money based on Modern Portfolio Theory and the Efficient Market Theory. This helps diversify your investments which can potentially provide less risk. We have chosen the other money managers based on their relative costs, skill, reputation, dependability and compatibility with our clients, and NOT upon any financial arrangement between DFG or Kevin Daniel, other than they split the fee they charge you with us. It is basically a referral fee.

Item 11: Code of Ethics, Participation in Transactions, Personal Trading

- A. **Code of Ethics.** Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty & trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.
- B. **Recommendations Involving Material Financial Interests.** DFG does not recommend that clients buy or sell any security in which a related person to DFG has a material financial interest.
- C. **Investing Personal Money in the Same Securities as Clients.** From time to time, representatives of DFG may buy or sell securities for themselves that they also recommend to clients. DFG 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 DFG may buy or sell securities for themselves at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors we used to Select Custodians and/or Broker/Dealers. We have selected a custodian based on its:

- i. Costs: Among the best in the world of custodians
- ii. Skills: Very few mistakes so far
- iii. Reputation: Other RIAs that use them have sworn by them. That's real important.
- iv. Dependability: Rarely a problem
- v. Compatibility with you: This custodian deals mainly with small RIAs like us.

1. Research and Other Soft dollar Practices. We don't do "soft dollars". It is difficult to define, but a good example would be if a custodian offered us research or other benefits to place our clients with them.

2. Brokerage for client referrals. We don't do "brokerage for client referrals". By that we mean we haven't selected our custodian on the basis that it will send us other client referrals in exchange for your custodial business.

3. Clients Directing Which Broker/Dealer/Custodian to Use. We don't do "directed brokerage". That means we don't recommend, request or require that you direct us to execute transactions through a specified broker/dealer or custodian. If we did it, we may be unable to achieve favorable execution of trades and it would cost you money.

Item 13: Reviews of Accounts

A. **Frequency and Nature of Periodic Reviews and Who Makes Those.** Client accounts are reviewed no less than annually. The calendar is the triggering factor. There are no different levels of review. Accounts at money managers are reviewed when the DFG receives client statements – usually quarterly.

- Kevin Daniel reviews all regular client account reports on a portfolio basis.
- DFG does not prepare regular client reports. Clients get statements will receive all statements and/or reports from the selected custodian.

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.** We do not prepare regular client reports. You get statements from your custodian, and other money managers, as appropriate. Account activity, positions, and account balance may be available for viewing 24 hours a day on websites maintained by third party portfolio managers, custodians, broker/dealers, and mutual fund managers.

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

B. Compensation to Non-Advisory Personnel for Client Referrals: DFG may compensate an unaffiliated party for Client referrals in compliance with the Adviser's Act and state securities rules and regulations. The fees paid to referral sources do not affect the fees that Clients pay and Clients do not incur an additional expense as a result of the referral fee. In each instance, a written agreement will exist between the Advisor and the referral source. At the time of a referral, prospective advisory Clients will receive the Advisor's ADV Part 2 and a Solicitor's Disclosure Document.

Item 15: Custody

DFG does not custodial client funds. All client funds are held by a third party custodian, and the client will receive accounts statements from the unaffiliated third party custodian. DFG recommends all clients review their statements carefully and check for any inaccuracies or discrepancies.

Item 16: Investment Discretion

DFG does not have discretionary authority for client accounts.

Item 17: Voting Client Securities (Proxy Voting)

DFG 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.** DFG does not require nor solicit prepayment of advisory fees that is more than \$500 per client, and six (6) months or more in advance. DFG is not required to provide a balance sheet.
- B. **Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.** Neither DFG nor its management have any financial conditions that is likely to reasonably impair our ability to meet contractual commitments to clients.
- C. **Bankruptcy Petitions in Previous Ten Years.** Neither DFG nor its management has been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State-Registered Advisers**A. Principals, Executive Officers & Management Person**

(Education and Business Background) Kevin D. Daniel, President: Born in 1973; BS in business administration from The University of Central Arkansas (1997). President of Daniel Financial Group from 2011 to present. The Daniel Financial Group was previously named Medicare Solutions, Inc. Licenses

- Series 65 – Uniform Investment Advisor Law Examination
- Life, Health, Disability and HMO Insurance licenses

B. Other Business Activities. See Item 12, (C)**C. Advisory Services with Performance Based Fees.** (See Item 6) DFG does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.**D. Disciplinary Information.** (See Item 9) There are no legal or disciplinary events that are material to a clients or prospective clients in their evaluation of this advisory business or the integrity of our management.**E. Relationship with Issuers of Securities.** DFG does not have a relationship with any issuer of securities nor do any associated persons with DFG.

