

## Part 2A of Form ADV: Firm Brochure

### Item 1 - Cover Page

### Pegasus Financial Group, LLC

4211 Pleasant Valley Road #260  
Chantilly, Virginia 20151

Phone: 703-956-6662

Fax: 703-956-6334

Email: [smoss@pegasusfg.com](mailto:smoss@pegasusfg.com)

Website: [www.pegasusfg.com](http://www.pegasusfg.com)

Contact:

Stephen M Moss, AIF<sup>®</sup>

#### Disclosure:

This brochure provides information about the qualifications and business practices of Pegasus Financial Group, LLC also referred to throughout this document as “PFG”. If you have any questions about the contents of this brochure, please contact us at 703-956-6662 or email: [smoss@pegasusfg.com](mailto:smoss@pegasusfg.com). The information in this brochure has not been approved by or verified by the United States Securities and Exchange Commission “SEC” or by any state securities authority.

Additional information about PFG and our advisors is also available at <https://brokercheck.finra.org> or on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

Any reference to our advisors as “registered” does not imply any certain level of skill or training.

This document is effective May 18, 2021.

#### Item 2 - Material Changes

There are no material changes from our last Uniform Application for Investment Advisor Registration (ADV Part II) which became effective on March 31, 2020.

### **Item 3 - Table of Contents**

Item 1:	Cover Page
Item 2:	Material Changes
Item 3:	Table of Contents
Item 4:	Advisory Business
Item 5:	Fees and Compensation
Item 6:	Performance-Based Fees and Side-By-Side Management
Item 7:	Types of Clients
Item 8:	Methods of Analysis, Investment Strategies and Risk of Loss
Item 9:	Disciplinary Information
Item 10:	Other Financial Industry Activities and Affiliations
Item 11:	Code of Ethics, Participation or Interest in Client Transactions & Personal Trading
Item 12:	Brokerage Practices
Item 13:	Review of Accounts
Item 14:	Client Referral and Other Compensation
Item 15:	Custody
Item 16:	Investment Discretion
Item 17:	Voting Client Securities
Item 18:	Financial Information
Item 19:	Requirements for State-Registered Advisors

Appendix 1: Wrap Fee Program Brochure is not included because we do not offer Wrap Fee Programs to our clients.

#### Item 4 - Advisory Business

Gail A. Fialkow, CFP® and Stephen M. Moss, AIF® are co-owners of PFG. This business began operating on September 10, 2007. PFG is privately held by Gail Fialkow and Steve Moss. Stephen M Moss AIF, along with Thomas M. Welsh, CFP®, Andrew J. Mika and David C. Slupe, are Financial Life Managers with Pegasus Financial Group. Gail Fialkow is no longer servicing clients. PFG has no intermediate or other subsidiaries.

We provide financial life management including financial planning services to our clients. Financial Life Management is helping clients manage the intersection of their lives and their money. These services include all aspects of financial advice to include:

- Cash Flow analysis and planning; income sources and expense analysis
- Debt management and education; Mortgage review and planning
- Risk management using third parties and self-insurance to mitigate risk
- Investment review, analysis, and allocation advice and implementation
- Tax planning and management; income tax preparation services
- Estate planning review and discussion
- Retirement analysis, planning, and allocation advice
- Aging Life Care Plans: to assist in proactive decision-making for Seniors and their families
- Assistance with Estate Administration upon the death of a client or client's family

Our interaction with clients is tailored to meet the specific and individual needs of each client. Initial client meetings take between 1 and 3 hours where the client's situation, goals, wants, wishes, and issues are reviewed and discussed. Following the initial meeting a client may receive a summary of their current financial situation, recommendations and a list of several prioritized action items. These services are paid for by the client based on an hourly rate, which is currently \$300 per hour (the first ½ hour of the initial meeting is at no charge) or for a flat fee ranging from \$500 to \$2,000 based on the complexity of the client's specific situation. We provide implementation services or will refer clients to appropriate professionals previously interviewed and screened by us. Clients can also implement the actions themselves. A series of follow up appointments will be scheduled as needed until the client is satisfied that all issues have been addressed and resolved. We meet with current clients at least annually but as often as clients wish. We take a personal approach all prospective and current client.

We offer educational seminars workshops to the general public on request. We do not offer Wrap Fee Programs to our clients.

We may manage client's assets on a discretionary basis, which means we make or implement the decisions for clients without client's prior approval. Often, we will manage on a non-discretionary basis, where clients must give permission for activity on accounts prior to taking action. We offer third party money managers who may have discretionary control over an account but will only manage activity based on Investment Advisory agreement signed prior to any investing by the client. Current third party money managers used are SEI, and Ocean Park Asset Managers.

As of December 31, 2020, we have assets under management (AUM) of \$63,777,843 of which \$61,828,586 are discretionary.

## Item 5 - Fees and Compensation

Clients compensate us in the following ways:

- Hourly for advisory services – current rate is \$300 per hour. These services include meeting time, research, analysis, review and consultations. We generally do not charge for short phone calls or emails unless they generate billable work. We always discuss with our clients the total hours needed to complete an engagement. We do not bill a client until after the work is performed. If we are compensated in fees or commissions, we do not charge an hourly fee for work related to that business or transaction. Clients are sent a bill and they are to remit payment when they receive the bill. The hours billed are discussed with the client prior to billing, the rate is not negotiable.
- Fees – we may charge clients an asset management fee for investments. The fee is based on the balance of the account. The fees are taken either monthly or quarterly in advance directly from the client’s account and paid to United Planners Financial Services, our broker/dealer. United Planners pays us a percentage (currently 95% of the gross fees paid to United Planners). The maximum annual fees charged are based on the total assets in the account as follows:

- \$ 25,000 - \$99,999 fees up to 1.50%
- \$100,000 - \$499,999 fees up to 1.40%
- \$500,000 - \$999,999 fees up to 1.30%
- \$1,000,000 and above fees up to 1.25%

These fee percentages are negotiable and most accounts are charge fees of less than 1%. If the assets are removed during the quarter, the remaining fees already paid are refunded to the client within 60 days of the transaction directly from the third party manager or custodian. We discuss and set these fees with our clients when we set up the accounts.

- Commissions – a portion of a standard commission is charged by the institution directly to the clients who invest in mutual funds, variable annuities, stocks, bonds, and alternative investments at the time of the investment. The gross commission a client may pay ranges between 0% and 7%. The institutions issuing the investments collect the commission directly from the clients as part of the sale and remit a portion to United Planners, our broker/dealer, who then pays us a percentage (example: 90% of the gross commission paid to United Planners). These fees are not negotiable.

<u>Amount Invested</u>	<u>Maximum Sales Charge for A Shares</u>	<u>Amount to Reg Rep</u>
Less than \$50,000	5.75%	4.50%
\$50,000 - \$99,999	4.5%	3.375%
\$100,000 - \$249,999	3.5%	2.52%
\$250,000 - \$499,999	2.5%	1.80%
\$500,000 - \$999,999	2.0%	1.44%
\$1,000,000 and above	0% *	0.90%

\* With a contingent deferred sales charge (CDSC) to client of 1% if funds are redeemed from the account within up to 18 months of purchase.

Commissions paid by clients who qualify and invest in alternative investments are

usually 2% (1.8% to Reg Rep), no matter the amount of the investment.

- Custodial Fees – Investments held by custodians (all retirement accounts and some other investment accounts) will pay an annual fee from 0.3% to 0.8% based on the amount of assets in the account. All accounts will pay a minimum custodial annual fee of \$50. These fees are taken directly from the client accounts and Pegasus Financial Group or our advisors do not benefit from this fee. This fee is not negotiable.
- Ongoing Planning Services (OPS) Program. Clients may elect to join our OPS Program. For a monthly fee (minimum of \$50/month), a client will choose and receive from a PFG Advisor Financial Life Management services. This monthly fee may also include annual federal and state income tax filings. A client may cancel this program at any time. If a tax return is filed and the client cancels before the tax preparation fees have been paid, a bill for these fees will be sent and payable upon cancellation of the monthly plan. The fee is paid monthly and is negotiated and agreed to at the beginning of the contract, and can be cancelled at any time in writing. No refunds are given as the agreement is month to month.
- Aging Life Care Program. Clients and children of clients, generally age 70 and above, may join our Aging Life Care Program. The initial fee for the first year ranges between \$3,000 and \$5,000 billed at once or monthly and following years are billed at \$1,200 - \$3,000 per year depending on the situation. Monthly or annual payments for this service are negotiated at the beginning of the agreement. Clients receive detailed advice and an Aging Life Care Plan covering the areas of Home, Health, Lifestyle and Legacy and also receive a binder containing copies of all their important documents. The initial year includes four to six client meetings, a meeting with extended family and visits to housing options. A client may cancel in writing without penalty at any time. Refunds are available if agreed to by both PFG and the client.
- We charge between \$0 - \$3,000 for educational seminars and workshops depending on the length of time of the event, the subject matter and the number of attendees.

Clients select any or all of the fees listed above during their initial meeting. Clients are not required to pay fees (except OPS Program monthly fees, Senior Living Plan initial year fee, or third party asset management fees, once the account is set up or) or commissions in advance. Clients can modify their choices at any time upon request.

We receive compensation from fees and commission. This practice causes a potential conflict of interest that gives us an incentive to recommend investment products based on the compensation received that rather on a client's needs. We address this by looking at the entire financial situation of each client and recommending products and services that meet the needs of the client, without regard to the compensation paid to us. We offer clients several choices that will fit their needs. We discuss with clients the costs of these investments and the compensation to be paid to us before they choose. Clients choose among the options presented after discussion with us about all aspects of the investments, including how these investments fit their needs.

We are not compensated more for directing clients to any particular investment. The

commissions paid to us are standard throughout the industry. We offer investments that may provide break point discounts. We recommend no load (no sales charge) products where they fit into a client's financial plan or time horizon. Clients can purchase mutual funds, variable annuities, stocks, bonds or alternative investment from any registered representative not only from us. We inform clients of this and will work with clients on an hourly basis if they choose to use other financial professionals or "do-it-themselves".

Commissions and asset management fees provide about 70% of our annual compensation. Client with investments in asset management programs pay a monthly or quarterly asset management fee. They do not also pay additional commissions for these investments. Clients with investments that pay commissions do not pay asset management fees for those investments. Some clients select programs in both areas, so they would be charged asset management fees and commissions but not both for the same investment.

Clients pay an hourly fee only for advice that is unrelated to investments that we receive fees or commissions.

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

We do not participate or offer investments that pay Performance-Based Fees or include Side-By-Side Management.

Performance-Based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client, such as a hedge fund or other pooled investment vehicle.

#### **Item 7 - Types of Clients**

We work with many types of clients. Most are individual, families and small business owners who are age 25 – 80. Our youngest clients are teens investing in Roth IRAs with income from their first jobs. Where clients are under the age of majority, they will have an appropriate adult as a custodian on these accounts. Many of our clients work for or are retired from the Federal Government or the teaching profession or are small business owners.

The type of clients we seek are clients who want Financial Life Management services, along with comprehensive advice which includes taking a slow and steady approach to investing. Every potential client is different. We tell people who do not fit our total financial planning philosophy to find another advisor. We do not have minimum investment requirements for our clients.

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

Our method of analysis is to look at a client's current financial life data; including income, expenses, and current assets. We take that information and join it with their short and long term goals while taking into account any current issues. We develop a financial plan listing the current financial data, recommendations, and prioritized action items. We do this by meeting in person with clients (usually in our office in Chantilly, VA, or via Zoom call) to discuss their financial situation. The complexity of the issues determines the number of meetings that are needed. We research and analyze client data outside of these meetings using financial planning software tools. After this process we may present a financial plan. The risks involved with this method of analysis are that the client may fail to disclose key information or that the interpretation of the information disclosed is faulty. This is why we hold several meetings with our clients to reduce these risks.

Only a portion of our advice centers on investments. We use investments that fit the specific criteria for each client. We generally offer mutual funds and annuities from large companies that have been in business for decades. We choose institutions that have succeeded in weathering the volatility and uncertainty of markets over the long term. We employ risk management using the AIF<sup>®</sup> framework detailed in Part 2B of Form ADV: Brochure Supplement page 4 & 5. We explain that investing in securities involve risk of loss of investment and that you should be prepared to bear these losses over time.

For clients with more complex investment situation, we develop customized portfolios, or provide third party money managers, whom we oversee. We select and manage investment portfolios based on the Nobel Prize winning Modern Portfolio Theory. We may also offer alternative investments, that include Real Estate Investment Trusts (REITs) or natural gas limited partnerships if they complement a client's current investment portfolio and if they are suitable. The risks involved with these strategies include third party managers or programs that change their investment objectives, philosophy or change management personnel. To reduce these risks we visit and regularly speak with all the companies we recommend to clients to make sure the companies are sound and their investment philosophy stays aligned with ours and those of our clients invested in these programs.

We advise client to add to their investment accounts monthly. Our philosophy is that slow and steady investing provides the greatest chance of clients meeting their financial goals. This methodology is called Dollar Cost Averaging and assists in reducing risk.

We discourage clients from frequently trading their investment accounts. Clients who continue to disregard our advice are asked to find another advisor.

For every investment we recommend, we explain in detail the reason behind the choice and provide prospectuses and other information as available. We discuss the type of mutual fund classes, load and no load, and other investment expenses. We discuss breakpoints and the cost savings with each. Our goal is to find our clients a cost effective investments that will meet their goals. Our goal is to protect clients against loss by selecting conservative, appropriate investments. These investments meet the risk tolerance and time horizons of each client. We explain to every client that all investments involve risk of loss.



**Item 9 - Disciplinary Information**

There are no legal or disciplinary actions, proceedings, or decisions against, Steve Moss, Tom Welsh, Andy Mika, David Slupe or Gail Fialkow. We hold ourselves to the highest professional standards – see Item 11.

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

Stephen M Moss is a Registered Representative of United Planner Financial Services, our Broker/Dealer. Thomas M. Welsh, Andrew J. Mika and David Slupe are Registered Representatives of United Planners Financial Services. Gail is an unregistered administrative person. None of us is or has pending registrations dealing with futures or commodities investments.

Pegasus Financial Group is an independent advisor providing Financial Life Management services and has no financial or personal relationships or arrangements with any of the following organizations:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicles (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund”, and offshore fund)
3. other investment advisor or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultants
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

We will refer our clients to other professionals if it meets their overall goals. We do not accept compensation directly or indirectly from those referrals. We have found no circumstances where this would create a conflict of interest for any of our clients or potential clients.

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

We follow the CFP® Code of Ethics when working with clients and the general public:

**Principle 1 – Integrity:** Provide professional services with integrity.

*Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Certificants are placed in positions of trust by clients, and the ultimate source of that trust is the certificant's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.*

**Principle 2 – Objectivity:** Provide professional services objectively.

*Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which a certificant functions, certificants should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.*

**Principle 3 – Competence:** Maintain the knowledge and skill necessary to provide professional services competently.

*Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Certificants make a continuing commitment to learning and professional improvement.*

**Principle 4 – Fairness:** Be fair and reasonable in all professional relationships. Disclose conflicts of interest.

*Fairness requires impartiality, intellectual honesty and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated.*

**Principle 5 – Confidentiality:** Protect the confidentiality of all client information.

*Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.*

**Principle 6 – Professionalism:** Act in a manner that demonstrates exemplary professional conduct.

*Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business-related activities. Certificants cooperate with fellow certificants to enhance and maintain the profession's public image and improve the quality of services.*

**Principle 7 – Diligence:** Provide professional services diligently.

*Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.*

*From CFP.net website 1/26/2017*

We work in the best interest of our clients. We are fiduciaries. Our code of ethics, is available

upon request.

Information about the CFP® and the AIF® program can be found in Part 2B of Form ADV (Brochure Supplement) – Item 2.

We at Pegasus invest our personal assets in the same or similar investments that we also recommend to clients. We make our personal investment decisions using the same process that we use with clients. We think it is important to personally invest in the same investments we recommend to clients when they meet our personal financial goals. We do not receive any benefit by holding the same investments as our clients. We have found no circumstances where this would create a conflict of interest for any of our clients or potential clients.

We may buy, sell or hold individual stocks or bonds for ourselves or for our clients. The low volume of shares that could be traded will not affect the market or the price of any security. We have found no circumstances where this would create a conflict of interest for any of our clients or potential clients.

## **Item 12 - Brokerage Practices**

We only sell securities through our Broker/Dealer, United Planners Financial Services. We do not sell through any other entities. Clients are allowed to use whatever Broker/Dealer they wish. If they do not use United Planners, we work with the client on an hourly basis.

We do not receive any “soft dollar” compensation from anyone in our industry. We use research information available in the public domain. This practice does not cause a conflict of interest for us or our clients.

We do not use client commissions to purchase research information.

Because we are registered through United Planners, clients who choose to buy or sell certain investment with us must use United Planners. If we do not have discretion over the account, when a client wants to trade, they must call us with instructions which we will execute as soon as possible. Since we will not execute transactions without our client’s direction in non-discretionary account, clients may be unable to achieve the most favorable execution of transactions. This practice may cost clients more money. However since we do not have an active trading philosophy, this practice should not cause undue risk to our clients.

We may receive compensation from clients’ investments in the form of commission based on the type of investment transacted. Clients are all treated equally and we have no incentive to direct clients from one investment to the next. We choose investments based on the needs of the client, not on the compensation we receive.

Commissions and other compensation received from our Broker/Dealer and our clients is spent on the normal operating expenses of running Pegasus Financial Group and payment to Steve Moss, Tom Welsh, Andy Mika, David Slupe for their work with clients.

We allow clients to choose a Broker/Dealer other than United Planners. We tell clients who choose this option that they are responsible for implementing their financial plan and that often “do-it-yourselfers” neglect this, thereby making their financial goals all the more difficult to attain. Over 90% of our clients use United Planners.

Because of the low volume of trades, we do not aggregate clients’ trades, although our Broker/Dealer may do so. We implement trades when instructed verbally by our clients or in certain accounts when it necessary. We have found no circumstances where this would create a conflict of interest for any of our clients or potential clients.

### **Item 13 Review of Accounts**

We review clients' accounts and their financial plans at least once a year. We may do so more frequently if requested by the client but usually not more than quarterly (four times per year). These accounts are review by Steve Moss.

We will review clients' accounts and financial plans if they contact us with a life change (birth, death, move, employment change, retirement, health crisis, etc.). We may provide clients with an updated financial plan if the situation warrants.

We do not provide reports or investment performance data directly to clients, but will direct them to the investment institutions where they can obtain them.

All investment clients receive at least an annual, year-end statement issued directly from the institutions that hold their investments. Clients can sign up with each institution on-line to receive up-to-date information on their accounts.

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

We will refer clients to other professionals if the situation warrants. We do not receive any compensation or consideration from these professionals or businesses for sending our clients to them. We send our clients to them if our clients need specialized attention.

We do not compensate anyone, other professionals or clients, for referring clients to us. But we do thank them (verbally or in writing) for thinking of us.

We receive over 50% of our new clients through referrals, mostly from current clients.

#### **Item 15 - Custody**

We have limited custody. We don't accept hard custody of securities of funds. We do not loan or accept loans from clients. We take training annually to identify and stop money laundering activities.

Our clients do not receive client statements directly from us. They receive them from the institutions holding their investments. Clients compare invoices from PFG with Custodian for fee accuracy.

#### **Item 16 - Investment Discretion**

We can accept discretionary authority to manage securities accounts on behalf of any of our clients. You will grant us discretion if you use **E-Trade Advisory Services** as your custodian. Discretionary authority means that you give us permission to trade your accounts without your prior approval specifically:

- Securities bought or sold for a client's account
- Amount of securities bought or sold for a client's account
- Commission rate or fee to be paid to a broker or dealer for client transactions

You will grant this permission to us in writing prior to any activity that we may take with your account.

Often, clients have on-line access to their investment accounts and can trade them when they wish. We ask client to not make investment decisions without speaking with us first.

### **Item 17 Voting Client Securities**

We do not accept authority to vote client securities (proxy statements). Even if clients request it, we will not vote their shares. Clients will be sent proxy/voting information from the institutions that hold their investments. If clients are concerned about a vote or issue, they can contact us to discuss their concerns.

### **Item 18 Financial Information**

We do not ask for prepayment for our hourly services. Clients choosing the Ongoing Planning Services Program will pay monthly using ACH transfer. Clients choosing the Senior Living Plan will pay their initial year when they sign the Engagement Agreement and they will then be billed annually or may choose monthly ACH transfers. We bill clients monthly for services already rendered. We will work out payment plans for clients if needed.

Our firm applied and was accepted for the SBA PPP loan during Covid 19 pandemic. This money was used to pay salaries, and health insurance for employees. The loan was forgiven, after all documentation was submitted to verify proper fund usage to retain employees to conduct advisory services business at the firm.

Steve Moss, Tom Welsh, Andy Mika, David Slupe and Gail Fialkow have never been the subject of a bankruptcy petition.

## **Item 19 Requirements for State-Registered Advisers**

We are registered with the:

Commonwealth of Virginia  
State Corporation Commission  
Division of Securities and Retail Franchising  
PO Box 1197  
Richmond, VA 23218  
Phone: 804-371-9051

Pegasus Financial Group's executive officer and principal management person is Stephen M. Moss. Steve, along with Thomas M. Welsh, Andrew J. Mika and David Slupe are Financial Life Management Advisors with Pegasus Financial Group. Gail A Fialkow is an unregistered administrative person.

Their formal education and business background can be found in Form ADV Part 2B (Brochure Supplement) – Item 2.

Information on any other business activities can be found in Form ADV Part 2B (Brochure Supplement) – Item 4.

We are not compensated by clients on performance-based results.

We have never been involved in or been found liable in any arbitration claim, including those alleging damages in excess of \$2,500.

We have never been involved in or found liable in a civil, self-regulatory organization or administrative proceeding.

We do not have any relationships or arrangements with any issuer of securities of any kind.