

**The Enrichment Group, Inc.**  
**Kathleen Day & Associates, Inc.**  
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**March 1, 2011**

This Brochure provides information about the qualifications and business practices of The Enrichment Group (Kathleen Day & Associates, Inc.). If you have any questions about the contents of this Brochure, please contact us at 305-274-1600 or email us at [info@theenrichmentgroup.com](mailto:info@theenrichmentgroup.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.

Kathleen Day & Associates, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Kathleen Day & Associates, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 1, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time.

Currently, our Brochure may be requested by contacting Carol Harlow, Chief Compliance Officer at 305-274-1600 or [carol@theenrichmentgroup.com](mailto:carol@theenrichmentgroup.com). Our Brochure is also available on our web site [www.theenrichmentgroup.com](http://www.theenrichmentgroup.com).

Additional information about Kathleen Day & Associates, Inc. is available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any affiliated persons who are registered, or are required to be registered, as investment adviser representatives of Kathleen Day & Associates, Inc.

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#### **Item 4 – Advisory Business**

The Registered Investment Advisor was established in 1989 under the name of Kathleen Day and Associates. In 2000 the Kathleen Day and Associates (KDA) became a wholly owned subsidiary of the Enrichment Group, Inc. (TEG). The sole business activity of The Enrichment Group is to own and operate Kathleen Day and Associates. The company is currently majority owned by Kathleen Day (43%), and Bryan Patrick Day (42%).

The Enrichment Group provides financial planning, investment advice and supervisory services. Advice to clients includes financial planning, portfolio analysis, retirement planning, insurance analyses, business planning, pension design, education planning, estate planning, charitable gifting techniques, and investment counseling to individuals, businesses, personal trusts.

The financial planning and investment management may be comprised of several consultations which focus on a detailed analysis of the overall financial position of a client, including cash flow, risk management, estate planning, retirement planning, and investment analysis. Specific recommendations are made in writing.

#### **Item 5 – Fees and Compensation**

Clients are charged a fixed fee during the term of the “initial planning period.” This period will include days in a partial initial calendar quarter plus the following four full calendar quarters. The fee will be based on the complexity of each financial situation and the complexity and size of the investment portfolio. The client receives a quote for the fees for the “initial planning period.” This quote is specified in the Financial Planning and Wealth Management Agreement (Agreement) delivered to the client and signed by the client. The minimum fee for the “initial planning period” is \$7,000. A minimum of \$2,000 is due upon the signing of the Agreement. Services will be provided during the “initial planning period” at the quoted flat fee unless the planning needs or requirements change substantially from those agreed upon. The ongoing fees for financial planning and portfolio management are billed in arrears each calendar quarter based on a combination of complexity, planning services to be provided, net worth, income, and/or on the value of investable assets at the beginning of each calendar quarter. Fees are normally debited from an approved money market account, and we provide clients an invoice showing the amount of each debited payment. Other methods of fee payment may be accepted. Fees based on investable assets are: 1% annually for investable assets of less than \$1,000,000; 3/4% for that amount that exceeds \$1,000,000 but is less than \$2,000,000; 1/2% for that amount invested that is equal to or exceeds \$2,000,000 but is less than \$5,000,000; and ¼% annually for that amount that is equal to or exceeds \$5,000,000. Ongoing fees will be assessed quarterly. The minimum ongoing fee will be \$1,250 per calendar quarter. We do not participate in management fees or custodian fees charged by mutual funds, retirement plan custodians, or non-affiliated investment managers, and such fees are separate from fees described under the Agreement.

As a courtesy to existing clients who may have entered into agreements with the firm under various fee schedules, and to accommodate clients with unique circumstances, fees may be based on applicable hourly rates or otherwise negotiated. Fees based on investable assets for certain clients, may be

negotiated based on services and complexity. Regular payment of the ongoing quarterly fee is required to maintain uninterrupted services under the Agreement.

The Enrichment Group's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund transfer fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in each fund's prospectus, which is delivered to the client by the custodian.

Such charges, fees and commissions are exclusive of and in addition to The Enrichment Group's fee, and The Enrichment Group shall not receive any portion of these commissions, fees, and costs.

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

The Enrichment Group does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

The Enrichment Group provides portfolio management services to individuals, high net worth individuals, trusts, trusts, estates, and small businesses

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

Every type of investment, including mutual funds, involves risk. Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. A fund's investment objective and its holdings are influential factors in determining how risky a fund is. Reading the prospectus will help you to understand the risk associated with that particular fund.

Some of the risks involved in investing in securities are:

- **Call Risk** - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- **Country Risk** - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Credit Risk** -The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.
- **Currency Risk** -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk** - The possibility that a fixed-income fund's dividends will decline as a result of falling interest rates.

- **Industry Risk** - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- **Interest Rate Risk** - The possibility that a bond fund will decline in value because of an increase in interest rates.
- **Manager Risk** - The possibility that a mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk** - The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** - The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Generally speaking, risk and potential return are related. While an investment with higher risk may have the potential for higher return, it may also have a greater potential for losses, increased volatility or negative returns, particularly in response to above normal challenges related to economic or political pressures or other events.

The Enrichment Group works with each client to develop an investment strategy that suits their financial goals and tolerance for risk. We utilize in house designed asset allocation models as a starting point to determine the appropriate portfolio for a client. We utilize fundamental analysis to determine the quality of investments as well as interviews with managers, reports from managers, meetings with managers or knowledgeable representatives of those managers and other research materials provided by those managers. We analyze current conditions, economic, political and geopolitical.

We utilize a primarily buy and hold strategy with adjustments in sector targets based on current conditions or anticipated developments. We may sell investments when management changes, prospectus objectives change, or the fund's relative performance is poor or the economic climate for an investment sector changes.. We also may buy or sell funds when the portfolio needs to be rebalanced to adhere to the client's investment policy or cash accumulation requirements.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Enrichment Group, Inc. or Kathleen Day & Associates, Inc. or the integrity of The Enrichment Group's management. The Enrichment Group has no information applicable to this Item.

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

THE PRINCIPALS OF THE ENRICHMENT GROUP ARE REGISTERED REPRESENTATIVES OF WESTMINSTER FINANCIAL SECURITIES, A REGISTERED BROKER DEALER

Approximately 40% to 45% of our time is spent providing financial planning services not related to investment advice. To better serve our client's needs in the areas of life, disability, and other forms of insurance, some of the associated persons of The Enrichment Group hold insurance licenses in the state of Florida and may hold such licenses in other states. The Enrichment Group may refer the client with insurance needs to specific agents. If clients choose to buy insurance products from these agents, we may receive commissions as a result of those sales. Any such commissions received will be fully disclosed to the client. Less than 5% of our time is spent evaluating insurance needs and obtaining appropriate coverage. As registered representatives of WFS, associated persons of The Enrichment Group may receive 12b-1 servicing fees from various mutual fund companies.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES**

The principal and some associated persons of The Enrichment Group are registered representatives of Westminster Financial Securities, Inc. (WFS), WFS is a broker/dealer and member of the Financial Industry Regulatory Authority (FINRA). Under the rules and regulations of the FINRA, WFS has obligations to maintain records and perform other functions regarding certain aspects of the investment advisory activities of the registered representatives. These obligations require WFS to coordinate with and have the cooperation of the account custodian.

One adviser, May Cheung, CFP®, is a real estate broker. She does not act in this capacity as a financial adviser, unless incidentally.

One adviser, Bryan P. Day, is an insurance agent licensed in the state of Florida. He works with various insurance brokers to find appropriate insurance solutions for clients.

## **Item 11 – Code of Ethics**

As a fiduciary, The Enrichment Group has an affirmative duty to render continuous, unbiased investment advice, and, at all times, to act in the clients' best interest. To maintain this ethical responsibility to clients, The Enrichment Group has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all officers and employees in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards. These standards are rooted in the most elementary maxim, "Do the right thing!"

The Enrichment Group's Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just, and good by promoting:

- Honest and ethical conduct
- Full, fair, and accurate disclosure
- Compliance with applicable rules and regulations

- Reporting of any violation to the Code
- Accountability

To help clients understand The Enrichment Group's ethical culture and standards, how the Company controls sensitive information, and what steps have been taken to prevent personnel from abusing their inside position, a copy of The Enrichment Group's Code of Ethics is available for review upon request.

Employees of The Enrichment Group may buy and sell securities that are recommended to clients. Employee transactions are small and very unlikely to affect the market. The Enrichment Group maintains personal transaction records, will prevent insider-trading, and will strictly enforce the rules and regulations of the Investment Advisors Act of 1940.

The Enrichment Group has limited discretionary authority on most client accounts. Discretion is exercised only within the limits imposed by the client's Investment Policy Statement. The Enrichment Group and the client agree to this Statement in writing.

## **Item 12 – Brokerage Practices**

### **CUSTODIANS AND BROKERS WE USE**

The Enrichment Group does not maintain custody of your assets. Your assets must be maintained in an account with a "qualified custodian" generally a broker-dealer or a bank. The Enrichment Group may recommend that clients establish brokerage accounts with various custodians. We may recommend Pershing, LLC as custodian for client assets. Pershing LLC is a subsidiary of BNY Mellon, the nation's oldest continuously operating bank, and one of the world's leading providers of securities services. Pershing has approximately \$831.3 billion in assets held in custody. We may recommend Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. For certain assets The Enrichment Group may recommend other custodians for your accounts. All of the recommended custodians provide The Enrichment Group with access to institutional trading and operations services, which are typically not available to retail investors.

### **HOW WE SELECT BROKERS/CUSTODIANS**

We seek to select a custodian who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Transaction costs

- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- Breadth of available investment products
- Availability of tools that assist us in making investment decisions
- Quality of service
- Competitiveness of the price of those products
- Reputation, financial strength, and stability
- Prior service to us and our other clients

Client accounts held at Pershing are accessed and trades are executed through our broker-dealer Westminster Financial Services. Accounts are generally not charged a separate fee for custody. Pershing and Westminster are compensated in some cases by charging you a service fee or other charge on transactions in your accounts. Pershing's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

At Schwab, custody services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at Schwab. Schwab's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

#### SERVICES THAT BENEFIT YOU

Pershing and Schwab offer brokerage services which include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might otherwise not have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit you and your account.

#### SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU

Pershing and Schwab make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. These include:

- Investment research

- Access to client account data (such as duplicate trade confirmations and account statements)
- Facilitated trade execution and allocate aggregated trade orders for multiple client accounts
- Pricing and other market information
- Facilitated payment of our fees from our clients' accounts
- Assistance with back-office functions, recordkeeping, and client reporting

#### SERVICES THAT GENERALLY BENEFIT ONLY US

- Pershing and Schwab offer other services intended to help us manage and develop our business enterprise. These services include:
  - Educational conferences and events
  - Consulting on technology, compliance, legal and business needs
  - Publications and conferences on practice management and business succession
  - Access to employee benefit providers, human capital consultants and insurance providers

Schwab and Pershing provide some of these services themselves. In other cases, they arrange for third-party vendors to provide the services to us. Fees may be discounted or waived on these services or payment may be made by Pershing or Schwab. There may be other benefits such as occasional business entertainment of our personnel.

#### OUR INTEREST IN THESE SERVICES

The services available through Pershing are available to us as long as we continue to use Westminster Financial Services as our broker-dealer. We believe that the choice of Pershing as custodian is in the best interests of our clients regardless of the services that benefit The Enrichment Group. Our selection is primarily supported by the scope, quality and price of Pershing's services.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services as long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million might give us incentive to recommend that you maintain your account at Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our

selection of Schwab as a custodian is in the best interests of our clients. Our selection is primarily supported by the scope, quality and price of Schwab's services.

The Enrichment Group utilizes various software and systems to interface with mutual fund providers, custodians, and broker/dealers in order to more efficiently implement and track client transactions. Such hardware and systems have intrinsic value to The Enrichment Group, and The Enrichment Group may be inclined to direct certain client transactions to those providers which offer such enhanced client services for such software and services. In all cases, the clients' needs will come first.

### **Item 13 – Review of Accounts**

Client accounts are reviewed at least quarterly when quarterly consolidated account statements are prepared. Factors reviewed include performance, expenses, management, total return and overall allocation. Reviews are performed by planners Kathleen Day, CFP®, CFA, , Bryan P. Day, May Cheung, CFP®, Carol Harlow, CFP®, Debra Freedman, CFP® and CPA/PFS and Jerad Waggy, CFP®. All reviewers attend regular Investment Committee meetings during which specific guidelines and investment policies are discussed.

Clients who have entered into an agreement for continuous and ongoing monitoring of their portfolios will be provided consolidated quarterly statements showing the share amount and the current market value.

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

The Enrichment Group does not provide compensation for any referrals nor is the Enrichment Group compensated for any referrals.

### **Item 15 – Custody**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct the custodian to deduct our advisory fees from your account. Pershing and/or Schwab maintain actual custody of your accounts. You will receive account statements directly from the custodians at least quarterly. They will be sent to the email or postal mailing address you provided to the custodian. The Enrichment Group urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

The Enrichment Group usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases,

however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, The Enrichment Group observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to The Enrichment Group in writing.

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

As a matter of firm policy and practice, The Enrichment Group does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The Enrichment Group may provide advice to clients regarding the clients' voting of proxies.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about The Enrichment Group's financial condition. The Enrichment Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.