

THE FINANCIAL ZEN GROUP, INC.

This brochure provides information about The Financial Zen Group Inc.'s (The Financial Zen Group) qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at 415-792-0345 or by email at rick.valenzi@financialzengroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about The Financial Zen Group is also available at the SEC's website www.adviserinfo.sec.gov (select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a Registered Investment Advisor Firm. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

ITEM 1 – COVER PAGE ADV PART 2 A

FEBRUARY 5, 2019

CRD #: 282230

600 CALIFORNIA ST, 11TH FLOOR, SAN FRANCISCO, CA 94108

[RICK.VALENZI@FINANCIALZEN.COM](mailto:rick.valenzi@financialzen.com)

[WWW.FINANCIALZEN.COM](http://www.financialzen.com)

415-792-0345

ITEM 2 – MATERIAL CHANGES

This brochure, dated February 5, 2019, has been prepared by The Financial Zen Group to meet State of California requirements. This section will only address material changes that have been incorporated since our last annual update of this document on the public disclosure website (IAPD) www.adviserinfo.sec.gov.

It has changed materially since our last annual offering in the following ways:

- The Financial Zen Group has updated the company phone number
- Mr. Valenzi is no longer providing insurance.
- The Financial Zen Group has updated the client fee structure
- The Financial Zen Group has updated the company address
- Mr. Valenzi has updated his professional designations
- The Financial Zen Group has updated the client fee structure

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ITEM 4 – ADVISORY BUSINESS

4a: Firm Description

The Financial Zen Group was established in May 2016 by Richard Valenzi. Our main office is located in San Francisco, California.

4a1: Principal Member

Richard Valenzi, Owner: Mr. Valenzi may be contacted by email at rick.valenzi@financialzengroup.com or by telephone at 415-792-0345.

4b: Types of Advisory Services

The most commonly used model among our clients involves working one-on-one with a planner over an extended period of time. By paying a monthly subscription, clients receive ongoing access to a planner who will work with them to design their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date on a periodic basis.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning.

Their plan will be built and analyzed by The Financial Zen Group and then the findings, analysis and potential changes will be reviewed with the client. If a follow up meeting is required, we will meet at the client's convenience. The plan will be monitored throughout the year and follow-up phone and/or video calls and emails will be made to the client to confirm that any agreed upon action steps have been carried out. On an annual basis there will be a full review of this plan to ensure its accuracy. Any needed updates will be implemented at that time.

The Financial Zen Group offers a variety of investment advisory services to our clients. We work with our clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients' financial goals and objectives. We may create a portfolio, consisting of, but not limited to individual stocks or bonds, exchange traded funds, no-load funds and/or load-waived funds (front-end commissions will not be charged). Each of these investments carries a particular risk given any strategy, which is discussed below in Item 8.

Each portfolio will be initially designed to meet a particular investment goal, which The Financial Zen Group has determined to be suitable to our client's circumstances. Once the appropriate portfolio has been determined, we will review the portfolio and rebalance the account based upon our client's individual needs, stated goals and objectives. The Financial Zen Group's strategy, generally, will be to seek to meet client investment objectives while providing clients with access to personal advisory services.

The Financial Zen Group may provide seminars on an "as announced" basis for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual's person's need, nor does the Financial Zen Group provide individualized investment advice to attendees during these seminars.

4c: Client Tailored Relationships and Restrictions

As a fiduciary, The Financial Zen Group always acts solely in your best interests. Your portfolio is customized based on your investment objectives. You may make requests or make suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored and if forced may result in the termination of our agreement.

Similarly, you are under no obligation to act upon The Financial Zen Group's or associated person's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through The Financial Zen Group or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

4d: Wrap Fee Program

The Financial Zen Group does not sponsor nor provide portfolio management services to a wrap fee program.

4e: Assets under Management (AUM)

The Financial Zen Group, as of February 5, 2019, reports \$17,943,570 in discretionary and no non-discretionary Assets Under Management.

ITEM 5 – FEES AND COMPENSATION

5a, b & d: Fee Schedules, Payments & Options

Comprehensive Financial Planning

Comprehensive Financial Planning consists of an ongoing fee that is paid monthly or semi-annually in advance, at the rate of \$50-\$400 per month. Fees for this service may be paid by electronic funds transfer or debited from your account by the custodian when we submit an invoice to them. This service may be terminated with 30 days' notice. Upon termination of any agreement, the fee will be prorated, and any unearned fee will be refunded to the Client.

Investment Management

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Annual Advisory Fee

0.25%

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded.

The Financial Zen Group fees are paid monthly in arrears, with payment due within 10 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge, times the market value of the account, divided by the number of days in the year and multiplied by the number of days in the month. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial months at the commencement or termination of our agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the month. Monthly fee adjustments for additional assets received into the account during a month or for partial withdrawals will also be provided on the above pro rata basis.

The Financial Zen Group fees are paid from your account by the custodian when we submit an invoice to them. If there is insufficient cash in your account to pay your fees, an equal balance of securities in your portfolio may be sold to pay our fee. In addition to our fees, there may be custodial, mutual fund, 12b-1 fees or similar third-party management fees and charges.

Please note, unless a Client has received the firm's Disclosure Brochure at least 48 hours prior to signing the investment advisory contract, the investment management agreement may be terminated by the Client within five (5) business days of signing the contract without incurring any advisory fees.

Educational Seminars/ Speaking engagements

Seminars are offered to organizations and the public on a variety of financial topics. Fees range from free to \$20 per participant. Half of the fees are due prior to the engagement, and the other half are to be paid the day of, no later

than the conclusion of the Seminar. The fee range is based on the content, amount of research conducted, number of hours of preparation needed, and the number of attendees. In the event of inclement weather or a flight cancellation, the Speaker shall make all reasonable attempts to make alternative travel arrangements to arrive in time for the presentation. If travel proves impossible, or the event is otherwise cancelled, the Speaker's fee is waived, but the Client will still be responsible for reimbursement of any non-refundable travel expenses already incurred.

In the event that the Client decides to cancel or change the date of the event for any reason besides weather or similar unforeseen causes, the Client will still be responsible for reimbursement of any non-refundable travel expenses already incurred, and will provide payment for 100 % of the Speaker's fee if the cancellation occurs within 30 days of the event. In the event that the Speaker must cancel due to health or similar unforeseen circumstances, the Speaker will make all attempts to find a reasonable alternative engagement date and will absorb any incremental additional costs for obtaining alternative travel arrangements. If an alternative date cannot be obtained, the Client will not be responsible for any travel costs already incurred by the Speaker or any portion of the Speaker's fee.

Speaking Engagements

Richard Valenzi is a public speaker. Generally, fees for his speaking engagements range from free to \$500 plus travel expenses, depending on sponsor, date, location, and program requested. For all speeches, 50% of the balance is due before the event and the remaining balance due at the conclusion of the event. Half of the fees are due prior to the engagement, and the other half are to be paid the day of, no later than the conclusion of the Seminar. The fee range is based on the content, amount of research conducted, number of hours of preparation needed, and the number of attendees. The content is based on topics that are currently relevant in the financial planning environment.

In the event of inclement weather or a flight cancellation, the Speaker shall make all reasonable attempts to make alternative travel arrangements to arrive in time for the presentation. If travel proves impossible, or the event is otherwise cancelled, the Speaker's fee is waived, but the Client will still be responsible for reimbursement of any non-refundable travel expenses already incurred. In the event that the Client decides to cancel or change the date of the event for any reason besides weather or similar unforeseen causes, the Client will still be responsible for reimbursement of any non-refundable travel expenses already incurred, and will provide payment for 100 % of the Speaker's fee if the cancellation occurs within 30 days of the event. In the event that the Speaker must cancel due to health or similar unforeseen circumstances, the Speaker will make all attempts to find a reasonable alternative engagement date and will absorb any incremental additional costs for obtaining alternative travel arrangements. If an alternative date cannot be obtained, the Client will not be responsible for any travel costs already incurred by the Speaker or any portion of the Speaker's fee. Educational Seminars and Speaking Engagements may be provided pro-bono at the Financial Zen Group's discretion.

For California Residents: Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment Advisors disclose to their clients that lower fees for comparable services may be available from other sources. Pursuant to California Rule 260.235.2, if a conflict exists between the interests of the Advisor or its associated persons and the interest of the client; the client is under no obligation to act upon this Advisor's or associated person's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the advisor or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

5.d.1: Termination

Either The Financial Zen Group or our clients can terminate our agreement upon receipt of written notice to the other party, to include written agreement to changes by the client.

When an agreement is terminated, we will refund any pre-paid, unearned fees based on the number of days remaining in the month after termination. Refunds will be made within 30 calendar days of the effective date of termination.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarter custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. The custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

5c: Third Party Fees

In cases where a third-party advisor or portfolio manager is used, a portion of our fee is used to pay them. You are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, 12b-1 fees, transaction fees, etc.). Those fees are separate and distinct from the fees we charge.

All brokerage commissions, stock transfer fees, 12b-1 fees and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. While we take measures to ensure the fees charged are accurate, it is your responsibility to ensure the amount of fee charged is correct. In addition to statements sent by us, you will receive statements directly from these brokers, custodians or mutual funds or other investments you hold. We strongly urge you to compare these statements for accuracy.

5e: Other Investment Compensation

The Financial Zen Group does not accept commission for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Financial Zen Group does not charge advisory fees on the performance of funds or securities in your account.

ITEM 7 – TYPES OF CLIENTS

The Financial Zen Group generally provides asset management services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit Sharing Plans
- Trusts
- Estates
- Charitable Organizations
- Corporations

Minimum Account Size

The Financial Zen Group does not have an account minimum. However, we may decline to accept clients with smaller portfolios.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

8a: Analysis

The Financial Zen Group uses multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, financial magazines, research prepared by others, corporate rating services, prospectuses, company press releases, annual reports and filings with the SEC.

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This

presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical & Charting Analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security. This presents a risk because the broad economy has been shown to move in cycles – periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

8b: Investment Strategies

The Financial Zen Group utilizes multiple investment strategies to meet your investment objectives. These methodologies are formulated based on a comprehensive review and assessment of your expectations, investment time horizon, risk tolerance level, present investment allocation, and current and projected financial requirements.

Ultimately, each strategy must maximize return within reasonable and prudent levels of risk. Also, the approach taken must provide exposure to a wide range of investment opportunities in various markets while limiting risk exposure through prudent diversification. Finally, the costs of administering and managing the investments related to the strategy cannot be excessive.

Long-Term Purchases: We generally purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

Short-Term Purchases: When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. The risk in this strategy is that the initial funds invested may be lost if a client is heavily invested in one stock or sector of the market with an incorrect investment or market crash.

8c: Risk of Loss

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

The Financial Zen Group will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by The Financial Zen Group with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any unauthorized act or failure to act by

a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

ITEM 9 – DISCIPLINARY INFORMATION

9a: Civil or Criminal Actions

The Financial Zen Group and its managers have never been found guilty, convicted or plead no contest to a criminal or civil action in a domestic, foreign or military court.

9b: Administrative Enforcement Proceedings

The Financial Zen Group and its managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

9c: Self-Regulatory Organization Enforcement Proceedings

The Financial Zen Group and its managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, The Financial Zen Group and its managers have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

10a: Broker Dealers and Registered Representatives

Some members of The Financial Zen Group may be registered representatives of FINRA broker-dealer firms. Employees who are registered representatives are paid fees and/or commissions based on the services they provide, which may include 12b-1 fees. In cases where we receive fees and/or commissions on products, there may be a conflict of interest. At all times, you are free to choose outside broker-dealers to avoid the possibility of there being a conflict of interest.

10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither The Financial Zen Group nor our employees hold any of the above registrations.

10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Financial Zen Group will disclose any material conflict of interest relating to The Financial Zen Group, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections

The Financial Zen Group is not paid for the selection of other advisors, asset managers or portfolio managers.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

11a: Code of Ethics Description

The Financial Zen Group has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

The Financial Zen Group's Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going

monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

The Financial Zen Group's Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation)

On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time.

11b, c & d: Participation or Interest in Client Transactions

The Financial Zen Group, or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients' accounts before we buy or sell from our accounts. In some cases The Financial Zen Group, or its employees, may buy or sell securities for our own accounts and not for clients' accounts, as it may not meet the objectives or plans for the client.

The Financial Zen Group will always maintain full disclosure with our clients so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

For California Residents: The Financial Zen Group adheres to the California Code of Regulations, Title 10 Section 260.238 (k), (1), (2) and (o) which prohibits investment advisers from:

(k) Failing to disclose to a client in writing before entering into or renewing an advisory agreement with that client any material conflict of interest relating to the adviser, its representatives or any requires that of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice including:

(1) Compensation arrangements connected with advisory services to clients which are in addition to compensation from such clients for such services; and

(2) Charging a client an advisory fee for rendering advice without disclosing that a commission for executing securities transactions pursuant to such advice will be received by the adviser, its representatives or its employees, or that such advisory fee is being reduced by the amount of the commission earned by the adviser, its representatives or employees for the sale of securities to the client.

(o) Making any untrue statement of a material fact or omitting a statement of material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in the solicitation of advisory clients.

ITEM 12 – BROKERAGE PRACTICES

12a: Selecting Brokerage Firms

As part of our services, The Financial Zen Group will recommend a broker-dealer. We have selected our broker-dealers based on price, reliability, speed of processing, tools and "best execution" in addition to other considerations. And while you are not required to effect transactions through any broker-dealer recommended by us, we feel we have made our selections based on a totality of benefits they offer.

The Financial Zen Group may purchase software, tools, training programs or seminar services from our broker-dealer. Additionally, broker-dealers may provide services, tools or other non-financial benefits to us as a benefit for using the broker-dealer's services. However, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of a broker-dealer.

To avoid creating a possible conflict of interest in recommending broker-dealers, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. The Financial Zen Group adheres to our Code of Ethics as outlined in Item 11 above.
2. If The Financial Zen Group receives separate compensation for transactions, we will fully disclose them.
3. The Financial Zen Group emphasizes the unrestricted right of you to select and choose your own broker or dealer.
4. The Financial Zen Group will always act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

12.b: Sales Aggregation

Because of the nature of our individualized services, The Financial Zen Group does not generally aggregate (or bunch) trades when executing transactions. Bunching is generally done in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. Therefore, fees associated with services may be higher or lower than may be available through other financial services providers. However, The Financial Zen Group acknowledges our fiduciary responsibility to provide best execution as can reasonably be expected under the circumstances available. You are encouraged to discuss any questions that may arise regarding investment policies throughout the course of engagement with us.

ITEM 13 – REVIEW OF ACCOUNTS

13a: Periodic Reviews

Accounts are reviewed by The Financial Zen Group or qualified staff members and are supervised by Rick Valenzi, Owner. All reviews are either conducted or supervised by The Financial Zen Group. The frequency of reviews is determined based on your investment objectives, but no less than annually.

13b: Review Triggers

More frequent reviews are triggered by a change in your investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

13c: Regular Reports

All investment advisory clients receive at least annual reports from The Financial Zen Group.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients

The Financial Zen Group does not receive economic benefits from third parties for the advice we render to our clients.

14b: Compensation to Non-Advisory Personnel for Client Referrals

The Financial Zen Group does not directly or indirectly compensate any person for client referrals.

ITEM 15 – CUSTODY

The Financial Zen Group clients' accounts are held by a qualified custodian and other than to withdraw advisory fees, per your written authority, The Financial Zen Group shall have no liability to the client for any loss or other harm to any property in the account. This includes harm to any property in the account resulting from the insolvency of the custodian or any unauthorized acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer. As a fiduciary, The Financial Zen Group will always act in the client's best interests and in doing so, the above does not limit or modify that duty to our clients. Custodial statements will include fees charged by The Financial Zen Group. You will receive a statement of fees from both The Financial Zen Group and your custodian. We strongly urge you to compare these fees for accuracy.

ITEM 16 – INVESTMENT DISCRETION

The Financial Zen Group asks our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, selection of broker or dealer (see Item 11), arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

In certain circumstances, we will request non-discretionary authority over our clients' accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations.

ITEM 17 – VOTING CLIENT SECURITIES

The clients of The Financial Zen Group retain the authority to proxy vote and will continue to do so until we otherwise may agree in writing. You should ensure that proxy ballots are mailed directly to you by selecting this option on your custodial application forms. You are welcome to delegate said proxy voting authority to a third-party representative (non-advisory personnel) by filing the appropriate custodial form.

ITEM 18 – FINANCIAL INFORMATION

18a: Balance Sheet

The Financial Zen Group does not solicit prepayment of more than \$500 in fees per client six (6) months in advance.

18b: Financial Conditions

The Financial Zen Group has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.

18c: Bankruptcy Petition

The Financial Zen Group has never been the subject of a bankruptcy petition.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

19a&b. Principal Executive Officers: Education, Background & Other Businesses

The Financial Zen Group's executive officer is Richard Valenzi. Richard Valenzi's education and business background can be found below.

19c. How Performance Based Fees are Calculated and Degree of Risk to Clients

As stated above, The Financial Zen Group does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

19d. Material Disciplinary Disclosures for Management Persons of this Firm

Other than disclosures made in Item 9 above, neither The Financial Zen Group nor our employees have been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding.

19e. Material Relationships Management Persons Have With Issuers of Securities

Neither Financial Zen Group, Inc. nor our employees have any relevant material relationships with issuers of securities.

RICHARD (RICK) VALENZI PART 2B ITEM 1 - COVER PAGE ADV PART 2 B BROCHURE

This supplemental information is about the Managing Member of The Financial Zen Group, Inc. ("The Financial Zen Group"). Additional information about Financial Zen Group is also available at the SEC's website www.adviserinfo.sec.gov.

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RICK.VALENZI@FINANCIALZEN.COM
415-792-0345

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Richard Valenzi

Year Born: 1977

Education:

Bachelors in Business Administration - Finance: *University of Texas at Austin*, (1998)

Business Background:

05/2016 – Present: *Owner, Investment Advisor Representative*, The Financial Zen Group, Inc.

05/2009 – 02/2015: *Registered Representative / Investment Advisor Representative*, Wells Fargo Advisors, LLC

08/2008 – 05/2009: *Registered Representative*, Wachovia Securities, LLC

07/2003 – 02/2008: *Sales Manager*, Yahoo, Inc.

Professional Qualifications:

Series 7, General Securities Representative Examination (2008)

Series 66, Uniform Combined State Law Examination (2008)

Professional Designation:

CERTIFIED FINANCIAL PLANNERTM (CFP(r))

Chartered Retirement Planning Counselor (CRPC®)

Explanation of Designation:

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning

services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

CRPC®: (Chartered Retirement Planning Counselor)

The CRPC® Program focuses on the pre- and post-retirement needs of individuals, allowing you to transform the retirement planning process into a positive experience. Enrollment in the program allows you to study a variety of principles in the retirement planning field. The program guides you through the retirement process from start to finish, addressing issues such as estate planning and asset management.

The College for Financial Planning® awards the Chartered Retirement Planning Counselors and CRPC® designation to students who:

Successfully complete the program;

- Pass the final examination; and
- Comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Students must sign and return the Code of Ethics forms within six months of passing the final exam. Failure to complete and submit the forms within this timeframe may result in termination of the individual's candidacy. If an individual wishes to apply for authorization to use the Marks in the future, he or she may be required to fulfill the initial designation requirements in place at the time of passing the exam.

Successful students receive a certificate and are granted the right to use the designation on correspondence and business cards for a two-year period.

Continued use of the CRPC® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the CRPC® designation by:

- Completing 16 hours of continuing education;
 - Reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self-disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and
 - Paying a biennial renewal fee.
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ITEM 3 - DISCIPLINARY INFORMATION

Richard Valenzi has no legal or disciplinary events that are material to you or a prospective client's evaluation of this advisory business.

ITEM 4 - OTHER BUSINESS ACTIVITIES

The principal business of Richard Valenzi is that of a registered investment advisor. He does not engage in any other business activities.

ITEM 5 - ADDITIONAL COMPENSATION

Richard Valenzi receives no additional compensation related to outside business activities.

ITEM 6 - SUPERVISION

Richard Valenzi is the sole principal of The Financial Zen Group and is the supervising authority. Richard Valenzi remains aware of and keeps us in compliance with the current rules and regulations put forth by each ruling regulatory authority where we conduct our business. The Financial Zen Group maintains a written compliance manual that is reviewed with employees when they are hired as well as annually. The Financial Zen Group has established internal policies for the guidance of its trading personnel. Transactions, which vary from the guidelines, are subject to periodic supervisory review. These guidelines are reviewed yearly and periodically adjusted.

ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Other than any disclosures made in Item 3 above, Richard Valenzi has not been found liable in the last 10 years in any additional material arbitration or liable in a civil, self-regulatory organization, or administrative proceeding involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices. Richard Valenzi has never been the subject of a bankruptcy petition.