

**PRAIRIE FINANCIAL GROUP ADVISORY SERVICES**

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**FORM ADV PART 2  
BROCHURE**

This brochure provides information about the qualifications and business practices of Prairie Financial Group Advisory Services. If you have any questions about the contents of this brochure, please contact us at (630) 778-8785 or via e-mail at [Sharon@prairiefs.com](mailto:Sharon@prairiefs.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Prairie Financial Group Advisory Services is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Prairie Financial Group Advisory Services is 115121.

Prairie Financial Group Advisory Services is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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## **Advisory Business**

Form ADV Part 2A, Item 4

### **Description of Services and Fees**

We are a Registered Investment Adviser based in Naperville, Illinois. We are organized as a corporation under the laws of the State of Illinois. We have been providing investment advisory services since 2001. Jerry Lee Webb is principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Life Planning Services**
- **Financial Planning Retainer Services**
- **Portfolio Management Services**
- **Selection of Other Advisers**
- **Consulting Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Prairie Financial Group Advisory Services and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### **Life Planning**

We provide advice as part of a continuous life planning service. If you engage us for this service, we will provide you with recommendations on planning issues that are raised by us or brought to our attention by you.

In general, life planning services address any one or all of the following areas:

- On-going monitoring of your financial plan and cash flow needs.
- Periodic portfolio performance reviews and asset allocation.
- Review of real estate holdings, including decisions such as the purchase or sale of personal, investment and/or business real estate holdings as well as 1031 exchanges.
- Charitable giving techniques such as the use of charitable trusts, the establishment of donor advised funds, and the gifting of appreciable assets.
- Gift planning options that allow for the most efficient transfer of assets from generation to generation.
- Business consulting that addresses the formation of new entities, their organizational structure and paperwork filings (performed by legal and accounting professionals networked, but not affiliated with our firm).
- Life transition issues such as early retirement, inheritance, and/or aging family members in need of additional care, among others.

Additionally, we will send you a quarterly questionnaire that will assist us in identifying any changes in your situation which may have occurred since the last review. We will meet with you as required based on your response(s) to the questionnaire to address the life planning issues that have been identified as well as any changes in your risk tolerance or stated goals and objectives.

We gather the required information from your documents and statements and from other information you or your other advisors supply. We gather information on your current status, future goals, and attitudes toward risk. In addition, we may assist you with the coordination of work of other professional advisors, such as attorneys and accountants, among others, so that actions are taken in a manner consistent with your direction.

Life planning fees will be charged on a negotiated fixed fee or hourly basis and such fees will be determined on a case-by-case basis depending upon the estimated amount of work involved and the complexity and financial significance of the issues to be addressed. In limited circumstances, the complexity of the case may warrant

fees higher than those initially agreed to and we will request you to approve the additional fee. Fees will be billed quarterly in advance, and will be due and payable when invoiced. However, other fees and fee paying arrangements may be made. In any event, the fees and the fee-paying arrangements will be clearly set forth in the advisory agreement.

You may terminate the client agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

#### Financial Planning Retainer Service

Financial planning and consulting services may be offered to clients as part of an annual retainer program. This service will include financial planning, periodic review of your 401K or 403(b) plan, and rebalancing recommendations. We will charge you a fixed fee (which may be asset based) which varies on a case by case basis depending on the scope and/or complexity of the work provided. We will not exercise discretion over your account nor will we monitor your account on a continuous basis.

The services are automatically renewed annually. You may terminate the retainer agreement by providing written notice to us. In the event of termination, fees will be due and payable on a pro rata basis which means you will incur advisory fees only in proportion to the number of days in the billing period for which you are a client. In the event there are any prepaid, unearned fees at the time of termination, we will promptly refund a pro rata share to you.

#### Portfolio Management Services

We offer discretionary portfolio management services where our investment advice is tailored to meet your needs and investment objectives. If you retain our firm for portfolio management services, we may meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis and will rebalance the portfolio as required by changes in market conditions and for your financial circumstances.

If you participate in our portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<b>Assets Under Management</b>	<b>Annualized Fee*</b>
\$250,000 to \$500,000	2.0% of assets managed
\$500,001 to \$1,500,000	1.5% of assets managed
Assets Over \$1,500,000	0.5% of assets managed

\*For accounts under \$250,000, the minimum annualized fee will be the greater of 3.00% of the fair market value of the account or \$1,500.

Our annual portfolio management fee is billed and payable quarterly, in advance, based on the value of your account on the last day of the previous quarter. If the portfolio management agreement is executed at any time

other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Fees are negotiable in certain circumstances and arrangements with any particular client may differ from those described above. The fee may be dependent, in part, on whether we are managing a portfolio with a portion in individual stocks and bonds, as opposed to a portfolio entirely of mutual funds, which would eliminate some of the fees that mutual funds charge for their management services.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in you paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30 days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees. In connection with and/or upon termination of the agreement, if we are required to perform additional services in connection with the transfer of the account, liquidating securities, or additional advice, we reserve the right to charge a termination fee. Termination fees will be determined on a case-by-case basis.

#### Selection of Other Advisers

We may refer you to various third-party investment advisers (TPAs) for portfolio management services. After gathering information about your financial situation and investment objectives, we may assist you in selecting a particular third-party adviser/program. Currently, we use one TPA who selects individual stocks based upon socially responsible investing. More specifically, the TPA screens out stocks that may be offensive to investors based upon conservative religious convictions. We may use other TPAs who we carefully screen, based upon performance, the history of the advisers, and the style of management. We lean toward managers that would use a tactical approach to investing. Third party investment advisers that we refer you to may not achieve the best rate of returns or charge the lowest fees in comparison to other third-party investment advisers.

The assets managed by TPAs will be included for the purposes of calculating our portfolio management fees described above and the fees charged by TPAs are separate and apart from our advisory fees. Fees you pay to third-party investment advisers are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each third-party investment adviser to whom we refer you, and may or may not be negotiable. Clients who are referred to third-party investment advisers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of the third-party investment adviser's Form ADV Part 2 or equivalent disclosure document. We will monitor the performance of the third-party investment adviser on at least a quarterly basis and will make recommendations as necessary.

You will be required to sign investment advisory agreements with the third-party investment adviser of the program selected. You or the third-party investment adviser may terminate the advisory relationship in accordance with the provisions of those agreements.

#### Consulting

In limited circumstances, we may provide consulting services that are not part of any other service disclosed. The negotiable fee for consulting services ranges between \$150-\$200 an hour for Certified Financial Planners™, \$50 an hour for paraplanners and \$25 an hour for clerical staff. An estimate of the total hours will be determined at the start

of the advisory relationship and a retainer of 50% of the fee quoted will be required. The remainder of the fee will be due upon completion of the work. In limited circumstances, should the time exceed the original estimate, we will contact you to approve the additional fee.

You may terminate the consulting agreement on written notice to us. In the event of termination, we will charge you for the portion of work performed and any unearned prepaid fees will be refunded to you.

We may provide advice on real estate investments/private placements. These assets would be monitored by us on a periodic basis and are managed by unaffiliated third parties. For these types of investments, we assist the client with paperwork and act as a liaison between the client and the investment sponsor. For such services, we are generally compensated separately by the sponsor of the investment based on a percentage of the funds invested by the client. In addition, we charge clients a one time percentage based fee in exchange for the due diligence process and suitability analysis we undertake with these investments. The fees are determined on a case-by-case basis.

### **Types of Investments**

We primarily offer advice on exchange traded funds, equity securities, and mutual funds. We may also, on occasion, provide advice on real estate private placements and non-traditional real estate investments, 1035 tax fee exchanges, and investments in land, gold, and oil and gas drilling.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of February, 2011, we manage \$88,706,488 in client assets on a discretionary basis. In addition, we monitor \$8,048,840 in client assets which are primarily in real-estate investments/private placements which are managed by unaffiliated third parties. These assets are monitored on a periodic basis, not less than yearly.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. When suitable, we generally recommend no load mutual funds to clients. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

### **Compensation for the Sale of Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

At our discretion, we may offset our advisory fees to the extent our Associated Persons earn commissions in their separate capacities as insurance agents.

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

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum account value of \$250,000 for portfolio management services. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Fundamental Analysis – Fundamental analysis involves analyzing individual companies and their



industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- Cyclical Analysis – Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.
- Modern Portfolio Theory (MPT) - MPT is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.
- Long-Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short-Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Short Sales – Securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Modern Portfolio Theory (MPT) - MPT is a mathematical formulation of the concept of diversification in investing, with the aim of selecting a collection of investment assets that has collectively lower risk than any individual asset. The risk, return, and correlation measures used by MPT are mathematical statements about the future. In practice, investors must substitute predictions based on historical measurements of asset return and volatility for these values in the equations. Very often such expected values fail to take account of new circumstances which did not exist when the historical data were generated.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Unless advised otherwise, the custodian will default to using the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.



### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend equity securities, exchange traded funds, and mutual funds; however, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds does charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

A 1035 exchange allows for the direct exchange or one investment to another or the transfer of funds in an insurance policy, endowment policy (whole life policy), or annuity policy into another policy without creating a taxable event. The rules governing 1035 exchanges are complex, and you may incur surrender charges from your "old" annuity contract or life insurance policy. In addition, you may be subject to new sales, mortality and expense charges, and surrender charges for the new contract or policy. Annuities are not guaranteed by the FDIC or any other government agency; they are not deposits of, nor are they guaranteed or endorsed by, any bank or savings association. Any guarantees are contingent on the claims-paying ability of the issuing insurance company. Withdrawals reduce annuity contract benefits and values. The investment return and principal value of an investment option are not guaranteed. Because variable annuity subaccounts fluctuate with changes in market conditions, the principal may be worth more or less than the original amount invested when the annuity is surrendered. Variable annuities are sold only by prospectus. You should refer to any applicable prospectus for a discussion of the investment objectives, risks, charges, expenses, and other relevant information.

Investors generally buy gold as a hedge or safe haven against any economic, political, social, or currency crises. The gold market is also subject to speculation and the price of gold rises and falls in reaction to a wide number of factors, from geopolitical events to concerns about debt and spending.

Investments in real estate private placements and non-traditional real estate investments, as well as

investments in land and oil and gas drilling, carry particular risks and will vary with the particular investment/offering. When investing in raw land, you have to be prepared to invest capital without producing income, probably for many years. Oil and Gas investments are speculative in nature and are investments involving a high degree of risk. Investments in private placements and/or other alternative investments are generally illiquid and offered only to investors who meet certain financial and/or sophistication requirements. You should refer to the organizational and other offering documents for detailed disclosure on the terms, risks, fees, and other relevant information associated with each investment.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

Prairie Financial Group Advisory Services has been registered and providing investment advisory services since 2001. Neither our firm nor any of our management persons has any reportable disciplinary information.

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser 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 consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

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

Form ADV Part 2A, Item 11

#### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our

Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings, by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Sharon Adelman at (630) 778-8785 or via e-mail at [Sharon@prairiefs.com](mailto:Sharon@prairiefs.com).

#### **Participation or Interest in Client Transactions**

On occasion, Jerry Webb may be a presenter at conferences held by sponsors of real estate or other investment opportunities and Mr. Webb may be compensated for these presentations by the sponsor. These investments may also be recommended by us to our clients and our Associated Persons may also have made a personal investment in these investment opportunities. As a result, our Associated Persons and our firm may have an incentive to recommend these investments over other investment products.

#### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities for you at the same time we or persons associated with our firm buy or sell such securities for our own accounts. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this Brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that we shall not have priority over your account in the purchase or sale of securities.

### ***Brokerage Practices***

Form ADV Part 2A, Item 12

We recommend the brokerage and custodial services of TD Ameritrade, Inc. ("TD Ameritrade"), an unaffiliated securities broker-dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade offers independent investment advisor services which include custody of securities, trade execution, clearance, and settlement of transactions. Our firm receives some economic benefits from TD Ameritrade through our participation in this program.

We believe that TD Ameritrade provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services TD Ameritrade provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade's retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our clients; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the

appropriate shares to our client accounts); the ability to have our fees deducted directly from our clients' accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment), expenses for our personnel to attend conferences or meetings relating to the program or to TD Ameritrade's advisor custody and brokerage services generally. Some of the products and services made available by TD Ameritrade through the program may benefit our firm, but may not benefit our client accounts. These products or services may assist our firm in managing and administering our client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help our firm manage and further develop our business enterprise.

The benefits received by our firm and our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade and are not considered "soft dollar" benefits. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or Associated Persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

#### **Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

### ***Review of Accounts***

Form ADV Part 2A, Item 13

Jerry Webb, President, or Sharon Adelman, Vice President, will monitor portfolio management accounts on an ongoing basis and will conduct an internal review of your account at least quarterly, and upon your request, to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide portfolio management clients with annual reports detailing the performance of their accounts. You will also receive statements, on at least a quarterly basis, from your account custodian.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with TD Ameritrade.

We may directly compensate non-employee (outside) consultants, individuals, and/or entities ("Solicitors") for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

On occasion, Jerry Webb may be a presenter at conferences held by sponsors of real estate or other investment opportunities and Mr. Webb may be compensated for these presentations by the sponsor. These investments may also be recommended by us to our clients and our Associated Persons may also have made a personal investment in these investment opportunities. As a result, our associated persons and our firm may have an incentive to recommend these investments over other investment products.

## ***Custody***

Form ADV Part 2A, Item 15

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Sharon Adelman at (630) 778-8785 or via e-mail at [Sharon@prairiefs.com](mailto:Sharon@prairiefs.com).

## ***Investment Discretion***

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement.

You grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our management services.

## ***Voting Client Securities***

Form ADV Part 2A, Item 17

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## ***Financial Information***

Form ADV Part 2A, Item 18

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## ***Additional Information***

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Sharon Adelman at (630) 778-8785 or via e-mail at [Sharon@prairiefs.com](mailto:Sharon@prairiefs.com), if you have any questions regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, we will maintain the profit.