
Firm Brochure



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Disclaimer

This brochure provides information about the qualifications and business practices of Premier Capital Management Inc. If you have any questions about the contents of this brochure, please contact us at 801.225.5050 or at www.premiercapitalmanagement.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 Premier Capital Management Inc also is available on the SEC's website at www.adviserinfo.sec.gov (the CRD number for Premier Capital Management Inc is 118785).

Note

Premier Capital Management Inc may refer to itself as "registered investment advisor" or "RIA" but Clients should be aware that registration itself does not imply any level of skill or training.

Material Changes from Previous Version

This brochure contains no material changes to Premier Capital Management Inc's 12/2009 ADV Part 2.

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Advisory Business

Introduction

Premier Capital Management Inc (hereafter “PCM”) is a fee-based investment adviser that offers two types of advisory services: *Investment Management Services* and *Financial Consulting Services*.

PCM has been doing business since 1994. The experience, education experience, education, and background of its principal and investment adviser representatives (hereafter “IA Reps”) can be found in the accompanying **Brochure Supplement** document.

PCM’s principal owner is **Michael R Klein** (hereafter “Klein”). Klein owns 100 percent of PCM.

Initial Consultation

PCM will begin by providing the Client a free initial consultation. PCM uses the initial consultation to:

- Introduce the Client to PCM, its services, and staff;
- Gather information about the Client’s financial condition and investment objectives including risk tolerance, which PCM uses in forming its investment advice; and
- Reach an agreement on the terms of service and compensation arrangements.

The consultation must be completed before PCM will make any specific recommendations about the Client’s financial situation or investment strategies. At the conclusion of the initial consultation, the Client will sign PCM’s *Client Investment Advisory Agreement* or its *Client Financial Consulting Agreement*, which serves as the contract between the Client and PCM, specifying the precise nature of services to be rendered by PCM and fees to be paid by the Client.

PCM Investment Management Services

If the Client elects PCM’s Investment Management Services, the Client grants PCM limited trading authority (discretionary authority) in the Client accounts for the purpose of performing its management service. This authority allows PCM to enter securities transactions on the Client’s behalf, determining which securities and the amount of securities to buy or sell. Clients will be notified of all transactions by trade confirmations from their custodian and through communication with PCM. PCM only has authority to invest Client funds within their account; PCM does not have the authority to transfer Client funds to another account or to make withdrawals, except to request payment of authorized fees.

PCM primarily manages Client accounts using no-load, no-transaction fee mutual funds or exchange-traded funds—mutual funds or exchange-traded funds that do not result in the Client paying a commission or a fee for buying and selling. However, in rare instances, PCM may recommend investments in mutual funds or exchange-traded funds with transaction fees, variable annuities, variable life, stocks, or bonds.

PCM may strategically or tactically manage Client accounts, or may use a combination of these strategies in a specific account, based on the individual needs of the Client. PCM *strategically* manages Client accounts by using methods such as modern portfolio theory to determine the composition of the account which would, in theory, provide a target level of return for the lowest risk. PCM also reallocates

this portfolio from time-to-time to maintain its efficiency. PCM *tactically* manages Client accounts by using technical analysis to identify which securities appear to have the greatest likelihood to increase in value and investing in them. The Client understands that the purpose of such investing is to enable the Client to benefit from possible gains during rising markets and to minimize losses during declining markets. Furthermore, the Client understands that PCM management may not achieve this purpose.

PCM Financial Consulting Services

PCM may, on occasion, advise on topics that may include budgeting and cash flow analysis, education planning, retirement planning, estate planning, and fringe benefit analysis. For example, PCM may:

- a. Analyze the Client's financial needs and objectives based upon the information provided by the Client and/or
- b. Prepare a written financial plan based upon the Client's identified financial needs and objectives; and/or
- c. Recommend, as part of the Client's financial plan, investment strategies PCM believes are suited for the Client's identified financial needs and objectives and/or,
- d. Review the performance of Client investment accounts in light of the Client's identified needs and objectives and relevant market indexes and/or
- e. Recommend changes in Client investments, strategy, or financial plan in connection with the review of Client investments or the identification of new financial needs or objectives and/or
- f. Conduct a single-needs analysis to provide research or specific investment advice.

All financial analyses and recommendations will be based upon information provided to PCM by the Client. PCM does not conduct an independent investigation of Client background information, nor update of such information, without the express written consent of the Client. It remains the Client's responsibility to notify PCM of any changes in circumstances, e.g. financial needs, objectives, goals and investments held with other firms or any other changes which would impact the Client's financial condition.

Fees and Compensation

Fees for Investment Management Services

PCM charges a fee based on a percent of the market value of each account under management. This fee is negotiable but will never exceed three percent (3%) per year. The size of this fee depends on the management style chosen, the size and risk level of the account, as well as Client experience. The Client will be billed at the end of each calendar quarter twenty-five percent (25%) of the agreed upon annual rate times the balance of each account under management. PCM charges eight dollars (\$8) per account per quarter for weekly account reporting in a secure web-based portal. PCM may reduce or rescind fees for immediate family members, non-profit organizations, or Clients who have experienced an extraordinary loss in their account.

The Client provides written authorization to their custodian so PCM can arrange to have its management fee automatically deducted from the Client's account. The Client's custodian will send statements, at

least quarterly, to the Client that will reflect the advisory fee paid to PCM so the Client can verify the accuracy of fees paid.

The Client has the right to terminate this service within five (5) business days after signing a *Client Investment Advisory Agreement*. This agreement remains in effect until either the client or PCM terminates it by giving the other party written notice. For the first quarter a Client engages PCM or if a Client terminates the service during the quarter, the fee will be prorated for only those days that PCM rendered its services.

Fees for Financial Consulting Services

PCM charges an hourly fee of one hundred fifty dollars (\$150) per hour for financial consulting services, or a fixed amount negotiated between PCM and Client. PCM specifies the fee arrangement in the *Client Financial Consulting Agreement*. PCM estimates fees based upon a preliminary assessment of the complexity of the Client's financial circumstances, the level of skill required to perform the services, and, accordingly, the time likely to be required to perform the services. Client pay the fees upon delivery of the analysis, plan, recommendations, or otherwise at the conclusion of the services.

The Client has the right to terminate an agreement within five (5) business days after signing it. The Client or PCM may terminate an agreement by giving the other party written notice. PCM's fee will be based on the amount of work completed on the date of termination.

Other Compensation

In addition to the management and financial planning fees described above, PCM's individual IA Reps may also be licensed as insurance agents to sell insurance products and may receive insurance commissions for the sale of those insurance products. This creates a conflict of interest and may offer IA Reps an incentive to recommend insurance products that produce insurance commissions for the IA Rep. When any such recommendations are made, IA Reps will disclose their commissions prior to completing any transaction and will obtain specific consent from the Client before purchasing any insurance product. Additionally, Clients always have the option to purchase insurance products through other agents not affiliated with PCM. Such insurance commissions will be a marginal part (less than ten percent) of the IA Reps' business as their primary focus will be the investment advisory business rather than their insurance business. Any insurance commissions will be charged separately through the insurance company or agency and remitted to the IA Rep in their capacity as an insurance agent. PCM will not receive any insurance commissions paid to its IA Reps. Any insurance commissions will be in addition to the advisory fees and PCM will not reduce advisory fees for Clients that purchase insurance products through PCM's IA Reps. Aside from the insurance compensation described above, neither PCM nor any of its IA Reps will accept any compensation for the sale of securities or other investment products.

Performance-Based Fees and Side-by-Side Management

PCM does not charge performance-based fees (fees based on gains) and so none of its Clients' accounts will ever be managed side-by-side any performance-based accounts.

Types of Clients

PCM will provide advisory services to various types of Clients, including:

Individuals—Most PCM's Clients are individuals seeking financial consulting and investment management services for their personal accounts. While *Financial Consulting Services* can be provided regardless of account values, *Investment Management Services* will be restricted to individual accounts (or multiple accounts in one household) with a minimum value of \$250,000. PCM may allow exceptions to the \$250,000 account minimum in the case of Client's children or when a Client is willing to invest at least one-half of the Client's investable assets.

Small Businesses and Non-Profits—PCM will provide advisory services to small businesses and non-profits seeking financial consulting or investment management services for their organization's interests. While *Financial Consulting Services* can be performed for small businesses and non-profits with any amount of assets, *Investment Management Services* will be restricted to small businesses and non-profits with at least \$50,000 of investable assets.

Methods of Analysis, Investment Strategies and Risk of Loss

For *Investment Management Services*, PCM uses technical analysis to determine the investments in a given account. In its technical analysis, PCM seeks to determine the future direction of prices through the study of past market data, primarily price and volume. PCM develops computer models of investment strategies using samples of past market data. PCM then validates these models using historical data not used in the model's development. These models generate buy and sell signals that reflect recent market action. PCM calls these strategies *tactical* strategies since they respond to short-term market fluctuations. Despite the technical analysis performed by PCM, any investment in securities carries market risk and investors may lose their principal investment.

For *Financial Consulting Services*, PCM analyzes the Client's financial goals and objectives, income and spending, savings and investments, risks and insurance needs, asset allocation, and tax implications. This analysis seeks to ensure that the Client's needs are addressed while making progress toward their financial goals and objectives.

The investment strategies PCM recommends will vary depending on the Client's investment objectives including risk tolerance. Generally, Client accounts that target capital preservation with limited risk will be managed using tactical strategies that employ fixed income products (eg, bond mutual funds) whereas Client accounts that target growth with greater risk will be managed using tactical strategies that employ equity products (eg, stock mutual funds). Tactical strategies may entail additional risk due to a greater frequency in transactions, which may result in additional taxes. Greater frequency in transactions could generate more transaction fees in Client accounts, but this is unlikely since PCM seeks to use only no-transaction mutual funds and ETFs when implementing its strategies.

PCM does not directly employ short sales, margin transactions, or option writing but may use mutual funds that employ these and other strategies. PCM informs Clients if they have such mutual funds in their accounts.

Disciplinary Information

Neither PCM nor any of its related persons (including management and IA Reps) have had any disciplinary actions in their past. Clients and prospective Clients can always view the CRD records (registration records) for PCM or any of its IA Reps through the SEC's Investment Adviser Public Disclosure (IAPD) website at www.adviserinfo.sec.gov or through FINRA's BrokerCheck database online at www.finra.org/brokercheck if the IA Rep is also a broker-dealer agent. The CRD number for PCM is 118785 and the CRD numbers for management and IA Reps are listed along with their biographical information in the accompanying *Brochure Supplement* document.

Other Financial Industries Activities and Affiliations

While PCM is not an insurance agency, IA Reps of PCM may be licensed as independent insurance agents and have affiliations with the various insurance companies whose products they sell. Specifically, Michael R Klein and Valerie L Corelli are both licensed as independent insurance agents in Utah. As IA Reps of PCM, Klein and Corelli may recommend insurance products and may also, as independent insurance agents, sell those recommended insurance products to Clients. When such recommendations or sales are made, a conflict of interest exists as Klein and Corelli earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. PCM requires that all IA Reps disclose this conflict of interest when such recommendations are made. Also, PCM requires IA Reps to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with PCM. Insurance products are provided independently from the PCM's advisory services, and PCM does not warrant the suitability or efficacy of these products.

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

Code of Ethics

Pursuant to SEC Rule 204A-1, PCM has a Code of Ethics that promotes the fiduciary duty of PCM and its IA Reps. The Code of Ethics articulates the importance of trust as a foundation to the relationship between an investment adviser and its Clients and establishes policies and procedures to ensure that PCM and its IA Reps place the interests of the Clients first. The Code of Ethics requires that PCM and its IA Reps adhere to all applicable securities and related laws and regulations. The Code of Ethics also requires PCM and its IA Reps follow industry “best practices” pertaining to confidential information, suitability of investments, personal trading on the part of PCM and its IA Reps, outside business activities of IA Reps, and the disclosure of conflicts of interest. A copy of the Adviser’s Code of Ethics is available upon request for any Client or prospective Client.

Participation or Interest in Client Transactions and Personal Trading

While PCM has no proprietary interest in Client transactions, its IA Reps may have a financial interest in those recommended transactions that involve the purchase of an insurance product. As explained in the “**Other Financial Industry Activities and Affiliations**” section (page 7), Klein and Corelli are both licensed as independent insurance agents in Utah. As IA Reps of PCM, Klein and Corelli may recommend insurance products and may also, as independent insurance agents, sell those recommended insurance products to Advisory Clients. When such recommendations or sales are made, a conflict of interest exists as Klein and Corelli will earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. PCM requires that all IA Reps disclose this conflict of interest when such recommendations are made. Also, PCM requires IA Reps to disclose that Advisory Clients may purchase recommended insurance products from other insurance agents not affiliated with PCM.

Additionally, PCM IA Reps may have an interest in Client transactions insofar as they may personally invest in the same securities recommended to Advisory Clients. These transactions involve a conflict of interest as PCM or IA Reps may benefit from an increase in price from subsequent purchases by Advisory Clients. To address this conflict of interest, PCM and its IA Reps will adhere to the following procedures regarding their personal trading:

1. Client transactions will always be placed along with or ahead of those for PCM, its management, and its IA Reps;
2. PCM and its IA Reps will mostly recommend investments that are widely traded;
3. Neither Advisory Clients nor IA Reps will have enough funds invested in any given security to move the market in that particular security.

Brokerage Practices

Recommended Custodian

PCM recommends TD Ameritrade Institutional (hereafter “TDA”) to all Advisory Clients using PCM’s *Investment Management Services* and other Advisory Clients that request a recommended custodian. PCM recommends TDA primarily for its broad offering of no load, no-transaction fee mutual funds and PCM’s familiarity with its trading platform.

Clients have no obligation to use TDA for their custodian, but if Clients seek to have PCM manage their accounts the Client’s chosen broker-dealer/custodian must allow PCM to have trading authority within the Client account.

Research and Other Soft Dollar Benefits

While not a factor in PCM’s recommendation of TDA, TDA does offer proprietary research tools and publications created by TDA for their account holders. PCM will have access to these research tools and publications, which may be considered “soft dollar benefits” and constitute a conflict of interest. As PCM and its IA Reps have accounts at TDA, the benefits of the research tools and publications are already available to PCM regardless of the Client’s decision to invest with TDA. PCM will use TDA’s research tools and publications to service all Advisory Clients regardless of the broker-dealer/custodian they choose to use, but Clients who invest with TDA will also have their own access to the research tools and publications as TDA account holders. Again, Clients have no obligation to use TDA as their custodian.

Directed Brokerage and Aggregated Orders

PCM will rely on TDA (or the broker-dealer/custodian selected by the Client) for the execution of transactions and will not direct trades to specific brokers. As such, Clients may not receive the lowest price possible if they were to have their trades directed to specific brokers. However, since PCM primarily uses no-transaction fee mutual funds in client accounts these considerations are generally not relevant. When PCM makes the same recommendations for similarly-situated Clients, PCM will aggregate Clients’ orders and execute them at the same time.

Review of Accounts

For Investment Management Clients, PCM reviews all Clients’ account holdings whenever a transaction in the account takes place, and reviews individual Client accounts on a quarterly basis in conjunction with calculating their management fees. Investment Management Clients are encouraged to meet with PCM at least once per year to review their account as a whole, ensuring that the management aligns with their current financial condition, goals and objectives.

For Financial Consulting Clients, PCM reviews the Client's account during the initial consultation and reviews the Client's account in subsequent consultations if engaged to do so. Financial Consulting Clients are encouraged to meet with PCM at least once per year to review their account as a whole, ensuring that their financial plan aligns with their current financial condition, goals and objectives.

Client Referrals and Other Compensation

PCM shares a portion of its fee with other investment advisers or investment adviser representatives who refer their Clients to PCM if their Clients engage PCM for investment advisory services. Clients will not be charged any higher fees when referred by a third party than when engaging PCM directly. PCM discloses such compensation in its *Client Investment Advisory Agreement*.

Custody

Clients engage an independent custodian to maintain their accounts and so PCM will not have *physical* custody of Clients' assets, monies, or securities. Accordingly, Clients will receive account statements from their custodian. However, since PCM withdraws advisory fees directly from Clients' accounts (as described herein under **Fees and Compensation** on page 5) PCM is considered to have custody in a limited capacity. This custody is due solely to the direct withdrawal of fees and does not entail all of the same legal and regulatory requirements as an investment adviser with physical custody of Clients' assets, monies, or securities.

Investment Discretion

Clients grant discretionary authority to PCM by signing a trading authorization form with their custodian. PCM manages the Client account on a limited discretionary basis. PCM only has authority to invest Client funds within the account holding those funds; PCM does not have the authority to transfer Client funds to another account or to make withdrawals, except to request payment of authorized fees as provided in the *Client Investment Advisory Agreement*.

Voting Client Securities

For any security that entails a voting right in the underlying company, PCM will not have nor accept authority to vote Client securities. All voting issues, proxies, and solicitations will be communicated to Advisory Clients through the Client's custodian. Upon request, however, PCM may help explain or answer questions regarding a given voting issue.

Financial Information

PCM would be required to disclose additional financial information if it were to charge fees in advance, but as described under **Advisory Business** section of this brochure, PCM charges all advisory fees in arrears. In any case, PCM, its management and IA Reps have no material financial information (eg, bankruptcies, liens, judgments) in their backgrounds.

Requirements for State-Registered Advisors

PCM has only one principal executive officer (or management person), Michael R Klein. His biographical information is given in the attached **Brochure Supplement** document.

Under the **Fees and Compensation** section of this brochure, the subsection titled **Other Compensation** explains that PCM IA Reps may also be licensed as insurance agents and may receive insurance commissions for the sale of insurance products. This activity and the conflicts of interest associated with it are discussed at greater length in the **Other Compensation** subsection.

PCM would be required to disclose additional information if it were to charge performance-based fees, had any other relationship or arrangement with any issuer of securities, or was ever found liable in an arbitration, civil, self-regulatory organization, or administrative proceeding. As none of these apply to PCM, its management persons, or IA Reps, PCM has no information to disclose in these regards.