

Placer Summit Financial Group, LLC

Form ADV Part 2A Brochure

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This disclosure brochure provides clients with information about the qualifications and business practices of Placer Summit Financial Group, LLC, an independent investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). It also describes the services Placer Summit Financial Group, LLC provides as well as background information on those individuals who provide investment advisory services on behalf of Placer Summit Financial Group, LLC. Please contact Louis Barrientos, Chief Compliance Officer of Placer Summit Financial Group, LLC, at 916-749-3825 if you have any questions about the contents of this disclosure brochure.

The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that Placer Summit Financial Group, LLC or any individual providing investment advisory services on behalf of Placer Summit Financial Group, LLC possess a certain level of skill or training. Additional information about Placer Summit Financial Group, LLC is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Placer Summit Financial Group, LLC is 149750.

Item 2 – Material Changes

This item discusses specific material changes to the Placer Summit Financial Group, LLC brochure.

Pursuant to current SEC Rules, Placer Summit Financial Group, LLC will ensure that clients receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of the firm's fiscal year which occurs at the end of the calendar year. Placer Summit Financial Group, LLC may further provide other ongoing disclosure information about material changes as necessary.

Placer Summit Financial Group, LLC will also provide clients with a new brochure as necessary based on changes or new information, at any time, without charge.

Placer Summit Financial Group, LLC's has made the following material changes to the disclosure brochure since the date of its last annual amendment (January 24, 2014)

Item 4 – Advisory Services

Place Summit has added a 401(k) Rebalancing Service.

Item 5 – Fees and Compensation

Place Summit has indicated that its minimum fixed fee for financial planning services is \$50.

Place Summit has indicated that annual fee for the new 401(k) Rebalancing Service is \$50.

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Item 4 - Advisory Business

A. The Company

Placer Summit Financial Group, LLC is a privately-held California limited liability company that has been providing investment advisory services since 4/17/2009 and has been registered with the SEC since April 2009. The company was formerly known as Thomas & Barrientos Financial, LLC and changed its legal name to Placer Summit Financial Group, LLC in 2009. Throughout this disclosure brochure, the company is referred to as “Placer Summit” or the “firm.”

The principal owners of Placer Summit are Scott Thomas, Rod Waterbury, and Louis Barrientos.

B. Advisory Services

Placer Summit provides personalized investment advisory services, including investment management services, financial planning and consulting services and referrals to independent money managers.

Discretionary Investment Management Services

Placer Summit provides personalized investment management services. Through personal discussions, during which goals and objectives based on a client's particular circumstances are established, Placer Summit and the client agree on guidelines that quantify the client's risk profile. Thereafter, Placer Summit creates and manages a customized portfolio based on that profile, allocating the client's assets among various investments while taking into consideration the client's risk tolerance.

Placer Summit will manage these advisory accounts on a discretionary basis.

Non-Discretionary Investment Management Services

Placer Summit may also provide non-discretionary investment management services to clients. Such services are restricted to advice regarding (i) variable life/annuity products that they may own, and/or (ii) their individual employer sponsored retirement plans. In so doing, Placer Summit recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan.

Financial Planning Services

Financial planning is primarily an analytical process designed to organize financial data, identify needs and opportunities and evaluate alternative courses of action; it may include analysis of current net worth, income taxes, cash flow and budgeting, investments and asset allocation, retirement planning, employee benefit plan analysis, estate and gift tax planning, education pre-funding and risk management focusing on life, health and disability coverage.

In general, Placer Summit gathers required information through personal interviews. Placer Summit will typically meet with the client to conduct an evaluation of the client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are reviewed, including a questionnaire the client completes that provides relevant information and authorizations. Placer Summit conducts a financial analysis and prepares a

written plan that describes the client's current situation, identifies needs and opportunities and makes suggestions designed to help the client achieve stated goals.

While financial analyses may include investment advice concerning mutual funds and securities, it may also include investment advice with respect to products that may or may not constitute "securities," such as life insurance and annuities. It also takes into consideration estate tax planning issues that may not constitute "investment" advice.

Placer Summit may recommend its own services, the services of its own investment adviser representatives in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Placer Summit recommends its own services or that of its own investment adviser representatives. The client is under no obligation to act upon any of the recommendations made by Placer Summit under a financial planning engagement and/or engage the services of any such recommended professional, including Placer Summit or any of its related persons. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Placer Summit's recommendations.

In performing its services, Placer Summit shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. If requested by the client, Placer Summit may suggest the services of other professionals for implementation services, but the client is under no obligation to engage the services of any suggested professional. In addition, each client is advised that it remains their responsibility to promptly notify Placer Summit if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Placer Summit's previous recommendations and/or services.

Independent Money Manager Program

Placer Summit may also recommend that certain clients authorize the active discretionary management of a portion of their assets by independent money managers. Client could invest either directly with the independent money manager or through a wrap fee program based upon the stated investment objectives of the client.

The terms and conditions under which the client shall engage the independent money manager is set forth in separate written agreements between (i) the client and Placer Summit and (ii) the client and the designated independent money manager and/or wrap fee program sponsor. Placer Summit shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance.

Factors that Placer Summit shall consider in recommending an independent money manager include the client's stated investment objective(s) and the management style, performance, reputation, financial strength, reporting and pricing of the independent money manager. In addition to this written disclosure statement, the client shall also receive the written disclosure statement of the designated independent money manager and wrap fee program sponsor (if applicable).

401(k) Retirement Consulting Services

Placer Summit provides 401(k) Retirement Consulting Services to both the sponsor of non-pooled retirement plans (the "Client") and plan participants (the "Plan Participants").

Services Provided to the Client

Placer Summit shall provide to the Client the scope of services in connection with the investment and reinvestment of securities, cash and/or other investments held from time to time in the Client's plan account (the "Plan"). Placer Summit shall be a fiduciary of the Plan, as defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), with respect to the investment advice Placer Summit provides to the Plan.

The scope of services to the Client includes:

- Consultation related to the selection of service providers, including but not limited to Plan asset custodians and third party plan administrators;
- Consultation related to the monitoring of service providers, including but not limited to Plan asset custodians and third party plan administrators;
- Periodic onsite education of Plan Participants related to retirement planning, the frequency of which is subject to our agreement with you;
- Periodic onsite education of Plan Participants related to investment planning, the frequency of which is subject to our agreement with you; and
- Periodic meetings for newly eligible Plan Participants offering enrollment into the Plan, the frequency of which is subject to our agreement with you.

Services Provided to the Plan Participants

To the extent the Client is a plan sponsor of an individual account plan as defined under Section 404(c) of ERISA, Placer Summit shall provide Plan Participants the services set forth in the scope in connection with the investment and reinvestment of securities, cash and/or other investments held from time to time in the Plan Participants' accounts under the Plan. Placer Summit shall not render investment advice to the Plan Participant. A Plan Participant shall exercise control over the assets in his or her account by providing the record-keeper with investment instructions in the form requested by the plan administrator regarding the investment of the account. Placer Summit also provides Plan Participants with sufficient information to make informed decisions with regard to investment alternatives available under the Plan in accordance with ERISA regulation Section 2550.404c-1(b)(2)(i)(B)(1) and (2).

The scope of services to Plan Participants includes:

- Provide Plan Participants with general financial and investment information unrelated to the investment alternatives under the Plan.
- Provide Plan Participants with general asset allocation models based on generally accepted investment theories.
- Provide Plan Participants with investment materials.
- 401(k) introductory employee meetings.
- Group employee educational meetings.

401(k) Rebalancing Services

Separate and apart from the 401(k) Retirement Consulting Services described above, Placer Summit will also offer, on an annual basis, rebalancing advice to help client's keep the right mix of asset classes in their 401(k) account.

C. Client Tailored Services and Client Imposed Restrictions

Placer Summit offers a full range of investment advisory services which can be tailored to meet the specific needs of each client. In order to provide appropriately individualized services, Placer Summit will work with the client to obtain information regarding the client's financial circumstances, investment objectives, overall financial condition, income and tax status, personal and business assets, risk profile and other information regarding the client's financial and investment needs.

Placer Summit will periodically review with clients their financial circumstances, investment objectives and risk profile. In order for Placer Summit to provide effective advisory services, it is critical that clients provide accurate and complete information to Placer Summit and inform the firm anytime such information needs to be updated or anytime there is a change in their financial circumstances, investment objectives and/or risk profile.

Generally, clients are permitted to impose reasonable restrictions on investing in certain securities or types of securities in their advisory accounts, provided, however, that some restrictions may not be accommodated when utilizing Exchange Traded Funds, mutual funds or with respect to certain third-party products or services made available through Placer Summit. In addition, a restriction request may not be honored if it is fundamentally inconsistent with Placer Summit's investment philosophy, runs counter to the client's stated investment objectives, or would prevent Placer Summit from properly servicing client accounts.

Whether Independent Money Manager Program clients will be able to place reasonable restrictions on the types of investments which will be made on the client's behalf is at the discretion of the independent money manager.

D. Wrap Fee Programs

Placer Summit does not provide portfolio management services to a wrap fee program(s). Under a wrap fee program, advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and transaction services (*e.g.*, execution of trades) are provided for one fee. This is different than traditional investment management programs whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis.

E. Assets Under Management

As of December 31, 2014, the total amount of client assets managed by Placer Summit is approximately \$133,700,000. Of this total amount, \$122,500,000 of client assets are managed on a discretionary basis and \$11,200,000 of client assets are managed on a non-discretionary basis.

Item 5 - Fees And Compensation

A. Advisory Fees

Investment Management Fees

Investment Management Services Fees

The annual fee for both Discretionary and Non-Discretionary Investment Management Services will be charged as a percentage of assets under management according to the following schedule:

Assets Under Management	Maximum Annual Fee (%)
First \$250,000	1.50%
\$250,001 to \$500,000	1.25%
\$500,001 to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.90%
\$2,000,001 to \$3,000,000	0.80%
\$3,000,001 to \$5,000,000	0.70%
Above \$5 million	0.60%

Placer Summit's annual investment advisory fee is prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. For the first quarter, the annual fee is charged in arrears on the account's first billing cycle. The first quarter's fee is prorated based on the market value at the time cash is deposited or assets are transferred into the account, and the number of days remaining in the quarter. Fees on additional deposits or withdrawals will also be assessed in arrears. Fees are prorated based on the market value at the time the cash is deposited or withdrawn, or assets are transferred into or out of the account, and the number of days remaining in the quarter.

Financial Planning Fees

Financial Planning Services fees will be charged in one or both of two ways:

1. As a fixed fee, typically ranging from \$50 to \$3,000, depending on the nature and complexity of each client's circumstances and the professional rendering the financial planning services; and/or
2. On an hourly basis calculated at a rate of \$250. The length of time it will take to complete the advisory service will depend on the nature and complexity of the individual client's personal circumstances. An estimate for total hours will be determined at the start of the advisory relationship.

Generally, Placer Summit requires one-half of the financial planning fee (estimated hourly or fixed) payable upon entering the written financial planning agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Independent Money Manager Program

Placer Summit will receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated independent money manager.

The fee schedule for this service is the same fee schedule as the one for Investment Management Services (please see above).

The investment management fees charged by the designated independent money manager, together with the fees charged by the wrap fee program sponsor (if applicable) and corresponding designated broker-dealer/custodian of the client's assets, **may be exclusive of, and in addition to**, Placer Summit's investment advisory fee. As discussed below, the client may incur additional fees than those charged by Placer Summit, the designated independent money manager(s), wrap fee program sponsor (if applicable), and corresponding broker-dealer and custodian.

401(k) Retirement Consulting Fees

The annual fee for both 401(k) Retirement Consulting Services will be charged as a percentage of the plan's aggregate assets according to the following schedule:

Plan Assets	Maximum Annual Fee (%)
\$0 - \$1,000,000	0.50%
\$1,000,001 to \$2,000,000	0.45%
\$2,000,001 to \$3,000,000	0.40%
\$3,000,001 to \$5,000,000	0.35%
\$5,000,001 to \$10,000,000	0.30%
\$10,000,001 to \$25,000,000	0.25%
\$25,000,001 to \$50,000,000	0.20%
\$50,000,001 +	0.15%

Placer Summit's annual fee will be paid (or deducted) in accordance with the fee payment policies of the plan's custodian and/or third-party administrator, which may vary from client to client.

401(k) Rebalancing Services Fees

The annual fee for the 401(k) Rebalancing Services will be charged as a fixed fee and will not exceed \$100.

B. Payment Method

There are two options a client may select to pay Placer Summit's advisory services fees:

Direct Debiting

Each quarter, Placer Summit will notify the client's qualified custodian of the amount of the fee due and payable to Placer Summit pursuant to the firm's fee schedule and advisory agreement. The qualified custodian will not validate or check Placer Summit's fees, its corresponding calculation or the assets on which the fee is based unless the client has retained their services to do so. With the client's pre-approval, the qualified custodian will "deduct" the fee from the client's account or, if the client has more than one account, from the account the client has designated to pay Placer Summit's advisory fees.

Each month, the client will receive a statement directly from the qualified custodian showing all transactions, positions and credits/debits into or from the client's account. Statements sent after quarter end will also reflect the advisory fee paid by the client to Placer Summit.

Billing

Placer Summit will issue the client an invoice for the firm's services and the client will pay Placer Summit by check or wire transfer within 30 days' of the date of the invoice, or as negotiated and documented in the client's advisory agreement.

C. Additional Fees and Expenses

Mutual Fund Fees

All fees paid to Placer Summit for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of Placer Summit. In that case, the client would not receive the services provided by Placer Summit which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and the fees charged by Placer Summit to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Trading and Other Costs

All fees paid to Placer Summit for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities and options. Such fees may include odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section entitled "Brokerage Practices" of this disclosure brochure for additional information on brokerage and other transaction costs.

Money Managers Fees and Expenses

All fees paid to Placer Summit for its investment advisory services are separate and distinct from the fees and expenses charged by independent money managers to their clients.

Each independent money manager used involves different custodial, administrative, and fee arrangements, and may require certain minimum initial account investments. These fees and expenses are described in each independent money manager's firm brochure. These fees will generally include a management fee and possible other fees. The actual management fees may be higher or lower for specific independent money manager employing similar strategies.

In certain circumstances a client could invest with an independent money manager directly, without the services of Placer Summit. In that case, the client would not receive the services provided by Placer Summit which are designed, among other things, to assist the client in determining which independent money managers are most appropriate to the client's financial condition and objectives.

D. Termination and Refunds

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any earned, unpaid fees will be due and payable and any prepaid fees will be refunded by the custodian.

E. Additional Compensation

In the event the client desires, the client can engage certain Placer Summit investment adviser representatives (but not Placer Summit itself) to provide securities brokerage services under a commission arrangement. Under this arrangement, the client may implement securities transactions through these individuals in their respective capacities as registered representatives of LPL, a FINRA-registered broker-dealer. Brokerage commissions may be charged by LPL to effect these securities transactions and thereafter, a portion of these commissions may be paid by LPL to such individuals. Prior to effecting any transactions, the client will be required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker dealers.

In addition, certain investment adviser representatives associated with Placer Summit, may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

While Placer Summit does not sell such securities products to its investment advisory clients, Placer Summit does permit certain related persons, in their individual capacities as registered representatives of LPL, to sell securities products to its investment advisory clients. A conflict of interest exists to the extent that Placer Summit recommends the purchase of securities where individuals associated with Placer Summit receive commissions or other additional compensation as a result of Placer Summit's recommendations.

For accounts covered by ERISA (and such others that Placer Summit, in its sole discretion deems appropriate), Placer Summit may modify the foregoing commission arrangement to allow for its investment advisory services to be rendered on a fee-offset basis. In this scenario, Placer Summit may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by these individuals associated with Placer Summit in their capacities as registered representatives of LPL.

F. Important Additional Information

Fees Negotiable

Placer Summit retains the right to modify fees, including minimum account size, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided.

Fee Offset

If a financial planning services client engages Placer Summit for additional investment advisory services, Placer Summit may offset all or a portion of its fees for those services based upon the amount paid for the financial planning services.

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

Placer Summit does not accept performance-based fees or engage in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. 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. Placer Summit's fees are calculated as described above in Item 5 - Fees and Compensation - and are not charged on the basis of a share of the capital gains upon, or capital appreciation of, the funds in a client's account.

Item 7 - Types of Clients

Placer Summit provides investment advisory services to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other types of business entities.

Engaging the Services of Placer Summit

All clients wishing to engage Placer Summit for investment advisory services must first complete the applicable investment advisory agreement as well as any other document or questionnaire provided by Placer Summit. The investment advisory agreement describes the services and responsibilities of Placer Summit to the client. It also outlines Placer Summit's fee in detail. In addition, clients must complete certain broker-dealer/custodial documentation. Upon completion of all these documents, Placer Summit will be considered engaged by the client. Clients are responsible for ensuring that Placer Summit is informed in a timely manner of changes in their investment objectives and risk tolerance.

Neither Placer Summit nor the client may assign the investment advisory agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of Placer Summit are not to be considered an assignment.

A copy of Placer Summit's privacy policy notice and this written disclosure statement are provided to each client prior to or contemporaneously with the execution of the investment advisory agreement. Any client who has not received a copy of Placer Summit's written disclosure statement at least forty eight (48) hours prior to executing the investment advisory agreement shall have five (5) business days subsequent to executing the agreement to terminate Placer Summit's services without penalty.

Additions and Withdrawals to Client's Account

The client may make additions to and withdrawals from the account at any time, subject to Placer Summit's right to terminate an account. Clients may withdraw account assets on notice to Placer Summit, subject to the usual and customary securities settlement

procedures. However, Placer Summit designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

Additions may be in cash or securities provided that Placer Summit reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. Placer Summit may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Conditions for Managing Accounts

Investment Management Services

As a condition for starting and maintaining a relationship, Placer Summit shall generally impose a minimum portfolio size of \$25,000. Placer Summit, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. Placer Summit shall only accept clients with less than the minimum portfolio size if, in the sole opinion of Placer Summit, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Placer Summit may aggregate the portfolios of family members to meet the minimum portfolio size.

Financial Planning Services

There is no minimum account size or annual fee requirement for Financial Planning Services clients.

Independent Money Manager Program

Independent money manager(s) may impose more restrictive account requirements and varying billing practices than Placer Summit. In such instances, Placer Summit may alter its corresponding account requirements and/or billing practices to accommodate those of the independent money manager(s) or wrap fee program sponsor. In addition, independent money managers that are commodity trading advisers will have certain client net worth and income requirements.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

Placer Summit's security analysis methods includes fundamental analysis, technical analysis, cyclical analysis and charting.

Fundamental Analysis

Fundamental analysis is a method of evaluating securities by attempting to measure the intrinsic value of a stock. Fundamental analysts study the overall economy and industry conditions, the financial condition of a company, details regarding the company's product

line, and the experience and expertise of the company's management. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Technical Analysis

Technical analysis involves the examination of past market data rather than specific company data in determining which securities to buy/sell. Technical analysis may involve the use of various quantitative-based calculations, variation metrics and charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of a company. These trends may include put/call ratios, pricing trends, moving averages, volume, changes in volume, among many others. These trends, both short and long-term, are used for determining specific trade entry and exit points and broad economic analysis.

Cyclical Analysis

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (e.g., the entire market/economy) or micro (e.g., company specific) level, rather than the overall fundamental analysis of the health of a particular company. Cyclical analysis involves the historical patterns and trends of securities, markets or economies as a whole in an effort to determine future behaviors, the estimation of price movement and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

Charting

Charting involves the use of patterns in performance charts which might identify favorable conditions for buying and/or selling a security. Charts of market and security activity are reviewed in an attempt to identify when the market is moving up or down and to predict how long the trend will last and when that trend may reverse.

Investment Strategies

Placer Summit will use all or some of the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

Long-Term Purchases

Securities are 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 are 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.

Option Writing

An investment strategy utilizing option writing involves selling (writing) an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells (writes) an option, he or

she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Types of Investments

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to domestic or foreign equity securities, corporate debt securities, certificates of deposit, municipal and United States government securities, mutual funds, exchange traded funds (ETFs), real estate investment trusts (REITs), limited partnerships, and options. In addition, Placer Summit may recommend the use of other independent money managers, which, in turn, may involve the use of futures.

Sources of Information

In conducting security analysis, Placer Summit may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission and company press releases.

Investing Involves Risk

Investing in securities involves risk of loss that each client should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Market Risk.* The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Management Risk.* A client's portfolio is subject to management risk because it is actively managed by Placer Summit's investment professionals. Placer Summit will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and Placer Summit's judgment will produce the intended results.
- *Interest Rate Risk.* Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.
- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing Placer Summit from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.
- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the

rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.

- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

B. Risks Associated with Investment Strategies and Methods of Analysis

Risks Associated with Investment Strategies

Long-Term Purchases

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or your particular investments will decrease in value even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost (e.g., "locking-up" assets that may be better utilized in the short-term in other investments).

Short-Term Purchases

Using a short-term purchase strategy generally assumes that the performance of the financial markets can be accurately predicted over the short-term. The risk associated with a short-term purchase strategy is that there are many factors that may affect market performance in the short-term including interest rate fluctuations, cyclical earnings, etc. Such factors may have a smaller impact over the longer-term. In addition, short-term trading may incur a disproportionately higher amount of transaction costs compared to long-term trading.

Option Writing

There are numerous risks associated with transactions in options on securities or securities indexes and therefore, are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss of principal. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. For example, as the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index (e.g., the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well).

Risk Associated with Methods of Analysis

The analysis of securities requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment.

Placer Summit's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these

securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While Placer Summit is alert to indications that data may be incorrect, there is always the risk that the firm's analysis may be compromised by inaccurate or misleading information.

Fundamental Analysis

Fundamental analysis, when used in isolation, has a number of risks:

- 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.
- The data used may be out of date.
- It ignores the influence of random events such as oil spills, product defects being exposed, acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- The market may fail to reach expectations of perceived value.

Technical Analysis

The primary risk in using technical analysis is that spotting historical trends may not help predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee than Placer Summit will be able to accurately predict such a reoccurrence.

Cyclical Analysis

The primary risk in using cyclical analysis is that 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, there is an attendant difficulty in predicting economic trends. Consequently, the changing value of securities that would be affected by these changing trends.

Charting

The primary risk in using charting analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about a security and yet, day-to-day changes in the market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

C. Risks Associated with Specific Securities Utilized

Common Stocks

The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the issuer's ability to create shareholder value (e.g., increase the value of the company's stock price).

Preferred Stocks

Preferred stock dividends are generally fixed in advance. Unlike requirements to pay interest on certain types of debt securities, the company that issues preferred stock may not be required to pay a dividend and may stop paying the dividend at any time. Preferred stock may also be subject to mandatory redemption provisions and an issuer may repurchase these securities at prices that are below the price at which they were purchased by the investor. Under these circumstances, a client account holding such preferred securities could lose money.

Fixed-Income Securities

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit may be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (e.g., corporate bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.
- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors may have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

Municipal Bonds

In addition to the risks set forth under “Fixed-Income Securities” above, municipal bonds are susceptible to events in the municipality that issued the bond or the security posted for the bond. These events may include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

Exchange Traded Funds

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund. There is also the risk that a manager may deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client’s portfolio. ETFs may also carry additional

expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. In addition, while many ETFs are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these ETFs or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of an ETF’s portfolio, may be considered “non-qualified” under certain tax code provisions.

Equity Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor’s shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client’s portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

Fixed-Income Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also the same risks as set forth under “Fixed-Income Securities” listed above.

Indexed Funds

Indexed Funds have the potential to be affected by “tracking error risk” which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a “sample index” that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund’s portfolio, may be considered “non-qualified” under certain tax code provisions.

Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

Real Estate Related Securities

Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation, possible lack of availability of mortgage funds, overbuilding, extending vacancies of properties, increases in competition, property taxes and operating expenses, changes in zoning laws, costs resulting from clean up of, and liability to third-parties for damages resulting from, environmental problems, casualty and condemnation losses, uninsured damages from floods, earthquakes or other natural disasters, limitations on and variations in rents and changes in interest rates. Investing in Real Estate Investment Trusts (“REITs”) involves certain unique risks in addition to those risks associated with investing in real estate in general. REITs are dependent upon the skills of management, are not diversified and are subject to cash flow dependency, default by borrowers and self-liquidation.

Alternative Investments

The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

Independent Money Managers

As further discussed in the section “Advisory Business” of this disclosure brochure, Placer Summit may recommend that clients authorize the active discretionary management of a portion of their assets by certain independent money managers, based upon the stated investment objectives of the client. Placer Summit shall continue to render services to the client relative to the discretionary and/or non-discretionary selection of the independent money managers as well as the monitoring and review of account performance and client investment objectives. When selecting an independent money manager for a client, Placer Summit will review:

- Information about the independent money managers (such as its disclosure statement); and/or
- Material supplied by the independent money managers or independent third parties for a description of the independent money manager’s investment strategies, past performance and risk results.

Note that there may be other circumstances not described here that could adversely affect a client’s investment and prevent their portfolio from reaching its objective.

D. Cash Management

Cash is invested in an insured money market fund. Depending on balances, rates and market conditions, Placer Summit may utilize a higher yielding money market fund.

Item 9 - Disciplinary History

Placer Summit is required to disclose any legal or disciplinary events that are material to a client's or a prospective client's evaluation of the firm's advisory business or the integrity of Placer Summit's management. Neither Placer Summit nor any of its supervised persons have ever been disciplined by a regulatory agency.

Item 10 - Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration and Registered Representatives

Registered Representatives

Three investment adviser representatives affiliated with Placer Summit – Scott Thomas, Louis Barrientos and Rod Waterbury - are also registered representatives of LPL Financial ("LPL"), a FINRA-registered broker-dealer. As registered representatives of LPL, these individuals are permitted to receive commissions on securities transactions.

To the extent that clients wish one or more of these individuals to implement any recommendations made by Placer Summit, the purchase or sale of any securities in conjunction with the implementation of such recommendations is made through LPL. Clients are free, however, to implement Placer Summit's recommendations through any broker-dealer that they choose. The receipt of commissions for recommended products could represent an incentive for these individuals to recommend products that pay a commission over other products, therefore creating a conflict of interest. Additionally, if a client implements the recommendation through these individuals, the client may be limited to those products or services available through LPL.

Commissions earned may be higher or lower at LPL than other broker-dealers. Notwithstanding the fact that these individuals are registered representatives of LPL, each investment adviser representative of Placer Summit is solely responsible for the investment advice rendered. Placer Summit's advisory services are provided separately and independently of LPL.

Insurance Agents

Certain investment adviser representatives associated with Placer Summit, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While Placer Summit does not sell such insurance products to its investment advisory clients, Placer Summit does permit these investment adviser representatives, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that Placer Summit recommends the purchase of insurance products where individuals associated with Placer Summit receive insurance commissions or other additional compensation.

B. Futures and Commodity Registration

Placer Summit is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application

pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

C. Financial Industry Affiliations

Placer Summit does not have any financial industry affiliations to disclose.

D. Selection of Other Advisers

As described in the “Independent Money Manager Program” section of this disclosure brochure, Placer Summit will occasionally recommend that a client use another registered investment adviser for services or investment strategies not offered by Placer Summit. If a client decides to engage the services of the other registered investment adviser, Placer Summit will receive an ongoing referral fee (commonly known as a solicitor’s fee) directly from that other investment adviser. While Placer Summit will only recommend other registered investment advisers that will best serve the interests of Placer Summit’s clients, the payment of a referral fee to Placer Summit causes a conflict of interest between Placer Summit and the client. The theory is that Placer Summit’s recommendation to use the other investment adviser is tainted by Placer Summit’s receipt of the referral fee; hence the conflict between the client’s interests and Placer Summit’s interests.

While Placer Summit cannot eliminate this conflict of interest, it can alert clients to its existence. Placer Summit does this by providing the client with a “Solicitor’s Disclosure Document” that explains the financial relationship between Placer Summit and the other investment adviser. The Solicitor’s Disclosure Document details the amount of the referral fee paid to Placer Summit.

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

Code of Ethics

Placer Summit has adopted a Code of Ethics to prevent violations of federal securities laws; including the unlawful use of what is commonly called “inside information”. The Code of Ethics is predicated on the principle that Placer Summit and its employees owe a fiduciary duty to its clients. Accordingly, Placer Summit expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. Placer Summit and its employees are required to adhere to the Code of Ethics. At all times, Placer Summit and its employees must (i) place client interests ahead of Placer Summit’s; (ii) engage in personal investing that is in full compliance with Placer Summit’s Code of Ethics; and (iii) avoid taking advantage of their position. In addition, the Code of Ethics requires that certain individuals report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients and prospective clients may request a copy of Placer Summit’s Code of Ethics by contacting Louis Barrientos, Chief Compliance Officer of Placer Summit, at 916-749-3825.

Participation or Interest in Client Transactions

Individuals associated with Placer Summit may effect securities transactions for compensation.

Three investment adviser representatives affiliated with Placer Summit – Scott Thomas, Louis Barrientos and Rod Waterbury - are all registered representatives of LPL Financial (“LPL”), a FINRA-registered broker-dealer. To the extent that clients wish one or more of these individuals to implement any recommendations made by Placer Summit, the purchase or sale of any securities in conjunction with the implementation of such recommendations is made through LPL. Clients are free, however, to implement Placer Summit’s recommendations through any broker-dealer that they choose. The receipt of commissions for recommended products could represent an incentive for these individuals to recommend products that pay a commission over other products, therefore creating a conflict of interest. Additionally, if a client implements the recommendation through these individuals, the client may be limited to those products or services available through LPL.

Individuals associated with Placer Summit may buy, sell, or hold in their personal accounts the same securities that they recommend to clients.

As this represents a conflict of interest, Placer Summit has enacted certain policies and procedures to ensure that its client’s interests always come first. For example, unless specifically permitted in Placer Summit’s Code of Ethics, no individual associated with Placer Summit may make any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Placer Summit’s clients. This restriction extends to their immediate family (e.g., spouse, minor children, and adults living in the same household) as well.

In addition, when Placer Summit is purchasing or considering for purchase any security on behalf of a client, no individual associated with Placer Summit may make a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Placer Summit is selling or considering the sale of any security on behalf of a client, no individual associated with Placer Summit may make a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Item 12 - Brokerage Practices

A. Broker Selection

Placer Summit generally has the authority to determine the broker dealer to be used and the commission rates paid. Placer Summit will generally recommend that clients utilize the brokerage and clearing services of LPL Financial (“LPL”) and/or TD Ameritrade, Inc. (“TDA”) for investment management accounts.

Placer Summit participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of

transactions. Placer Summit receives some benefits from TD Ameritrade through its participation in the Program.

Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Placer Summit will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests Placer Summit to arrange for the execution of securities brokerage transactions for the client’s account; Placer Summit shall direct such transactions through broker-dealers that Placer Summit reasonably believes will provide best execution. Placer Summit shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Broker Analysis

Placer Summit evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving Placer Summit.

Also in consideration is such broker-dealers’ provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by “soft dollars”, as further discussed in the “Research/Soft Dollars Benefits” section immediately below). Accordingly, if Placer Summit determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

Placer Summit’s portfolio managers are responsible for continuously monitoring and evaluation the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, Placer Summit periodically reviews its transaction costs in light of current market circumstances and other relevant information.

Research/Soft Dollar Benefits

Overview

Placer Summit's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), Placer Summit will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, Placer Summit will generally determine, considering all the factors described below, that the compensation to be paid to the broker is reasonable in relation to the value of all the brokerage and research products and services provided by the broker. In making this determination, Placer Summit will typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in Placer Summit's performance of its overall responsibilities to all of its clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.

Research and Brokerage Products and Services

"Research" products and services Placer Summit may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to Placer Summit in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit Placer Summit to effect securities transactions and perform functions incidental to transaction execution. Placer Summit generally uses such products and services in the conduct of its investment decision-making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

Other Uses and Products

Placer Summit may use some products or services not only as "research" and as brokerage (i.e., to assist in making investment decisions for clients or to perform functions incidental to transaction execution) but for administrative and other purposes as well. In these instances, Placer Summit will make a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable making investment decisions and executing transactions is paid with commission dollars and Placer Summit bears the cost of the balance. Placer Summit's interest in making such an allocation differs from clients' interest, in that Placer Summit has an incentive to designate as much as possible of the cost as research and brokerage in order to minimize the portion that Placer Summit must pay directly.

Mutual Fund Transactions

Although shares of no-load mutual funds can be purchased and redeemed without payment of transactions fees, Placer Summit may, consistent with its duty of best execution, determine to cause client accounts to pay transaction fees that may be higher than those obtainable from other broker-dealers when purchasing shares of certain no-load mutual funds in order to obtain “research”. This research may not be used for the exclusive benefit of the clients who pay transaction fees in purchasing mutual fund shares.

TD Ameritrade

Placer Summit participates in TD Ameritrade’s institutional customer program and Placer Summit may recommend TD Ameritrade to clients for custody and brokerage services.

There is no direct link between Placer Summit’s participation in the program and the investment advice it gives to its clients, although Placer Summit receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors, including 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 adviser participants;
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- The ability to have advisory fees deducted directly from client accounts;
- Access to an electronic communications network for client 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 Placer Summit by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by Placer Summit’s related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Placer Summit but may not benefit its client accounts. These products or services may assist Placer Summit in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Placer Summit manage and further develop its business enterprise.

The benefits received by Placer Summit or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Placer Summit endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Placer Summit or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Placer Summit’s choice of TD Ameritrade for custody and brokerage services.

LPL

As discussed in the section entitled “Other Financial Industry Activities and Affiliations” of this disclosure brochure, certain investment adviser representatives affiliated with Placer Summit are, in their respective individual capacities, registered representatives of LPL. These individuals are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless LPL provides written consent.

Clients are advised that these individuals may be restricted to conducting securities transactions through LPL unless they first secure written consent from LPL to execute securities transactions through a different broker-dealer. Absent such written consent or separation from LPL, these individuals are prohibited from executing securities transactions through any broker-dealer other than LPL under LPL’s internal supervisory policies. Placer Summit is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Placer Summit may receive from LPL, without cost to Placer Summit, computer software and related systems support, which allow Placer Summit to better monitor client accounts maintained at LPL. Placer Summit may receive the software and related support without cost because Placer Summit renders investment management services to clients that maintain assets at LPL. The software and related systems support may benefit Placer Summit, but not its clients directly. In fulfilling its duties to its clients, Placer Summit endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Placer Summit’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Placer Summit’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Directed Brokerage

Certain clients may direct Placer Summit to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, Placer Summit is required to disclose that Placer Summit may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates Placer Summit might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money.

Placer Summit reserves the right to decline acceptance of any client account that directs the use of a broker dealer other than LPL or TD Ameritrade, if Placer Summit believes that the broker dealer would adversely affect its fiduciary duty to the client and/or ability to effectively service the client portfolio.

As a general rule, Placer Summit encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

B. Trade Aggregation/Allocation

Investment Management

Transactions for each client generally will be made independently, unless Placer Summit decides to purchase or sell the same securities for several clients at approximately the same time. Placer Summit may (but is not obligated to) combine or “batch” such orders to:

- Obtain best execution;
- Negotiate more favorable commission rates; or
- Allocate equitably among Placer Summit’s clients, differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to price and allocated among Placer Summit’s clients pro rata. When aggregating lien trade orders, Placer Summit will not receive any additional compensation or remuneration as a result of the aggregation. In the event that Placer Summit determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- Allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed);
- With respect to sale allocations, allocations may be given to accounts low in cash;
- In cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, Placer Summit may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or
- In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Financial Planning

Placer Summit's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price.

C. Trade Errors

Trade errors made by Placer Summit or the custodian are promptly reported to the custodian and will be rectified with no adverse financial effect on the client. In the event of an error by

the client, Placer Summit will do its best to mitigate the impact of the error on the clients account.

Item 13 - Review Of Accounts

Reviews

For those clients to whom Placer Summit provides investment management services, Placer Summit monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. 401(k) Retirement Consulting Services accounts will be reviewed as contracted for at the inception of the advisory relationship. For those clients to whom Placer Summit provides financial planning services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Placer Summit’s investment adviser representatives.

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Placer Summit and to keep Placer Summit informed of any changes thereto. Placer Summit shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Reports

Clients are provided with transaction confirmation notices and summary account statements at least quarterly directly from the broker-dealer or custodian for the client’s accounts. Those clients to whom Placer Summit provides financial planning services will receive reports from Placer Summit summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Placer Summit. For 401(k) Retirement Consulting accounts, Placer Summit will provide reports as contracted for at the inception of the advisory relationship.

Item 14 - Client Referrals And Other Compensation

A. Economic Benefits

Placer Summit does not receive any economic benefits (e.g., sales incentives, prizes) from non-clients for providing investment advice.

B. Client Referrals

From time to time, Placer Summit may retain solicitors to refer clients to Placer Summit. If a client is introduced to Placer Summit by either an unaffiliated or an affiliated solicitor, Placer Summit may pay that solicitor a referral fee in accordance with all requirements of the Investment Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Placer Summit’s investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Placer Summit by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of this written disclosure statement together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement

between Placer Summit and the solicitor, including the compensation to be received by the solicitor from Placer Summit. Any affiliated solicitor of Placer Summit shall disclose the nature of their relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this written disclosure statement.

Item 15 - Custody

Discretionary Investment Management Services

Custody of client assets will be maintained with the independent custodian selected by the client. Placer Summit will not have physical custody of any assets in the client's account except as permitted for payment of advisory fees. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize Placer Summit to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. Clients are urged to carefully review the account statement sent by the broker-dealer/custodian and to compare the account statement provided by the broker-dealer/custodian with any statements provided by Placer Summit.

Non-Discretionary Investment Management Services

Client assets will be maintained at either the specific insurance company that issued the variable life/annuity product owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

Item 16 - Investment Discretion

For those client accounts over which Placer Summit has discretion, Placer Summit requests that it be provided with written authority (e.g., limited power of attorney contained in Placer Summit's Investment Management Agreement) to determine the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments shall be submitted in writing.

Placer Summit generally has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected: (1) which securities are bought and sold for the account and (2) the total amount of securities to be bought and sold. Placer Summit's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between Placer Summit and the client.

Item 17 - Voting Client Securities

Proxy Voting

Placer Summit does not vote proxies on behalf of its clients. Therefore, the client that maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. Placer Summit and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients can contact Louis Barrientos, Chief Compliance Officer of Placer Summit, at 916-749-3825 if they have questions regarding a particular solicitation.

Class Action Settlements

Although Placer Summit may have discretion over client accounts, it will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

Item 18 - Financial Information

A. Prepayment of Fees

Because Placer Summit does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, Placer Summit is not required to include a balance sheet with this disclosure brochure.

B. Financial Condition

Placer Summit does not have any adverse financial conditions to disclose.

C. Bankruptcy

Placer Summit has never been the subject of a bankruptcy petition.

Item 19 - Additional Information

Privacy Notice

Placer Summit views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. Placer Summit does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, Placer Summit may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. Placer Summit restricts internal access to nonpublic personal information about

the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for Placer Summit. As emphasized above, it has always been and will always be Placer Summit's policy never to sell information about current or former clients or their accounts to anyone. It is also Placer Summit's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of Placer Summit's Privacy Policy, please contact Louis Barrientos, Chief Compliance Officer of Placer Summit, at 916-749-3825.

Requests for Additional Information

Clients may contact Louis Barrientos, Chief Compliance Officer of Placer Summit, at 916-749-3825 to request additional information or submit a complaint. Written requests and complaints should be sent to Placer Summit Financial Group, LLC, 1410 Rocky Ridge Drive, Suite 150, Roseville, CA 95661.