

**Firm Brochure**  
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of PGR Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at: (408) 871-1590, or by email at: [kroemers@pgrsolutions.com](mailto:kroemers@pgrsolutions.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 PGR Solutions, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

3/1/2015

**Item 2: Material Changes**

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**Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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**Material Changes since the Last Update**

The Advisor has revised this brochure to reflect the increase in firm's assets under management.

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**Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (408) 871-1590 or by email at: [kroemers@pgrsolutions.com](mailto:kroemers@pgrsolutions.com)

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## Item 4: Advisory Business

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### **Firm Description**

PGR Solutions, LLC, (“the Advisor”) was founded in 2002 and is an SEC registered investment advisor.

The Advisor provides personalized investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning. In addition to investment management the Advisor provides administrative and portfolio support services to other third party investment managers and/or registered representatives of broker dealers and the Advisor, doing business as PGR Retirement Plan Services, provides retirement plan administration and consulting services to qualified retirement plan sponsors.

The Advisor is a fee-only investment management firm and does not sell securities on a commission basis. However, there may be some associated persons who are in other fields where they receive commissions as compensation. The firm is not affiliated with entities that sell financial products or securities.

Investment advice is provided, with the client making the final decision on investment selection. The Advisor does not act as a custodian of client assets and the client always maintains asset control.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Any conflicts of interest arising out of the Advisor or its associated persons are disclosed in this brochure.

### **Principal Owners**

J William Pihl 27% stockholder, David E. Roberts 27% stockholder, and Dan Gutierrez 27% stockholder

### **Types of Advisory Services**

The Advisor provides investment supervisory services, also known as asset management services and manages investment Advisory accounts not involving investment supervisory services. On more than an occasional basis, the Advisor furnishes advice to clients on matters not involving securities, such as financial planning matters, investment management administration, retirement plan consulting and administrative services and actuarial services. The Advisor does not offer wrap fee programs.

As of December 31<sup>st</sup> 2014, PGR Solutions LLC manages approximately \$549,804,045 in assets for approximately 841 clients. Approximately \$318,239,165 is managed on a discretionary basis, and \$231,564,880 is managed on a non-discretionary basis.

### **Types of Agreements**

The following agreements define the typical client relationships. Agreements may not be assigned without client consent.

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**Investment Advisory Agreement**

Advisor provides investment advice and management to individually managed accounts. Advisor acts on a non-discretionary basis with respect to these accounts and client assets are deposited in a qualified custodian account. The Advisor uses a proprietary allocation technology called “Portfolio Builder” to arrive at customized portfolio allocations for each client. The allocations for each client are achieved through the use of mutual funds, primarily provided by Dimensional Fund Advisors.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made to adjust the portfolio allocation on an ongoing basis.

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**Administrative Services Agreement**

The Advisor provides administrative and portfolio support services to clients, other third party investment managers and/or registered representatives of broker dealers. These services include access to Portfolio Builder for the third party to determine an appropriate allocation for their clients. Additional, back office services include but are not limited to documentation, client transaction processing per clients' instructions, file maintenance, and access to DFA Mutual Funds.

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**Investment Management Agreement**

The Advisor provides model management services to other third party investment managers and/or broker dealers. These services include access to model allocations in Portfolio Builder for the third party to determine an appropriate allocation for their clients. Advisor has no direct relationship with end-user clients. Additional services are generally limited to representative/agent education and access to DFA Mutual Funds.

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**Retirement Plan Services Agreement**

The Advisor, doing business as PGR Retirement Plan Services, provides retirement plan administration and consulting services to qualified retirement plan sponsors. These Administrative Services generally include plan design consulting, non-discrimination testing, Form 5500 preparation, general plan consulting, employee education and enrollment materials, and trustee consulting. Advisory services generally include employee education and enrollment meetings and investment management and discretionary advisory services to the Plan Sponsor and/or its employees in accordance with the Plans' Investment Policy Statements. Additional services include but are not limited to file maintenance, and access to DFA Mutual Funds.

There is a conflict of interest in the offering of the Retirement Planning Services in that the Advisor also will earn investment management and administrative fees in addition to the Retirement Planning Service Fees. Thus, in evaluating these services the client should consider the total cost of all three service schedules when comparing services elsewhere. The Advisor does not make any representation that these services are at the lowest cost available and the third party advisors and their clients may be able to obtain those services at a more favorable rate from other providers. The Advisor mitigates the conflict by supervisory review of the provision of Retirement Planning Services in combination with the investment management and administrative services to ensure they are appropriate for each client and that the Advisor meets its fiduciary responsibility to its clients.

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#### **Other Services Agreements**

Advisor may do general financial planning work for investment advisory clients. Such work is preliminary to and generally compensated solely by the fees for investment supervisory services. Financial planning may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Advisor. There is an inherent conflict of interest for the Advisor whenever a financial plan recommends use of professional investment management services. The Advisor or its associated persons may receive compensation as a result of the recommendation for the provision of investment management services. The client is under no obligation to accept any of the recommendations of the Advisor or use the services of the Advisor in particular.

Additionally, Advisor may provide actuarial consulting work for non-investment advisory clients. Such work is billed on an hourly basis directly to the client at \$200/hr. The Advisor at its sole discretion may elect to charge a different fee for this service or waive the fee entirely. The Advisor does not make any representation that these services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers.

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#### **Asset Management**

Assets are invested primarily in no-load or low-load mutual funds, usually through brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds transferred to Advisor will not be held in client accounts and will be sold through a brokerage account as needed, usually as an accommodation or when transacting legacy securities. The brokerage firm charges a fee for stock and bond trades.

The Advisor does not receive any compensation, in any form, from fund companies.

Initial public offerings (IPOs) are not available through the Advisor.

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#### **Termination of Agreement**

The client may terminate immediately Advisor's investment management services within five (5) days of signing the agreement and will not be charged a fee provided no assets have transferred

to the account. After then, the investment management agreement may be terminated at any time by mutual consent of the parties, or without such consent, by either party giving to the other party written notice of termination concurrent with or in advance of the termination date. If the agreement is terminated, client will only be charged a pro-rated fee up through the effective date of termination.

The third party investment management services may be terminated by either party with written or verbal notice concurrent with or in advance of the effective termination date. Prepaid investment management fees, if any, will be returned to the third party.

The retirement plan consulting and administrative services may be terminated by either party with written notice 30 days prior to the effective termination date. Termination fees ranging from \$500 to \$2,000, depending on services, apply.

The Advisor reserves the right to stop work on any account that is more than 30 days overdue. In addition, the Advisor reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Advisor's judgment, to providing proper financial advice.

## **Item 5: Fees and Compensation**

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### **Investment Advisory Services**

The Advisor bases its fees on a percentage of assets under management and in some rare instances may charge hourly for actuarial consulting work for non-investment Advisory clients. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Both Advisory and Administrative Investment Management Fees are charged on all accounts. Fees for investment Advisory accounts are payable quarterly in arrears and are calculated based on the average daily account balance during the quarter. The percentage annual fee charged is based on the following schedule:



<b>Annualized Investment Management Fees</b>		
<b>Account Value From</b>	<b>Account Value To</b>	<b>Annual Percentage Fee</b>
\$0	\$299,999	Not to Exceed 1.25%
\$300,000	\$999,999	Not to Exceed 1.00%
\$1,000,000	\$2,499,999	Not to Exceed 0.75%
\$2,500,000	\$4,999,999	Not to Exceed 0.65%
\$5,000,000	\$9,999,999	Not to Exceed 0.50%
\$10,000,000	\$14,999,999	Not to Exceed 0.35%
Over \$15,000,000		Negotiated

The Advisor at its sole discretion may elect to charge a client a fee different from the above schedule. The Advisor may and does provide investment management services to persons related to the Advisor at no management fee.

The Advisor relies solely on mutual funds in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to The Advisor. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by The Advisor. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund without the services of The Advisor. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by The Advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the Advisory services being provided.

The client may terminate immediately Advisor's services within five (5) days of signing the agreement and will not be charged a fee. After then, the investment management agreement may be terminated at any time by mutual consent of the parties, or without such consent, by either party giving to the other party written notice of termination. If the agreement is terminated, any unused portion of any prepaid management fees will be returned to the client.

Wholesalers – PGR Solutions, LLC offers its investment management services to third party unaffiliated registered investment advisors and broker-dealers. The firm's that utilize PGR's investment management services receive transparent management of the model portfolios, but no back-office support. The benefit to these firms is that it allows them access to DFA Funds and to outsource their portfolio management needs by placing their clients in the PGR model portfolios

that best suit their clients' needs. These firms sign an agreement with PGR, but their clients do not.

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**Administrative Services**

For clients where PGR provides Investment Advisory Services, these fees are charged in addition to Investment Advisory fees on each account. The fees for these services are based on the following schedule:

<b>Annualized Investment Management Fees</b>		
<b>Account Value From</b>	<b>Account Value To</b>	<b>Annual Percentage Fee</b>
\$0	\$999,999	Not to Exceed 0.34%
\$1,000,000	\$4,999,999	Not to Exceed 0.21%
\$5,000,000	\$14,999,999	Not to Exceed 0.14%
Over \$15,000,000		Not to Exceed 0.06%

These fees are stepped in that the stated fee is applied to the client's entire average daily balance. The above annual fees are charged quarterly in arrears. The Advisor at its sole discretion may elect to charge a fee different from the above schedule or waive the fee entirely. The Advisor does not make any representation that these services are at the lowest cost available and the third party advisors and their clients may be able to obtain those services at a more favorable rate from other providers. Any prepaid administrative fees will be returned to the third party.

Turnkey Asset Management Program ("TAMP") – PGR Solutions offers TAMP services to third party unaffiliated investment advisors and broker-dealers. The firms that utilize TAMP services receive administrative support as a solution to their back-office and trading needs. The benefit to the firms is that it allows them to focus their efforts on building their business and servicing clients. The firms' clients sign PGR's administrative service agreement, but are not considered clients of PGR for purposes of calculating AUM. For accounts opened through the TAMP program, PGR collects the administrative service fees as indicated above.

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**Retirement Plan Services**

Advisory Fees for Retirement Plan Services accounts are payable quarterly in arrears and are calculated based on the account balance on the last day of each quarter. The percentage annual fee charged is based on the following schedule:

## Plan Investment Advisory Services:

<b>Annualized Investment Management Fees</b>		
<b>Account Value From</b>	<b>Account Value To</b>	<b>Annual Percentage Fee</b>
\$0	\$499,999	Not to Exceed 1.21%
\$500,000	\$999,999	Not to Exceed 1.00%
\$ 1,000,000	\$1,999,999	Not to Exceed 0.89%
\$2,000,000	\$3,499,999	Not to Exceed 0.79%
\$3,500,000	\$4,999,999	Not to Exceed 0.68%
\$5,000,000	\$7,499,999	Not to Exceed 0.56%
\$7,500,000	\$9,999,999	Not to Exceed 0.49%
\$10,000,000	\$14,999,999	Not to Exceed 0.41%
Over \$15,000,000		Negotiated

These fees are stepped in that the stated fee is applied to the client's entire quarter ending balance. The above annual fees are charged quarterly in arrears.

Additional flat, annual Retirement Plan Administration fees may be charged and are determined by the complexity of the Plan, the nature of the services provided and the amount of setup required for those services. These fees may be:

Annual base administration fee:	Between \$800 and \$3,500 per plan
Annual plan participant fees:	Between \$26 and \$50 per participant

Additional flat rate fees may apply for specific non-Advisory services pertaining to plan administration and are negotiable but typically range from \$100 to \$2,000. Those flat plan administrative service fees vary based on plan size, number of participants and services provided and are disclosed to client prior to service being provided. The Advisor at its sole discretion may elect to charge a fee different from the above schedule or waive the fee entirely.

When evaluating these services the client should consider the total cost of asset-based Advisory fees as well as flat, annual Retirement Plan Administration service schedules when comparing services elsewhere. The Advisor does not make any representation that these services are at the lowest cost available and the third party advisors and their clients may be able to obtain those services at a more favorable rate from other providers. The Advisor mitigates the conflict by supervisory review of the provision of Retirement Planning Services in combination with the investment management services to ensure they are appropriate for each client and that the Advisor meets its fiduciary responsibility to its clients.

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### **Investment Management Services**

Investment Management Fees are calculated and charged in a manner consistent with the Advisor's fee calculation methodology. The percentage annual fee charged ranges between 0.10% and 0.34% annually.

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### **Other Fees**

The Advisor may include mutual funds, variable annuity products, ETFs and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to the Advisor. The Advisor, from time to time, may select or recommend investments with fees that are separately charged by the product providers and are separate and distinct from the management fee charged by the Advisor. The amounts of these fees and to thereby evaluate the Advisory services being provided are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Advisor. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Advisor to fully understand the total amount of fees to be paid by the client.

Investment Advisory clients are required to use the custodian recommended by the Advisor, Trust Company of America. The fees charged by the custodian range from a one basis point to 26 basis points depending on the amount of assets custodied. The Advisor does not make any representation that these products and services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers.

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**Fee Billing**

Investment management fees are billed quarterly, in arrears meaning that we invoice you after the three-month billing period has ended. The billing, or Fee Statement, is either included in the statement sent to you directly from the custodian or is sent separately by Advisor depending on the type of service received. Payment in full is expected upon invoice presentation. Fees are deducted from the client account to facilitate billing as authorized by the investment management agreement.

**Item 6: Performance Fees**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. The Advisor does not use a performance-based fee structure.

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**Conflict of Interest Between Different Fee Structures**

The Advisor offers several different services detailed in this brochure that compensate the Advisor differently depending on the service selected. There is a conflict of interest for the Advisor and its associated personnel to recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses. The Advisor mitigates this conflict through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, the Advisor is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

**Item 7: Types of Clients**

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**Description**

The Advisor generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations and corporations or business entities. Client relationships vary in scope and length of service.

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**Account Minimums**

The Advisor generally prefers a \$40,000 minimum investment to open an account. Advisor may accept a smaller amount at its sole discretion.

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

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**Methods of Analysis**

Security analysis methods may include fundamental analysis and cyclical analysis. The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the Securities and Exchange Commission.

The Advisor also makes use of a proprietary technology in the allocation of assets within a client's account called Portfolio Builder. Portfolio Builder includes six basic allocations that are tailored to differing levels of financial need and risk tolerance. Investment Advisor Representatives may select one of those six or further modify the allocation based on the specific needs of each client. Portfolio Builder also provides suggested mutual funds to fill the client allocations and also provides modeled historical performance information based on the client's specific allocation.

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### **Investment Strategies**

Portfolios are globally diversified to control the risk associated with traditional markets. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a Risk Tolerance Questionnaire and interview with their Advisor representative that documents their objectives and their desired investment strategy. The Advisor's strategies do not involve frequent trading. The Advisor uses a long-term purchases strategy meaning securities held at least a year.

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### **Market, Security and Regulatory Risks**

Any investment with the Advisor involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

Market Risks:

- **Competition:** The securities industry and the varied strategies and techniques to be engaged in by the Advisor are extremely competitive and each involves a degree of risk. The Advisor will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.
- **Market Volatility:** The profitability of the Advisor substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Advisor cannot guarantee that it will be successful in accurately predicting price and interest rate movements.
- **PGR Solutions, LLC's Investment Activities:** The Advisors' investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Advisor. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Advisor to realize profits. Additionally, specific investments under the Advisors' strategy may require significant time to realize the expected return and may experience a pricing correction in a faster-than-expected time, subjecting the Advisor to reinvestment risk. Likewise, the investment strategy of the Advisor is partially dependent on its ability to correctly identify and assess technology's impact on a company's business. As a result of the nature of the Advisors' investing activities, it is

possible that its financial performance may fluctuate substantially over time and from period to period.

- **Material Non-Public Information:** By reason of their responsibilities in connection with other activities of the advisor and/or its affiliates, certain principals or employees of the Advisor and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Advisor will not be free to act upon any such information. Due to these restrictions, the Advisor may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.
- **Accuracy of Public Information:** The Advisor selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Advisor by the issuers or through sources other than the issuers. Although the Advisor evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Advisor is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.
- **Volatility of Currency Prices:** The profitability of the Advisors' portfolios depends, in part, upon the Advisor correctly assessing the future price movements of currencies. However, price movements of currencies are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. The Advisor cannot guarantee that it will be successful in accurately predicting currency price and interest rate movements.

**Market or Interest Rate Risk:** The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Advisor holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Advisor's performance; however, if the Advisor has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Advisor.

**Investments in Non-U.S. Investments:** From time to time, the Advisor may invest and trade a portion of its assets in non-U.S. securities and other assets (through mutual funds of foreign securities and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or



terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.

- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Advisor may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Advisor's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Advisor's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Advisor's foreign currency holdings. If the Advisor enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Advisor enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

**Risk of Default or Bankruptcy of Third Parties:** The Advisor may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Advisor could suffer losses if counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In addition, the Advisor could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Advisor does business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if the Advisor's prime broker and custodian were to become insolvent or file for bankruptcy, the Advisor could suffer significant losses with respect to any securities held by such firm.

**Regulatory Risks:**

- **Strategy Restrictions:** Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Advisor may engage. Such institutions, including entities subject to ERISA, should consult their own Advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Advisor is appropriate.
- **Trading Limitations:** For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Advisor to loss. Also, such a suspension could render it impossible for the Advisor to liquidate positions and thereby expose the Advisor to potential losses.



- **Tax Risk:** The tax aspects of an investment in the Advisor are complicated and each investor should have them reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles as applicable.
- **Conflicts of Interest:** In the administration of client accounts, portfolios and financial reporting, the Advisor faces inherent conflicts of interest which are described in this brochure. Generally, the Advisor mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.
- **Supervision of Trading Operations:** The Advisor's, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite The Advisor's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Security Specific Risks:

- **Currency:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk
- **Limited Liquidity of Interests:** An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for the interests the Advisor and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

## **Item 9: Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **Affiliations**

The Advisor has material relationships with certain broker dealers and investment advisors that use the Advisor's administrative investment management services to augment their own investment management services as previously described under Administrative Investment Management Services and Retirement Plan Services

The Advisor's associates are CPAs and licensed real estate agents/brokers. Client's use of the accountancy services or real estate services of investment advisor representatives is not required

and the Advisor does not represent these services are available at the lowest cost. A conflict of interest exists in that the associates will devote time to these other business activities as needed which are separate and distinct from the Advisor's investment management services. However, this conflict is mitigated by the Advisor ensuring that it and its associated persons fulfill the fiduciary responsibility to the client and that at no time are the clients compromised by the outside activities.

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**Item 11: Code of Ethics, Participation in Client Transactions and Personal Trading**

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**Code of Ethics**

The Advisor has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Advisor's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Advisor's Compliance Officer. Each supervised person of the Advisor receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Advisor's Code of Ethics by contacting the Compliance Officer of the Advisor.

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**Participation or Interest in Client Transactions**

Under the Advisor's Code of Ethics, the Advisor and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. Given that the Advisor almost exclusively only purchases mutual funds for client portfolios, it is an uncommon occurrence for individual securities to be purchased for client portfolios. However, if an issue is purchased or sold for clients and any of the Advisor, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Advisor, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Advisor and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

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**Personal Trading**

The Chief Compliance Officer of The Advisor is Kelly Roemers. She reviews all employee trades each quarter (except for her own trading activity that is reviewed by another principal or officer of the Firm). The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

**Item 12: Brokerage Practices**

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**Brokerage Selection and Soft Dollars**

The Advisor has the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. The Advisor may recommend brokerage firms as qualified custodians and for trade execution.

In selecting brokers or dealers to execute transactions, Advisor will seek to achieve the best execution possible but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Advisor is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. It is the policy and practice of the Advisor to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Advisor may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Advisor makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Advisor will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Advisor has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

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**Order Aggregation**

The nature of the clients and/or trading activity on behalf of client accounts are such that trade aggregation does not garner any client benefit (in regards to mutual fund or exchange traded funds for example).

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**Directing Brokerage for Client Referrals**

The Advisor and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

**Item 13: Review of Accounts**

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**Periodic Reviews**

Account reviews are performed annually by the Advisor representatives. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

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**Review Triggers**

Accounts are reviewed at least annually or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

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**Regular Reports**

Clients receive statements of account positions no less than quarterly from the custodian of the account.

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**Item 14: Client Referrals and Other Compensation**

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**Incoming Client Referrals**

The Advisor makes cash payments to the introducing broker-dealer, investment Advisory firm or qualified solicitor for client referrals provided that each such solicitor will provide all prospective clients with a copy of the Advisor's Form ADV Part 2 and a separate written disclosure document which fully informs the client regarding the nature of the relationship between the solicitor and the Advisor and any fees to be paid thereunder. With this option, the Advisor does not have discretion to determine, without obtaining specific client consent, the securities to be bought or sold as well as the amount of securities to be bought or sold but the Advisor may still direct the selection of an independent custodian and the placement of all mutual fund transactions. In exchange for each referral, the Advisor passes through to the solicitor up to 33% of the management fee received by the Advisor payable for ten years or until the account is closed by written authorization from the client, whichever occurs first. Such fees are negotiable at the discretion of the Advisor and paid on a quarterly basis after collection from the Advisor. Collection times can vary anywhere from 1-3 months after quarter end. The Advisor will only recognize this option when the client has submitted to the Advisor a signed copy of the solicitor's separate written disclosure. The Advisor's use of a solicitor does not increase the management fee paid by any client.

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**Item 15: Custody**

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**Custody Policy**

The Advisor does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian and transferred to the custodian by the end of the next business day.

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**Account Statements**

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

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**Performance Reports**

Advisor does not provide any additional reports beyond that which is provided by the custodian.  
Investment Discretion

**Item 16: Discretionary Authority for Trading**

Wealth Management Clients:

Investment advice is provided with the client making the final decision on investment selection. The Advisor obtains consent prior to making any changes in portfolio allocation or positions in the portfolio.

The client authorizes the discretion to select the custodian to be used and the commission rates paid by the Advisor on behalf of the client. The Advisor does not receive any portion of the transaction fees or commissions paid by the client to the custodian on any trades.

Retirement Plan Clients:

The Advisor has designed and manages six model portfolios for use by its retirement plan clients. Advisor has discretion over the models and can make changes to the underlying funds and allocation percentages without obtaining consent from the client.

The client retains discretion to select the custodian to be used. The Advisor does not receive any portion of the transaction fees or commissions paid by the client to the custodian for any trades.

**Item 17: Voting Client Securities**

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**Proxy Votes**

The Advisor will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Advisor does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, the Advisor cannot give any advice or take action with respect to the voting of these proxies. The Advisor promptly passes along any proxy voting information to the clients or their representatives.

**Item 18: Financial Information**

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**Financial Condition**

The Advisor does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients and The Advisor meets all net capital requirements that it may be subject to. The Advisor has not been the subject of a bankruptcy petition in the last 10 years.

The Advisor is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

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### **General**

The Advisor has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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### **Summary of Business Continuity Plan**

A summary of the business continuity plan is available on the Advisor's website or upon request to the Advisor's Chief Compliance Officer.

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## **Information Security Program**

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### **Information Security**

The Advisor maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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### **Privacy Practices**

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Below is a summary of the Advisor's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client Advisory agreement and may be obtained by contacting the Compliance Officer of the Advisor.

PGR Solutions, LLC:

- a) Collects non-public personal information about its clients from the following sources:
  - Information received from clients on applications or other forms;
  - Information about clients' transactions with the Advisor, its affiliates and others;

- Information received from our correspondent clearing broker with respect to client accounts;
  - Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
  - Information received from service bureaus or other third parties.
- b) The Advisor will not share such information with any affiliated or nonaffiliated third party except:
- When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
  - When required to maintain or service a customer account;
  - To resolve customer disputes or inquiries;
  - With persons acting in a fiduciary or representative capacity on behalf of the customer;
  - With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
  - In connection with a sale or merger of The Advisor's business;
  - To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
  - To comply with federal, state or local laws, rules and other applicable legal requirements;
  - In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
  - In any circumstances with the customer's instruction or consent.
- c) Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
- d) Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.