



Client Brochure

7101 College Boulevard, Suite 900
Overland Park, Kansas, 66210
(913) 345-1444
www.PrismFG.com
info@PrismFG.com

This brochure provides information about the qualifications and business practices of Prism Financial Group, L.L.C.. If you have any questions about the contents of this brochure, please contact us at (913) 345-1444 or by email at: info@PrismFG.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. Registration does not imply a certain level of skill or training.

Additional information about Prism Financial Group, L.L.C. is also available on the SEC's website at www.adviserinfo.sec.gov. Prism Financial Group, L.L.C.'s CRD number is: 112315

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Item 2: Material Changes

Material changes relate to Prism Financial Group, L.L.C.'s policies, practices or conflicts of interests only. There were no material changes to this brochure since the last annual amendment dated 3/26/15.

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been providing financial planning and investment management services since April 25th, 2000 and the principal owners are Timothy B. Shmidl and MKS Investors, LLC.

B. Types of Advisory Services

Prism Financial Group, L.L.C. (hereinafter "Prism") offers the following services to advisory clients:

Investment Management and Supervision Services

Prism offers discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing monitoring services for the portfolio.

We determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objectives and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We will trade these portfolios and rebalance them on a discretionary basis. Our advisory services are tailored to meet your individual needs.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do not and will not have custody of your funds or securities. We do have limited authority to direct the Custodian to deduct investment advisory fees, but only with the appropriate authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

Financial Planning

Prism provides financial planning services in two different formats. Comprehensive Financial Planning provides for an intensive interview to determine the client's personal financial objectives and an in-depth examination and analysis of the client's financial documents and situation. The client will receive a written analysis and a plan of recommended action. The other format is Focused Planning in which Prism provides specific services on an hourly basis at standard rates which are defined in an agreement with the client.

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; education planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented in Section F of the Financial Planning Agreement.

Qualified Retirement Plan Consulting Services

Qualified Retirement Plan Consulting Services consist of assisting employer plan sponsors establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment selection and monitoring, plan structure, and participant education.

We will establish your plan's needs and objectives through an initial meeting to collect data, review plan information, and assist you in developing or updating the plan's provisions. Ongoing services to you may include recommendations regarding the selection and review of unaffiliated mutual funds that, in our judgment, are suitable for plan assets for you to be invested. We periodically review the investment options you select and make recommendations to keep or replace plan investment options as appropriate. We perform a comprehensive review of potential service providers or vendors and will assist you with converting from your incumbent service provider to a new service provider selected by you. You are under no obligation to follow the recommendations we make.

Services available under a Qualified Retirement Plan Consulting Agreement permit us to provide financial education to your plan participants. The scope of education provided to participants at your request will not constitute "investment advice" within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants as we agree upon.

All Qualified Retirement Plan Advisory Services shall be in compliance with any applicable Federal and State law(s) regulating the services provided by our Agreement. This section applies to an Account that is a pension or other employee benefit plan (a

“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If your Account is part of a Plan and we accept appointments to provide our services to your Account, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of this agreement). You represent that (i) Our appointment and services are consistent with the Plan documents, (ii) You have furnished us true and complete copies of all documents establishing and governing the Plan and evidencing your authority to retain our firm. You further represent that you will promptly furnish us with any amendments to the Plan, and you agree that, if any amendment affects our rights or obligations, such amendment will be binding on us only with our prior written consent. If your Account contains only a part of the assets of the Plan, you understand that we will have no responsibilities for the diversification of the Plan’s investments, and we have no duty, responsibility or liability for the assets that are not in the account. If ERISA or other applicable law requires bonding with respect to the assets in your account, you will obtain and maintain at your expense bonding that satisfies this requirement and covers Prism and any of our affiliates.

C. Client Tailored Services and Client Imposed Restrictions

Prism offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client’s individual situation (income, tax levels, risk tolerance levels, and financial goals) and are used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Prism from properly servicing the client account, or if the restrictions would require Prism to deviate from its standard suite of services, Prism reserves the right to end the relationship.

D. Wrap Fee Programs

Prism does not participate in any wrap fee programs.

E. Amounts Under Management

Prism has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$359,097,806	0	4/28/16

Item 5: Fees and Compensation

A. Fee Schedule

Investment Management Services Fees and Compensation

Total Assets Under Management	Annual Fee
First \$500,000	1.20%
Next \$500,000	0.90%
Next \$2,000,000	0.80%
Next \$2,000,000	0.70%
Next \$5,000,000	0.60%
Next \$10,000,000	0.50%

Prism charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. We do not charge fees for completing transactions within your account. However, the custodian may charge custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below.

In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12b-1 fees and other mutual fund annual expenses as described in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such deferred sales charges, 12b-1 fees and other mutual fund annual expenses could represent an incentive for Prism to recommend funds with deferred sales charges, 12b-1 fees or other mutual fund annual expenses over funds that have no fees or lower fees. As a result, there is a potential conflict of interest. When managing ERISA and qualified accounts, Prism offsets the investment management services fee by the amount of 12b-1 fees. Furthermore, some existing variable annuities may be subject to trailing service fees, deferred sales charges, and mortality and expense fees. These fees are independent of our fees and should be disclosed by the custodian or contained in each fund's prospectus. You should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

The fees for accounts are based on an annual percentage of assets under management. The fees are applied to the account asset value on a pro-rated basis, billed quarterly in arrears. The initial fee will be based upon the date the account is accepted for management by execution of the investment advisory contract by Prism and the assets

are transferred through the last day of the current calendar quarter. The management fee is based on the size of the account at the end of each calendar quarter.

The fee is charged quarterly and is calculated on the market value of the account on the last day of the calendar quarter and will cover the period from the first day of the calendar quarter through the last day of the calendar quarter. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances (unless otherwise specified in the agreement).

Our investment advisory fees shall not exceed 1.20%. The specific advisory fees are set forth in your Investment Management Services Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fees may be negotiated.

At our discretion, we may add (aggregate) asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your accounts to be assessed a reduced advisory fee based on the asset levels available in our fee schedule. You authorize us to debit your account quarterly for our fee. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us.

Our agreement provides written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy. We will receive a duplicate copy of the custodian's statement that was delivered to you.

Either Prism or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given, and any earned fees will be charged for the time the agreement was in force. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

Financial Planning Fees

Fixed Fees

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans will typically be between \$1,500 and \$10,000. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund policy is

necessary. The fees are negotiable and the final fee schedule is attached in the Financial Planning Agreement.

Either Prism or you may terminate the financial planning agreement at any time by written notice. The financial planning agreement terminates upon failure of the Client to pay agreed upon fee. Additionally, any pro-rated earned fees will be charged through the termination date.

Hourly Fees

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$150 and \$250. The fees are negotiable and the final fee schedule is attached in the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their agreements without penalty within 5 business days of signing the Financial Planning Agreement.

Qualified Retirement Plan Consulting Fees

Annual Percentage	Plan Value
0.80% on the first \$500,000	\$0 to \$500,000
0.60% on the next \$500,000	\$500,001 to \$1,000,000
0.40% on the next \$1,000,000	\$1,000,001 to \$2,000,000
0.30% on the next \$3,000,000	\$2,000,001 to \$5,000,000
0.20% on the next \$5,000,000	\$5,000,001 to \$10,000,000
0.15% on the next \$10,000,000	\$10,000,001 to \$20,000,000
0.10% on the next \$10,000,000	\$20,000,001 to \$30,000,000
0.08% on the next \$10,000,000	\$30,000,001 to \$40,000,000
0.50% on all additional assets	\$40,000,001 plus

Prism generally adheres to the fee schedule above, has a minimum qualified retirement plan account size of \$1,000,000, and a minimum annual fee of \$5,000. However, at the sole discretion of Prism, fees may be higher or lower and Prism may accept qualified

plan accounts less than \$1,000,000. The consulting fee for qualified retirement plans is calculated and billed in arrears at the end of each quarter.

A qualified retirement plan client will have a period of five business days from the date of signing an investment advisory agreement to unconditionally rescind the agreement. Thereafter, either party may terminate the investment advisory agreement with 30 day

written notice. Upon termination, fees will be pro-rated to the date of termination and Prism will issue an invoice to the client for the amount of fees due for services provided through the effective date of termination.

When consulting on ERISA and qualified accounts, Prism will lower or offset its management fee by the amount of any 12b-1 fees and other commissions received in the event such types of compensation are received by Prism representatives in their individual capacities as registered representatives of Cambridge Investment Research.

The account Custodian may charge fees which are in addition to and separate from the investment management services fee. Custodians may charge accounts for various transaction costs, retirement plan and administration fees. In addition, some mutual fund assets deposited in the account may be subject to deferred sales charges and 12b-1 fees and other mutual fund annual expense as described in the fund's prospectus. The receipt of such deferred sales charges, 12b-1 fees and other mutual fund annual expenses could represent an incentive for Prism to recommend funds with deferred sales charges, 12b-1 fees or other mutual fund annual expenses over funds that have no fees or lower fees. As a result, there is a potential conflict of interest. Advisory clients should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

B. Payment of Fees

Payment of Investment Management Services Fees

Management fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears. Because fees are charged in arrears, no refund policy is necessary.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund policy is necessary.

Fixed Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund policy is necessary.

Payment of Qualified Retirement Plan Consulting Fees

Qualified Retirement Plan fees are paid from credits generated by mutual fund assets or participant accounts in a pro-rata fashion. Fees are paid quarterly in arrears. Because fees are charged in arrears, no refund policy is necessary.

C. Additional Fees and Expenses

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your account(s) under our management:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF) and Exchange Traded Funds;
- 12b-1 fees;
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions;

Please refer to the “Brokerage Practices” section below for discussion of National Financial Service’s brokerage practices.

D. Prepayment of Fees

Prism collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

1. This is a Conflict of Interest

Prism and its supervised persons will accept commissions for the sale of securities or other investment products, including asset based sales charges or service fees (including 12b-1 fees) from the sale of mutual funds to its clients. The receipt of such commissions, ticket charges and 12b-1 fees could represent an incentive for Prism to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase Prism recommended products through other brokers or agents that are not affiliated with Prism.

3. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

Prism does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

Prism generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

Minimum Account Size

There is an account minimum, \$500,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

A. Methods of Analysis and Investment Strategies

The method of analysis we utilize may include charting, fundamental analysis, technical analysis, and cyclical analysis. We gather our information for investment purposes from financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

Other sources of information that Prism may use include Morningstar Principia mutual fund information, Value Line's stock research, and the World Wide Web.

Prism uses industry standard techniques to manage our portfolios. Prism uses fundamental Analysis, Asset Allocation, Modern Portfolio Theory and Technical Analysis. We also use the following types of tactics: long-term buys, short-term buys, tactical asset allocation, and stop loss orders.

Prism uses 7 basic investment models based upon the client's risk tolerance. Within all of these models stocks, bonds, mutual funds and money markets are the primary investment vehicles. Those models are as follows:

Ultra Conservative - For investors who are risk averse - Primary focus is on preservation of principal. Investors using this model may experience negative returns in some years. This portfolio will be invested exclusively in fixed income and cash type investments.

Conservative Income (Conservative) - For investors who are predominately risk averse - Primary focus is on portfolio stability and preservation of capital. Investors using this model should be willing to achieve investment returns (adjusted for inflation) that are low or, in some years, negative, in exchange for reduced risk of principal loss and a high level of liquidity. A typical portfolio will be heavily weighted toward cash and fixed income investments.

Income (Moderately Conservative) - For investors who are somewhat risk averse - Primary focus is to achieve a modest level of portfolio appreciation with minimal principal loss and volatility. Investors using this model should be willing to absorb some level of volatility and principal loss. A typical portfolio will include primarily cash and fixed income investments with a modest allocation to equities.

Conservative Growth (Moderate) - For investors who are willing to take a moderate amount of risk - Primary focus is to strike a balance between portfolio stability and portfolio appreciation. Investors using this model should be willing to assume a moderate level of volatility and risk of principal loss. A typical portfolio will primarily include a balance of fixed income and equities.

Growth (Moderate Aggressive) - For investors willing to take a higher level of risk - Primary focus is on achieving portfolio appreciation over time. Investors using this model should be willing to assume high levels of portfolio volatility and risk of principal loss. A typical portfolio will have exposure to various asset classes, but will be primarily weighted toward equities.

Aggressive Growth (Aggressive) - For investors willing to take substantial risk - Primary emphasis is on achieving above-average portfolio appreciation over time. Investors using this model should be willing to assume a significant level of portfolio volatility and risk of principal loss. This portfolio will typically be fully invested in a diversified group of equities or other higher risk asset classes.

Ultra Aggressive (Equity Only) - For investors willing to take an extremely aggressive approach to investing - Primary emphasis is on investing 100% in the stock markets, both inside and outside the United States. This portfolio is the most volatile and contains risk of significant principal loss.

B. Material Risks Involved

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through Prism.

You should be aware that your account is subject to the following risks:

- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- **Non-U.S. Securities Risk** – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** – The value of your portfolio's investments may fall as a result of changes in exchange rates.
- **Interest Rate Risk** – The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- **Credit Risk** – Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.

- Inflation Risk - Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- Exchange Traded Fund (ETF) and Mutual Fund (MF) Risk – When we invest in an ETF or MF for a client, the client will bear additional expenses based on its pro rata share of the ETFs or MF's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or MF generally reflects the risks of owning the underlying securities the ETF or MF holds. Clients may also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with us varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Options Risk - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Timothy B. Shmidl is a registered representative of Cambridge Investment Research, Inc. (CIR), a broker/dealer. Shmidl has entered into an Equity Participation Plan with CIR. He also participates in the Cambridge Investment Group, Inc. private stock purchase program. (Cambridge Investment Group, Inc. is 100% owner of CIR and its affiliated broker/dealer CIR.) Under these arrangements, Shmidl has the ability to earn a percentage of CIR's overall profit ratio. Shmidl is not an officer, however, he does own less than one percent of Cambridge Investment Group, Inc. Shmidl spends approximately 15% of his time in the sale of investment products through CIR as a registered representative. Shmidl receives commissions for the implementation of these products. These arrangements are potential conflicts of interest between Shmidl and his clients in that it may inhibit his independent judgment concerning the best execution services offered by Cambridge and its clearing broker-dealers.

Charles H. Koch and Randy Schaller are also registered representatives of CIR. From time to time, Shmidl, Koch and Schaller will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a

possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Prism always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Prism in their capacity as a registered representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Prism nor its representatives are registered as a FCM, CPO, or CTA.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Shmidl is a licensed insurance agent. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Prism always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Prism in their capacity as an insurance agent.

James Hilbert is an accountant. From time to time, he may recommend the services of Prism, however the client is under no obligation to use these services. Additionally, clients should be aware that Hilbert may receive commissions with regard to the services provided by Prism

MKS Investors, LLC (MKS) owns 49% of Prism. Shareholders of MKS have a potential conflict of interest as they have the ability to refer clients in need of financial planning and investment advice to Prism. MKS shareholders are only compensated as owners.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

Prism does not utilize nor select other advisors or third party managers. All assets are managed by Prism management.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Principles of Conduct, Compliance with Laws and Regulations, Protection of Material Nonpublic Information, Personal Securities Trading, Restricted Trading, Initial Public Offerings and Private Placements, Gifts and Entertainment, Reporting of Code Violations and Annual Receipt and Review of the Code. To receive a complete copy of the Code of Ethics, you may contact us at the address or the phone number on the cover page of this brochure.

B. Recommendations Involving Material Financial Interests

Prism does not recommend that clients buy or sell any security in which a related person to Prism has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Prism may buy or sell individual securities for themselves that they also recommend to clients. Prism will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Prism may buy or sell individual securities for themselves at or around the same time as clients. Prism will not trade non-mutual fund or non-ETF securities 1 day prior to or 1 day after trading the same security for clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, National Financial Services, was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. Prism will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

Prism receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

Prism receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed periodically by Tim Shmidl, Charlie Koch and/or Randy Schaller. As lead advisors they are instructed to review clients' accounts with regards to their investment goals and risk tolerance levels. All accounts at Prism are assigned to these reviewers.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Shmidl, Koch and/or Schaller.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive a monthly statement sent directly from National Financial Services. In addition, each client will receive a quarterly written report detailing the clients account performance and portfolio holdings from Prism.

Financial Planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

B. Compensation to Non – Advisory Personnel for Client Referrals

Prism does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Prism is deemed to have custody of client funds and securities whenever Prism is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Prism will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Prism is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients, or an independent representative of the client, will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. When fees are deducted from an account, Prism is responsible for calculating the fee and delivering instructions to the custodian. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Prism. When clients have questions about their

account statements, they should contact Prism or the qualified custodian preparing the statement.

Item 16: Investment Discretion

For those client accounts where Prism provides ongoing supervision, Prism maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. The procedure of buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

Prism will not ask for, nor accept, voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

Prism does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Prism, nor its management, has any financial conditions that are likely to reasonably impair their ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Neither Prism, nor its management, has been the subject of a bankruptcy petition in the last ten years.