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**February 1, 2018**

This Brochure provides information about the qualifications and business practices of the Prism Financial Group. If you have any questions about the contents of this Brochure, please contact us at 215.627.7000 and/or [DeLorey@PrismRx.com](mailto:DeLorey@PrismRx.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.

The Prism Financial Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about the Prism Financial Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated February 1, 2018 is a document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Michael DeLorey, President at 215.627.7000 or [DeLorey@PrismRx.com](mailto:DeLorey@PrismRx.com).

Additional information about the Prism Financial Group is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with the Prism Financial Group who are registered, or are required to be registered, as investment adviser representatives of the Prism Financial Group.

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#### Item 4 – Advisory Business

##### The Wealth Advisory Service

The Prism financial Group provides fee based investment advisory services to its clients through the *Wealth Advisory Service*. The goal of the *Wealth Advisory Service* is to providing unbiased, objective, professional and cost effective assistance in the investment management of its client's assets. As of December 31, 2017, the *Wealth Advisory Service* has \$38,109,000(rounded to the nearest thousand) under non-discretionary management.

Specifically, *the Wealth Advisory Service*, through a Prism Investment Advisor Representative, will provide the following services:

1. Assist the client in the preparation of a comprehensive *Investment Policy Statement* tailored to client's specific investment objectives and priorities.
2. Develop investment guidelines for the Client containing asset allocation recommendations.
3. Recommend to the client, one or more open-end management investment companies, (Also known as mutual funds and hereinafter collectively referred to as "securities") for the investment of the client assets. The term "Account" as used in this Agreement hereafter shall mean the accounts established at Mutual Funds or with Prism Financial Group's Clearing Firm pursuant to the recommendations given by the Investment Advisor Representative(s).
4. Be available to the client on an ongoing basis to convey and to discuss any changes in the client's financial circumstances or investment objectives.
5. Monitor the client's account and periodically, but no less than quarterly, provide the client with reports evaluating the risk and expected performance of the Account.

#### Item 5 – Fees and Compensation

The Prism Financial Group will receive compensation for the Wealth Advisory Service as follows:

First	\$ 250,000	1.00%
Second	\$ 250,000	.75%
Next	\$ 500,000	.50%
Above	\$1,000,000	.25%

Other relevant points are:

If client decides to implement any investment recommendations through a Prism Investment Advisor, in their individual capacity as a registered representative, any commission received will be credited to the fee costs at one-half the total commissions. Thus, \$4,000 in commissions would provide a \$2,000 credit toward calculated fee costs. All commission will be tracked and the client will be credited at the end of each quarter, with any excess credit carried forward until used.

If any investment has on-going "trail" fees/commissions that are paid, the client will be credited dollar for dollar.

For ongoing services, the maximum fee for accounts is \$2,500/quarter.

Prism's fee is due quarterly in arrears based on the market value of the Client's account on the last business day of the quarter, and is only paid by invoice.

Either party may terminate the investment advisory contract on thirty (30) day notice. Since bill is in arrears, we do not hold any client's' funds. The client would not be due a refund. If the client terminates due to dissatisfaction with the *Wealth Advisory Service*, Prism Financial Group will waive any fees due.

All fees are subject to negotiation.

The specific manner in which fees are charged by the *Wealth Advisory Service* is established in a client's written agreement with the Prism Financial Group. The Prism Financial Group will bill its fees on a quarterly basis. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

The *Wealth Advisory Service* fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. The clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the *Wealth Advisory Service* fee.

Mr. DeLorey is NOT eligible to receive commissions in his capacity as investment advisors. Mr. DeLorey in his individual capacity with Cetera Advisors, LLC would be eligible to receive commissions.

Other firms may offer similar services for a fee that may be higher or lower than our fees.

Family, and close friends of the firm may receive the *Wealth Advisory Service* at a discount or no fee.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

The Prism Financial Group does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

The Prism Financial Group provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, trusts and other U.S. institutions.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

In the Wealth Advisory Service we want to create a portfolio that should give the client the highest expected rate of return for a given level of risk and time horizon. The asset allocation is structured to give the client a minimum of five years of projected inflation adjusted cash flow in typically lower volatility assets. The balance of the portfolio is then invested to give the client an expected inflation hedge.

Because the asset allocation will be structured to fund a desired cash flow, we possibly have multiple time horizons. These time horizons are:

- **Short Term – One Year or Less.** Those are the assets that must be available to fund the periodic cash flow withdrawals over a year. Based on risk/return analysis, the only logical asset class for assets that will be needed in a year or less is cash. In reality we would typically use a money market mutual fund as a repository for up to 12 months' worth of cash flow.
- **Intermediate Term – 2 to 5 Years.** Those are the assets that must be available to supplement and replace the periodic cash flow withdrawals. Based on risk/return analysis, the logical asset class for these assets that will short term fixed income. The assets could be invested in CD's, bonds or shorter-term bond mutual funds.
- **Long Term – Greater than 5 Years.** Those are the assets that must grow at a rate that should keep you ahead of inflation. Again, based on risk/return analysis, the logical asset class for these assets is diversified equities.

The primary investment vehicle recommended by the *Wealth Advisory Service* will be open-end mutual funds.

## Primary Risks Of Loss Associated With Investing In Mutual Funds

- **Investing in any securities involves risk of loss that clients should be prepared to bear.** As with any investment, you may lose money by investing in a mutual fund. The likelihood of loss may be greater if you invest for a shorter period of time.
- Investors in mutual funds should have a long-term perspective and be able to tolerate potentially sharp declines in value.
- Market conditions — The prices of securities held by a mutual fund may decline due to market conditions and other factors, including those directly involving the issuers of securities held by the mutual fund.
- Investing in growth-oriented stocks — Growth-oriented stocks may involve larger price swings and greater potential for loss than other types of investments.

- Investing outside the U.S. — Securities of issuers domiciled outside the U.S. or with significant operations outside the U.S., may lose value because of political, social or economic developments in the country or region in which the issuer operates. These securities may also lose value due to changes in the exchange rate of the country's currency against the U.S. dollar. Securities markets in certain countries may be more volatile and/or less liquid than those in the U.S. Investments outside the U.S. may also be subject to different settlement and accounting practices and different regulatory and reporting standards than those in the U.S.
- Management — The investment adviser(s) to the mutual fund actively manages the fund's investments. Consequently, the mutual fund is subject to the risk that the techniques and risk analyses employed by the investment adviser in this process may not produce the desired results. This could cause the fund to lose value or its results to lag relevant benchmarks or other funds with similar objectives.
- Investment in a mutual fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, entity or person.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Prism Financial Group or the integrity of the Prism Financial Group's management. The Prism Financial Group has no information applicable to this Item.

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

- The President of Prism Financial Group is a Registered Representative of Cetera Advisors LLC. Cetera Advisors is a full service Broker/Dealer and Registered Investment Advisory Firm headquartered in Denver CO. In this capacity, securities are offered through Cetera Advisors Securities.  
Mr. DeLorey is an Investment Advisor Representative with Cetera Advisors LLC. He holds this registration because in his capacity as a supervisor of Cetera Investment advisors, he is required to hold the same qualifications as them. He has never, nor plans to, act an Investment Advisor Representative with Cetera Advisors.  
If at any time in the future, if he were to act as act an Investment Advisor Representative with Cetera Advisors he would notify the client an amend this document..
- Prism Financial Group is an independent company and is not affiliated with Cetera Advisors LLC. The President of Prism Financial Group is also registered insurance agents with various insurance companies. In such capacities, he may offer securities and insurance products and receive normal and customary commissions as a result of such transactions. Therefore, a potential conflict of interest exists when advisory clients open non-managed brokerage accounts with Prism Financial Group's Investment Advisory Representatives who are also Cetera Advisors registered

representatives, or purchase insurance products from Prism Financial Group's Investment Adviser Representatives who are also insurance agents, because such representatives and/or insurance agents have an interest in making commissions on sales which may be adverse to Clients' interests. The amount of compensation Cetera Advisors registered representatives and insurance agents typically receive in connection with these transactions is up to 1% of assets per year for annuity contracts with no "up front" commissions, up to 7% of assets for annuity contracts paying "up front" commissions and 90% of the first year premium for life insurance products

### **Item 11 – Code of Ethics**

Prism Financial Group, a registered investment adviser, with the Pennsylvania Department of Banking and Securities has adopted a Code of Ethics. The Code, among other things, (i) sets forth the our obligations and those of its supervised persons to avoid any actual or potential conflict of interest with a client to ensure compliance with securities laws and (ii) requires certain of the our supervised persons called "Access Persons" to periodically report their personal securities transactions and holdings and to obtain our approval before investing in an initial public offering or private placement. The Code does not intend to prohibit personal securities activities by our supervised persons. But rather prescribes rules to prevent actual and apparent conflicts of interests by those individuals who have access to information regarding the securities activities of, and recommendations provided to, our clients. While it is not possible to define and prescribe all-inclusive rules addressing all possible situations in which conflicts of interest may arise, the Code sets forth the our general policy regarding conduct in situations when conflicts of interest may exist.

Client will receive a copy of the Code annually.

It is further noted that Prism employees shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Prism has adopted a firm wide policy statement-outlining insider trading compliance by Investment Advisor Representatives and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Prism and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Prism has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees are signed, dated and filed with the insider trading compliance materials. These are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Prism employees may have non-public information, (4) requiring all employees to conduct their trading through a specific broker or reporting all transactions promptly to Prism, and (5) monitoring the securities trading of Prism's employees and associated persons.



The Prism Financial Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at the Prism Financial Group must acknowledge the terms of the Code of Ethics annually.

The Prism Financial Group does not, nor anticipates it will ever purchase or sell securities in its own account.

Prism Financial Group's employees and persons associated with the Prism Financial Group are required to follow the Prism Financial Group's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Prism Financial Group may trade for their own accounts in securities which are recommended to and/or purchased for the Prism Financial Group's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Prism Financial Group will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of the Prism Financial Group's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between the Prism Financial Group and its clients.

It is the Prism Financial Group's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. The Prism Financial Group will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on

the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Item 12 – Brokerage Practices**

Research and Other Soft Dollar Benefits. Prism does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”).

Broker or Dealer to be used: A client of the *Wealth Advisory Service* must use the broker dealer that Prism has selected. We believe this benefits the client and does NOT create a ‘conflict of interest’ because:

- We need to be able to access client information so we can properly monitor and report on the portfolio(s).
- The client can receive credits, against our fees, from any commissions and other internal fees we may receive.
- Because Prism only recommends open-ended mutual funds to our advisory clients, all clients are charged the applicable sales charge of the respective mutual fund company for their level of aggregated investments. We inform the mutual fund company of ALL the applicable mutual funds holding information that the client shares with us, so the client pays the minimum appropriate sales charge.

### **Item 13 – Review of Accounts**

The client's account are reviewed periodically, but no less than quarterly to provide the client with reports evaluating the risk and expected performance of the Account. The quarterly review is a report of the account(s) holdings, asset allocation(s) and performance versus appropriate indices and time periods. The quarterly reports are reviewed by Mr. Michael DeLorey. If he notes any area of concern, he annotates the report before it is sent to the client.

### **Item 14 – Client Referrals and Other Compensation**

We do not provide any compensation or financial benefit to a client or non-client for a client referral.

### **Item 15 – Custody**

Prism does NOT custody any client securities. Our client’s securities are in the custody of the mutual fund company(s) or the clearing firm selected by our broker-dealer. Prism Financial Group is NOT deemed to have limited custody because fees are NOT directly deducted from client’s accounts by the custodian on behalf of Prism.

Prism sends the client a written invoice itemizing the fee, including any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based. Prism will typically receive a check from the client for our fee.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Prism urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**Brochure Receipt** If a copy of the Brochure Document(s) is not provided to the client at least 48 hours prior to signing the contract(s), client has five business days in which to cancel the contract, without penalty.

#### **Item 16 – Investment Discretion**

Prism does not use discretionary authority from the client in the advisory relationship to select the identity and amount of securities to be bought or sold. When selecting securities and determining amounts, the Prism Financial Group observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to the Prism Financial Group in writing.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, the Prism Financial Group does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Prism may provide advice to clients regarding the clients' voting of proxies.

#### **Item 18 – Financial Information**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about the Prism Financial Group's financial condition.

The Prism Financial Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirement for State-Registered Advisors**

### **Principal Executive Officers.**

In addition to Mr. DeLorey, the only other Executive Officer is Barbara A. DeLorey. She has served as the Secretary-Treasurer of the Prism Financial Group since its inception in 1993. She has a BA from Penn State and an MA in Counseling from Villanova University

### **Performance Based Fees**

In the Wealth Advisory Service, the fee is only calculated based on the assets under management. We are NOT compensated with *performance-based fees*.

### **Ethical or Legal Practices**

Neither Prism, nor ANY employee of Prism, has been involved in ANY arbitration claim, or have been found liable in ANY civil, *self-regulatory organization*, or administrative proceeding.

### **Arrangements with Issuer of Securities**

Neither Prism, nor ANY employee of Prism, has ANY arrangement with ANY issuer of securities.

### **Bankruptcy**

Neither Prism, nor ANY employee of Prism, has ever been the subject of a bankruptcy petition.



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February 1, 2018

## Michael W. DeLorey



**This Brochure Supplement provides information about Michael W. DeLorey that supplements the Prism Financial Group's Brochure. You should have received a copy of that Brochure. Please contact our office if you did not receive the Prism Financial Group's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Michael W. DeLorey is available on the SEC's website at <https://brokercheck.finra.org>, (Enter Michael DeLorey)**

### **Item 2- Educational Background and Business Experience**

Mr. DeLorey was born in 1945. In 1993, after sixteen years in the investment business, he formed the Prism Financial Group with the goal of providing unbiased, objective, professional and cost effective assistance in the management of its client's financial needs. Since 1993, the inception of the firm, he has been the President of the Prism Financial Group and concurrently for the same period has been a Registered Representative and Investment Advisor Representative of Cetera Advisors LLC.

His major formal education includes:

- MBA, Financial Management, National University, San Diego, CA, 1979
- BS, Major-Naval Science, Minor-Management, United States Naval Academy, 1970

In addition he holds the following professional designations, licenses & registrations:

- Certified Financial Planner, Financial Planning Curriculum, College for Financial Planning, Denver, CO, 1993
- General Securities Representative (Series 7)
- General Securities Sales Supervisor (Series 8),
- General Securities Principal (Series 24),
- Uniform Securities Agent State Law Exam (Series 63)
- Uniform Securities Agent State Law Exam (Series 65)
- Pennsylvania State Insurance Commission-Health and Life

His Broker-Dealer, Cetera Advisors LLC, conducts or selects continuing education courses for all Registered Representatives, as required by FINRA. In addition, he has additional continuing education requirements as part of the professional designation as a Certified Financial Planner ('CFP').

To hold the certification as a Certified Financial Planner, a person:

- Must have earned a bachelor's degree (or higher) from a regionally-accredited college or university
- Successfully meet the education coursework requirement,
- Pass the CFP Certification Exam.
- Have 6,000 hours of experience.
- Agree to adhere to the high standards of ethics and practice outlined in CFP Board's 'Standards of Professional Conduct'.

His extensive education, experience, registrations and designations make him especially qualified in the investment management of his client's assets.

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4- Other Business Activities**

Mr. DeLorey is a Registered Representative of Cetera Advisors LLC. Cetera Advisors is a full service Broker/Dealer and Registered Investment Advisory Firm headquartered in Denver CO. In this capacity, securities are offered through Cetera Advisors.

Mr. DeLorey is an Investment Advisor Representative with Cetera Advisors LLC. He holds this registration because in his capacity as a supervisor of Cetera Investment advisors, he is required to hold the same qualifications as them. He has never, nor plans to, act as an Investment Advisor Representative with Cetera Advisors. If at any time in the future, if he were to act as an Investment Advisor Representative with Cetera Advisors he would notify the client and amend this document..

Prism Financial Group is an independent company and is not affiliated with Cetera Advisors LLC. Mr. DeLorey may also be registered insurance agents with various insurance companies. In such capacities, he may offer securities and insurance products and receive normal and customary commissions as a result of such transactions. Therefore, a potential conflict of interest exists when advisory Clients open non-managed brokerage accounts with Prism Financial Group's Investment Advisory Representatives who are also Cetera registered representatives, or purchase insurance products from Prism Financial Group's Investment Advisor Representatives who are also insurance agents, because such representatives and/or insurance agents have an interest in making commissions on sales which may be adverse to Clients' interests. The amount of compensation Cetera registered representatives and insurance agents typically receive in connection with these transactions is up to 1% of assets per year for annuity contracts with no "up front" commissions, up to 7% of assets for annuity contracts paying "up front" commissions and 90% of the first year premium for life insurance products

#### **Item 5- Additional Compensation**

Mr. DeLorey does not receive any additional compensation or economic benefit from any individual person. His compensation is his income from Prism Financial Group. Prism Financial Group is a flow through conduit for his advisory fees, commissions and fees from Cetera Advisors (his Broker-Dealer) and commissions and/or residuals from various insurance companies.

#### **Item 6 - Supervision**

Mr. DeLorey has no person directly supervising his investment advisory services. But because all of the securities transactions are reported to his broker-dealer; all his transactions are reviewed for compliance with current rules and appropriateness.

## **Item 7 – Requirements for State Registered Advisors**

### **Principal Executive Officers.**

In addition to Mr. DeLorey, the only other Executive Officer is Barbara A. DeLorey. She has served as the Secretary-Treasurer of the Prism Financial Group since its inception in 1993. She has a BA from Penn State and an MA in Counseling from Villanova University

### **Performance Based Fees**

In the Wealth Advisory Service, the fee is only calculated based on the assets under management. We are NOT compensated with *performance-based fees*.

### **Ethical or Legal Practices**

Neither Prism, nor ANY employee of Prism, has been involved in ANY arbitration claim, or have been found liable in ANY civil, *self-regulatory organization*, or administrative proceeding.

### **Arrangements with Issuer of Securities**

Neither Prism, nor ANY employee of Prism, has ANY arrangement with ANY issuer of securities.

### **Bankruptcy**

Neither Prism, nor ANY employee of Prism, has ever been the subject of a bankruptcy petition.