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**FORM ADV PART 2A  
DISCLOSURE BROCHURE**

This brochure provides information about the qualifications and business practices of Pinnacle Financial Group LLC. If you have any questions about the contents of this brochure, please contact us at (708) 246-6262. 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 Pinnacle Financial Group LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Pinnacle Financial Group LLC is 116600.

Pinnacle Financial Group LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated January 31, 2017, and pursuant to Rule 206(4)-2 (the "Custody Rule"), we have updated Item 15 below relating to Standing Letters of Authorization. Please refer to the *Custody* section below (Item 15) for more detailed information.

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## Item 4 Advisory Business

### Description of Services and Fees

Pinnacle Financial Group, LLC is a registered investment adviser based in Western Springs, Illinois. We are organized as a limited liability company under the laws of the State of Illinois. We have been providing investment advisory services since 1989. James Stork and Larry Uitermarkt are our principal owners. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Financial Planning Services**
- **Investment Management Services**
- **Retirement Plan Consulting Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Pinnacle Financial Group and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Financial Planning Services

We offer broad-based, modular, and consultative financial planning services. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. An Associated Person of our firm will conduct a complimentary initial consultation. After the initial consultation, if you decide to engage us for financial planning services, an Associated Person will conduct follow up meetings as necessary, during which pertinent information about your financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a written financial plan - designed to achieve your stated financial goals and objectives - will be produced and presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets, and liabilities in meeting your financial goals and objectives.

We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm or registered investment advisor.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

### **Investment Management Services**

We offer discretionary and non-discretionary investment management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for investment management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our investment management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary investment management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a limited power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

As part of our investment management services, we may use sub-advisers to manage a portion of your account on a discretionary basis. Currently we use Bernardi Asset Management, LLC (CRD# 120110) an SEC registered investment adviser as our sub-adviser. Bernardi Asset Management is a boutique municipal bond firm which specializes in active municipal bond portfolio management. The sub-adviser may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by the sub-adviser, and may hire and fire any sub-adviser without your prior approval.

You may terminate the investment management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the investment management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

### **Retirement Plan Consulting Services**

We offer retirement plan consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. Retirement plan consulting services are offered on a discretionary and non-discretionary basis. The specific nature of the advisory relationship and services to be provided will be set forth in the written retirement plan consulting agreement between us and the client.

When we act in a non-discretionary capacity for a retirement plan consulting client, we are acting as a paid professional that provides investment consulting and/or recommendations to the plan sponsor/trustee. The plan sponsor/trustee retains ultimate decision-making authority for the plan

investments, and may accept or reject the recommendations. We will not make investment decisions or take actions on behalf of the plan. The plan sponsor/trustee retains all fiduciary authority and responsibility for the plan.

When we act in a discretionary capacity for a retirement plan consulting client, we may select, monitor, remove, and replace the investment options offered under the plan in our discretion. Once appointed, we will have fiduciary responsibility under ERISA for its investment decisions for the plan, subject to the terms of the plan documents, its investment policy statement and specific directions from the plan sponsor/trustee.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of retirement plan consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the retirement plan consulting agreement may terminate the agreement upon written notice to the other party. The retirement plan consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

Additionally, Pinnacle has adopted the following policies and procedures with regard to its ERISA clients:

- **Fiduciary Advice** - Any investment advice provided by Pinnacle Financial to accounts governed by ERISA will be provided in a fiduciary capacity and in the best interests of the client.
- **Reasonable Compensation** - We will ensure that compensation charged accounts governed by ERISA is reasonable. This is consistent with our current practice of ensuring that all compensation paid to us is reasonable.
- **No Misleading Statements** - Consistent with our current practice for all clients, we will ensure that statements made by us with regard to accounts governed by ERISA are accurate in all material respects.

The decision whether to move retirement assets from a company sponsored retirement plan such as a 401(k) or 403(b) to a Rollover IRA is an important one, with multiple factors that should be considered. It is the policy of Pinnacle Financial Group that we will educate our clients and prospects about the pros and cons of moving retirement assets from a company sponsored plan to a Rollover IRA managed by Pinnacle Financial Group.

### **Types of Investments**

We offer advice on equity securities, corporate debt securities, certificates of deposit, municipal securities, investment company securities, and US Government securities.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2017, we provide continuous management services for \$205,267,055 in client assets on a discretionary basis, and \$85,694,266 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Financial Planning Services**

We charge an hourly fee of \$100 - \$250 for financial planning services, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

In our sole discretion, we may waive or offset a portion of the financial planning fee should you choose to retain us for portfolio investment management services as described below. We may also waive or offset financial planning fees by commissions earned by our Associated Persons for the sale of brokerage or insurance products if you choose to implement the recommendations through our Associated Persons in their separate capacities as registered representatives or insurance agents. We reserve the right to determine whether the financial planning fees will be waived or offset by commissions earned in the implementation process. Financial planning fees are due upon completion of the services rendered. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200.

### **Investment Management Services**

Our fee for investment management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

| <b>Assets Under Management</b> | <b>Annual Management Fees</b> |
|--------------------------------|-------------------------------|
| \$1,000,000 and below          | 1.00%                         |
| \$1,000,001 to \$2,000,000     | 0.75%                         |
| \$2,000,001 and above          | 0.50%                         |

Our fees are negotiable and agreements with clients may vary from the fees detailed above. The specific fee agreement for each client will be set forth in the written investment management contract of that client.

No client is charged a higher fee structure than the tier referenced above. However some clients may have a lower fee structure that reflects the length of time you have been a client with us and/or based on the discretion of the investment adviser representative managing your account. We impose a minimum of \$500,000 to open and maintain an advisory account. However, we may waive this account minimum at our sole discretion.

Our annual investment management fee is billed and payable quarterly in arrears based on the value of your account on the last business day of the preceding quarter.

If the investment management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to meet the minimum account size. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

Every investment management client receives an invoice each quarter. For most clients, we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

The sub-adviser will deduct its advisory fee directly from your account and we will separately deduct our advisory fee directly from your account. On a combined basis, the subadvisory fee and our advisory fee will not exceed the advisory fees agreed to in our investment management contract with you. Clients should receive a disclosure document directly from any sub-advisor. Clients should refer directly to the disclosure document provided by the sub-advisor for its fee schedule. Access to certain third-party sub-advisors may be limited to certain types of accounts and may be subject to account minimums as determined by the third-party sub-advisor. The client may be able to access sub-advisors directly. As such, clients may be able to access such sub-advisors at a lower cost through other channels.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

### **Retirement Plan Consulting Services**

On an annualized basis, our fee for retirement plan consulting services is based on a percentage of the assets we manage and is set forth in the following fee schedule:

| <b>Assets Under Management</b> | <b>Annual Management Fees</b> |
|--------------------------------|-------------------------------|
| \$1,000,000 and below          | 1.00%                         |
| \$1,000,001 to \$2,000,000     | 0.75%                         |
| \$2,000,001 and above          | 0.50%                         |

Our fees are negotiable and agreements with clients may vary from the fees detailed above. The specific fee agreement for each client will be set forth in the written investment management contract of that client. No client is charged a higher fee structure than the tier referenced above. However some clients may have a lower fee structure that reflects the length of time you have been a client with us and/or based on the discretion of the investment adviser representative managing your account. The fee is billed quarterly, in arrears, based upon the market value of the assets on the last business day of the calendar quarter.



Our advisory fees for customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

One person providing investment advice on behalf of our firm--Larry Uitermarkt--is a registered representative with Purshe Kaplan Sterling Investments ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In his capacity as a registered representative, he may receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned in his capacity as a registered representative is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

One person providing investment advice on behalf of our firm--Larry Uitermarkt-- may earn commissions on the sale of securities products such as load mutual funds or variable annuities in his or her capacity as a registered representative. If this person earns commissions on the sale of securities products recommended to you, we will not include such securities products in the total value used for our advisory billing/fee computation. You are under no obligation, contractually or otherwise, to purchase securities products such as load mutual funds or variable annuities through any person affiliated with our firm.

Certain associated persons providing investment advice on behalf of our firm are licensed as independent insurance agents (namely James Stork and Larry Uitermarkt). These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

In general, we require a minimum of \$500,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Modern Portfolio Theory** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if

the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party money managers. We primarily rely on our own internal proprietary investment model portfolios, but may sometimes use strategies developed by third party money managers and their portfolio managers. We may replace/recommend replacing a third party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the high cost accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another. However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with that investment.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. ETFs are "no load", but the custodian will generally collect a transaction fee upon the purchase or sale of an ETF in a client account, which can reduce returns. This transaction fee is paid to the account custodian, and Pinnacle does not receive any portion of this fee. Likewise, the custodian may receive a transaction fee upon the purchase or sale of a "no load" mutual fund in a client account which can reduce returns. Again, Pinnacle does not receive any portion of this fee. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

**Municipal Securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

## Item 9 Disciplinary Information

Pinnacle Financial Group LLC has been registered and providing investment advisory services since 1989. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

### Registrations with Broker-Dealer

Certain persons providing investment advice on behalf of our firm (Larry Uitermarkt) are registered representatives with Purshe, Kaplan, Sterling Investments, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. See the *Fees and Compensation* section in this brochure for more information on the compensation received by Mr. Uitermarkt who is affiliated with our firm.

### Registrations as an Insurance Agent

Persons providing investment advice on behalf of our firm may also be licensed as insurance agents. Such individuals may effect transactions in insurance products for clients and earn commissions for these activities. Clients are instructed that the fees paid to the Firm for advisory services are separate and distinct from the commissions earned by associated persons for placing the client in insurance products. Clients to whom the Firm offers advisory services are informed that they are under no obligation to use Pinnacle Financial Group or its associated persons for insurance services and may use the insurance brokerage firm and agent of their choosing.

### Recommendation of Other Advisers

We may use a third party adviser to manage a portion of your account on a discretionary basis. The fee paid to the third party adviser will be deducted directly from your account and the separate fee paid to Pinnacle will also be deducted directly from your account, but in no case will the combined fees exceed the advisory fees indicated on your investment management agreement with Pinnacle. You are not obligated, contractually or otherwise, to use the services of any third party adviser we recommend.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.



## **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

Persons associated with this firm may maintain relationships with more than one broker-dealer. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We may recommend the brokerage and custodial services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), or Schwab Institutional, a division of Charles Schwab & Co., Inc. ("Schwab"). Both are securities broker-dealers and members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that TD Ameritrade and Schwab provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade and Schwab, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services TD Ameritrade and Schwab provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

As previously disclosed, one advisor of our firm--Larry Uitermarkt--is registered as representative of Purshe Kaplan Sterling Investments ("PKS"), an independent, unaffiliated registered securities broker/dealer, and FINRA member. PKS is required to supervise the securities trading activities of its representatives.

## **Research and Other Soft Dollar Benefits**

Schwab Institutional provides Pinnacle Financial Group with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers at no charge to them so long as a total of at least \$10 million of the adviser's clients account assets are maintained at Schwab Institutional. Schwab Institutional services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require significantly higher minimum initial investments. Schwab Institutional also makes available to Pinnacle Financial Group other products and services that benefit Pinnacle Financial Group but may not benefit its clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research,

pricing information and other market data, facilitate payment of Pinnacle Financial Group's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. The availability to Pinnacle Financial Group of the foregoing products and services is not contingent upon Pinnacle Financial Group committing to Schwab Institutional any specific amount of business (assets in custody or trading).

As disclosed above, Pinnacle Financial Group also participates in TD Ameritrade's institutional customer program and it may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between the Firm's participation in the program and the investment advice it gives to its clients, although the Firm receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Pinnacle Financial Group by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Pinnacle Financial Group but may not benefit its client accounts. These products or services may assist the Firm in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Pinnacle Financial Group manage and further develop its business enterprise. The benefits received by the Firm or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Pinnacle Financial Group or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Firm's choice of TD Ameritrade for custody and brokerage services.

The research products and services that Pinnacle Financial Group may receive from brokerage firms (e.g. Schwab, TD Ameritrade, among others) may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Such research products and services are provided to all investment advisers who utilize such firms, and are not considered to be paid for with soft dollars. However, the commissions charged by a particular broker for a particular transaction, or set of transactions, may be greater than the amounts another broker who did not provide research services or products might charge.

While Pinnacle Financial Group and its associated persons, endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that receipt of additional compensation in itself creates a potential conflict of interest.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through either TD Ameritrade or Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Certain persons providing investment advice on behalf of our firm who are registered representatives of Purshe Kaplan Sterling Investments, ("PKS")--Larry Uitermarkt--may recommend PKS to you for brokerage services. If transactions are executed through PKS, these individuals (in their separate capacities as registered representatives of PKS) may earn commission-based compensation as result of placing the recommended securities transactions through PKS. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or if adviser negotiates commissions from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

**Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

For accounts custodied at TD Ameritrade, as of April 1, 2014, if a profit results from correcting the trade, you will not retain the profit as all net gains (positive error accounts balances resulting from trade corrections) will be moved to a TD Ameritrade error account and subsequently donated to charity.



## Item 13 Review of Accounts

Larry Uitermarkt, Managing Member; James Stork, Managing Member/Chief Compliance Officer; Dan Fitzgerald, Wealth Adviser, or Lauren Hunt, Wealth Adviser respectively will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly to ensure the advisory services provided to you and your portfolio investment allocation is consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain account performance. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

## Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our custodial relationships.

As disclosed under the *Fees and Compensation* section in this brochure, certain persons providing investment advice on behalf of our firm are licensed insurance agents. Certain persons are registered representatives with Purshe Kaplan Sterling Investments, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

## Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

Pursuant to Rule 206(4)-2 (the "Custody Rule"), we have taken steps to have controls and oversight in place to support the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). With respect to third party standing letters of authorization ("SLOA") where a client may grant us the authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have limited custody. However, we are not required to comply with the surprise examination requirement of the Custody Rule if we are otherwise in compliance with the seven requirements set forth in the February 21, 2017 no-action letter. To the extent we act pursuant to a SLOA, we shall comply with these seven requirements.

## **Item 16 Investment Discretion**

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you grant our firm discretion over your account(s), before we can buy or sell securities on your behalf, you must first sign our discretionary investment management agreement, a power of attorney, and/or trading authorization forms.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

## **Item 18 Financial Information**

Notwithstanding the SEC no-action letter as discussed under Item 15 above, we are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees six or more months in advance, or

- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.