

# **Prime Capital Investment Advisors, LLC**

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## **Part 2A Appendix 1**

### **Wrap Fee Program Brochure**

#### **for Limited Advisory Services**

Date of Disclosure Brochure: August 2018

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Prime Capital Investment Advisors, LLC (also referred to as we, us, Firm, and PCIA throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact Anthony Woodard, CCO at 800-493-6226. 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 PCIA is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Prime Capital Investment Advisors, LLC or our firm's CRD number 288712.

\*Registration as an investment adviser does not imply a certain level of skill or training.

**Item 1 – Cover Page**

## Item 2 – Material Changes

In this Summary of Material Changes, we discuss only the material changes since the last update of this Brochure, which was on April 25, 2018. Full details are outlined in this Brochure, which is available upon request.

- Certain representatives of PCIA are also licensed as investment adviser representatives with FIDUCIARY INVESTMENT TRUSTS, LLC. PCIA and FIDUCIARY INVESTMENT TRUSTS, LLC are related entities and are under common control. If the representatives of FIDUCIARY INVESTMENT TRUSTS, LLC provide asset management or referral services to you, you will be given the disclosure brochure of FIDUCIARY INVESTMENT TRUSTS, LLC describing the services provided, fees charged and other information. You are encouraged to read and review the disclosure brochures for both PCIA and FIDUCIARY INVESTMENT TRUSTS, LLC and direct questions to your representative. Our representatives may also registered representatives of Private Client Services or Corinthian Partners, L.L.C., securities broker-dealers. Private Client Services and Corinthian Partners, L.L.C. are not affiliated.
- Other changes have been made to Items 4, 5, and 9.

Due to the extensive changes made to this Brochure since prior updates, we suggest that all of our clients carefully review this new Firm Brochure in its entirety and discuss any questions with their investment adviser representative (“IAR”, “rep-advisor”).

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Program Disclosure Brochures within 120 days after our firm’s fiscal year ends. Our firm’s fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current Wrap Fee Program Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Services, Fees and Compensation

PCIA is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Kansas.

PCIA offers advisory services to retail advisory clients through a wrap fee program. In our wrap fee program, the fee for advisory services and transaction costs (including ticket charges and commissions on purchase and sales of stocks, bonds, exchange-traded funds and options) are “wrapped” into one fee. Such Advisory Services are considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

When making the determination of whether one of the advisory programs available through PCIA is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and PCIA.

You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your investment adviser representative (“IAR”) and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our Advisory Services under the Limited Advisory Services Program. We also offer other investment advisory services not discussed in this brochure. For information regarding these services, please refer to PCIA’s Form ADV, Part 2A.

### Limited Advisory Services

The PCIA Limited Advisory Services Program is a wrap fee program. Neither PCIA nor any person associated with PCIA shall provide continuous ongoing supervision and management for your account. PCIA will not monitor specific securities or general portfolios within your account. You have the exclusive responsibility for the making investment decisions and monitoring of all securities that are held in or purchased or sold for your account.

PCIA will not make any investment recommendations for your account except PCIA may provide investment recommendation for your account in response to a specific request made by you. You understand that it will be incumbent upon you to make such request, and PCIA may decline, at its discretion, to provide any recommendation for your account. The Account receiving Limited Advisory Services is expressly excluded from receiving other advisory services of PCIA, unless otherwise agreed to in writing by you and PCIA. PCIA will not use any knowledge it may obtain about the Account, including your holdings therein, during the course of advising you and/or managing your assets under a separate engagement for investment advisory services unless specifically instructed in writing by you to do so.

Unless we provided investment advice (which is only done at the request of the client) regarding a retirement plan account covered by ERISA, PCIA acknowledges that it is not a “fiduciary” (as defined by ERISA or DOL

regulations) with respect to your account as neither personal investment advice nor investment recommendations are being provided to you under the Program. If we do provide investment advice to an ERISA covered retirement plan account, then we would be a fiduciary under ERISA.

PCIA's service under the Limited Advisory Services Agreement ("LASA") will be limited to implementing trades at your direction as described below, making recommendations in response to your specific requests as described above, and providing the following advisory services:

- Access to individual account and household performance reporting through Black Diamond® (not including outside assets\*)
- Access to periodic PCIA market insights and commentary

\* Outside Assets are assets held away from Schwab and not serviced by PCIA or its rep-advisors.

We require your assets under this Program to be maintained in a brokerage account with Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), an SEC registered broker/dealer and member NYSE/SIPC. Schwab is the qualified custodian for all accounts established through our LASA Wrap Fee Program. You will appoint PCIA as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian under your name. **PCIA does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.** The qualified custodian will maintain physical custody of all funds and securities of your Account, and you will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

Leveraged Exchange Traded Funds "ETF" or Exchange Traded Notes "ETN", Inverse ETFs or ETNs, Non-listed Securities, and Thinly Traded Securities (generally defined as an asset that cannot easily be sold or exchanged for cash without a substantial change in price), are not allowed to participate in this wrap fee program or to be held in an account serviced under this Program.

**The annual PCIA Wrap Fee rate (%) under this Program is .06% (6 Bps) or \$24 USD whichever is greater.** Fees charged for our limited advisory services under this program are charged based on a flat percentage of assets held in the Account, billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period. Fees are assessed on all assets held in the Account, excluding non-traded alternative investments such as Real Estate Investment Trusts ("REIT"), Business Development Companies ("BDC"), and private equity. Excluded assets are still subject to the minimum fee of \$24. Margin debit balances do not reduce the value of the assets under consideration.

Fees are subject to negotiation. Fees charged for our services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of client assets serviced by the investment adviser representative. Thus, PCIA's fees may vary among clients for the services provided due to such differing client needs, circumstances, objectives, services, investment adviser representative

serving the client, and other factors that are deemed at the time to be relevant. The fee rate provided above is the Firm's basic fee generally charged to clients, absent negotiable circumstances.

Investment adviser representatives of PCIA have the discretion to negotiate lower fees with clients based on the foregoing factors. However, a client's maximum annual investment advisory fee for services made available through the Firm's Limited Advisory Services Agreement ("LASA") will never exceed the amount disclosed above.

#### **General Account Thresholds**

\$2,500 USD *See Item 5 for more details.*

The only compensation received by PCIA for its limited advisory services is the annual fee as specified in the client's advisory services agreement. PCIA receives no other forms of compensation in connection with providing such services. We have agreed with Schwab that the wrap fee we charge you will not be more than the fees we pay Schwab plus the stand alone investment advisory fee we would otherwise separately charge you (i.e., we don't mark up Schwab's fees).

PCIA believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Except as otherwise provided below, client will incur no charges other than the adviser's fee pursuant to the client's advisory services agreement in connection with the maintenance of and activity in client's account. The fees not included in the advisory fee for our wrap services are charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. PCIA's wrap fee does not include embedded ETF fees, regulatory surcharges, custodian fees such as account termination, IRA annual and maintenance fees, trade away fees and other non-commission / transaction based administrative fees. You may also incur certain charges imposed by third parties other than PCIA in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, qualified retirement plan fees, and other charges imposed by the qualified custodian(s) of your account. Advisory fees charged by PCIA are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. To the extent that securities transactions are executed away from Schwab then there may be commission mark-up and mark-downs that the client will pay in addition to the PCIA wrap fee.

The limited advisory services continue in effect until terminated by either party (i.e., PCIA or you) by providing written notice of termination to the other party. When fees are billed in arrears, PCIA will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

## **Suitability and Investment Strategy**

Neither PCIA nor any person associated with PCIA shall provide continuous ongoing supervision and management for the client's Account. Client has the exclusive responsibility for the making investment decisions and monitoring of all securities that are held in or purchased or sold for the Account; therefore, this section does not apply.

## **Additional Compensation, Economic and Non-Economic Benefits**

Our representatives may also be registered representatives of Private Client Services or Corinthian Partners, L.L.C. ("Broker-Dealer"), securities broker-dealers. Private Client Services and Corinthian Partners, L.L.C. are not affiliated. You may work with your investment adviser representative in his or her separate capacity as a registered representative of either Private Client Services or Corinthian Partners, L.L.C. as appropriate. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use Private Client Services or Corinthian Partners, L.L.C. and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use either Private Client Services or Corinthian Partners, L.L.C. as appropriate. Prior to effecting any such transactions, you are required to enter into a new account agreement with either Private Client Services or Corinthian Partners, L.L.C. The commissions charged by Private Client Services and Corinthian Partners, L.L.C. may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Some of the Firm's associated persons are also independently licensed insurance agents and sell fixed insurance products. They can earn commissions when selling these products. You are under no obligation to use the services of our representatives in this separate capacity.

## **Item 5 – Account Requirements and Types of Clients**

### **Minimum Account Size**

PCIA generally requires a minimum account size to open an account under this Program. Exceptions may be granted to this minimum in consideration of (1) the current aggregate investable balance of all household retail advisory accounts managed by PCIA and/or (2) current and/or expected cash/asset inflow and outflow for the account over the next twelve (12) months.

- Account Minimum: \$2,500

## **Types of Accounts**

PCIA generally provides such limited scope advisory services to the following types of clients:

- Individuals
- High net worth individuals
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with PCIA specifying the particular advisory services in order to establish a client arrangement with PCIA.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Neither PCIA nor any person associated with PCIA shall provide continuous ongoing supervision and management for the client's Account. Client has the exclusive responsibility for the making investment decisions and monitoring of all securities that are held in or purchased or sold for the Account; therefore, this section does not apply.

## **Item 7 – Client Information Provided to Portfolio Managers**

Neither PCIA nor any person associated with PCIA shall provide continuous ongoing supervision and management for the client's Account. Client has the exclusive responsibility for the making investment decisions and monitoring of all securities that are held in or purchased or sold for the Account; therefore, this section does not apply.

## **Item 8 - Client Contact with Portfolio Managers**

Neither PCIA nor any person associated with PCIA shall provide continuous ongoing supervision and management for the client's Account. Client has the exclusive responsibility for the making investment decisions and monitoring of all securities that are held in or purchased or sold for the Account; therefore, this section does not apply.



## Item 9 - Additional Information

### Disciplinary Information

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

### Other Financial Industry Activities and Affiliations

PCIA is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities except those described below in this Disclosure Brochure. However, while we do not sell products or services other than investment advice or advisory services, our representatives may sell other products or provide services outside of their role as investment adviser representatives with PCIA.

#### ***Dually Registered as an Investment Adviser Representative***

Certain representatives of PCIA are also licensed as investment adviser representatives with FIDUCIARY INVESTMENT TRUSTS, LLC. PCIA and FIDUCIARY INVESTMENT TRUSTS, LLC are related entities and are under common control. Through FIDUCIARY INVESTMENT TRUSTS, LLC, the representatives provide asset management services to retirement plans and collective investment funds ("Funds"), as well as referrals to sub-advisors. They earn advisory fees when providing these services through FIDUCIARY INVESTMENT TRUSTS, LLC. Therefore, you could receive advisory services from one individual acting as an investment adviser representative on behalf of two separate registered investment advisors. Additionally, these representatives have an inherent conflict of interest in recommending Funds managed by either PCIA or FIDUCIARY INVESTMENT TRUSTS, LLC to clients. Like FIDUCIARY INVESTMENT TRUSTS, LLC, PCIA is an investment adviser to Funds and receives a management fee for its services. Please refer to Item 5 of PCIA's Form ADV Part 2A Brochure for a description of these fees and services.

#### ***Registered Representative of a Broker-Dealer***

Our representatives are also registered representatives of either Private Client Services or Corinthian Partners, L.L.C. ("Broker-Dealer"), securities broker-dealers. Private Client Services and Corinthian Partners, L.L.C. are not affiliated. You may work with your investment adviser representative in his or her separate capacity as a registered representative of either Private Client Services or Corinthian Partners, L.L.C. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products

through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use Private Client Services or Corinthian Partners, L.L.C. and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use Private Client Services or Corinthian Partners, L.L.C. as appropriate. Prior to effecting any such transactions, you are required to enter into a new account agreement with the Broker-Dealer. The commissions charged by Private Client Services or Corinthian Partners, L.L.C. may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

### ***Third-Party Money Managers***

PCIA has developed several programs, designed to allow us to recommend and select third-party money managers for you. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged. Please refer to PCIA's Form ADV Part 2A for full details regarding the programs, fees, conflicts of interest and materials arrangements when PCIA selects other investment advisers.

### ***Insurance Agent***

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of PCIA by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

## **Interest in Client Transactions and Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. PCIA has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. PCIA requires its supervised persons to consistently act in your best interest in all advisory activities. PCIA imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of PCIA. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### ***Affiliate and Employee Personal Securities Transactions Disclosure***

PCIA or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of PCIA that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. PCIA and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of PCIA.

***Any associated person not observing our policies is subject to sanctions up to and including termination.***

### **Account Reviews**

Neither PCIA nor any person associated with PCIA shall provide continuous ongoing supervision and management for the client's Account receiving Limited Advisory Services. Client has the exclusive responsibility for the making investment decisions and monitoring of all securities that are held in or purchased or sold for the Account; therefore, this section does not apply.

### **Account Statements and Reports**

The Custodian is required to send a statement at least quarterly indicating all amounts disbursed from the Account, all transactions occurring in the account during the period covered by the statement, and a summary of the Account positions and portfolio value at the end of the period. The Account will be included in performance

reports that are prepared or provided to Client by PCIA. Client is strongly encouraged to compare any reports provided by PCIA against the corresponding account statements received from the qualified custodian(s).

## **Client Referrals**

PCIA does not enter into written arrangements with third parties to act as solicitors for PCIA's Limited Advisory Services, and thus does not pay referral fees to a third party with regard to the Limited Advisory Services. However, PCIA may enter into written arrangements with third parties to act as solicitors for PCIA's other investment management services. Please see PCIA's Form ADV Part 2A Brochure and Appendix 1 - Wrap Fee Brochure for more information.

## **Directed Brokerage**

PCIA requires that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. PCIA is independently owned and operated and not affiliated with Schwab. Schwab provides PCIA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors.

Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For PCIA client accounts maintained in its custody, Schwab is not compensated through commissions or other transaction-related or asset-based fees for securities trades but rather through a flat fee based on a percentage of the client's assets in the account.

Schwab also makes available to PCIA other products and services that benefit PCIA but may not benefit its clients' accounts. These benefits may include national, regional or PCIA specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of PCIA by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

Other of these products and services assist PCIA in administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of PCIA fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of PCIA accounts, including accounts not maintained at Schwab Advisor Services.

Schwab Advisor Services also makes available to PCIA other services intended to help PCIA manage and further develop its business enterprise. These services may include professional compliance, legal and business

consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing.

In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to PCIA by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to PCIA.

While, as a fiduciary, PCIA endeavors to act in its clients' best interests, PCIA's requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to PCIA of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above. The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

#### Trading Authorization

In this Program, Client grants non-discretionary trading authorization to PCIA for his or her Account. Any transactions implemented by PCIA will be made strictly on an unsolicited basis at the request of the Client. Client agrees to contact PCIA and to provide trading instructions prior to PCIA implementing each transaction on Client's behalf. Client gives PCIA the authority to instruct the qualified custodian(s) of his or her Account, on the Client's behalf, to purchase, sell, redeem or exchange any security, cash or other investments for the Account as instructed by the Client. Client also authorizes PCIA to provide a copy of the LASA to the broker/dealer or custodian through which transaction for the Account is to be effected as evidence of PCIA's authority under such an Agreement.

#### *Handling Trade Errors*

PCIA has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of PCIA to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by PCIA if the error is caused by PCIA. If the error is caused by the broker-dealer, platform provider, or custodian, the broker-dealer, platform provider, or custodian, is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. PCIA may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

#### **Travel Reimbursement**

We may from time to time 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 client appreciation events, 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 which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

## **Financial Information**

PCIA does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, PCIA has not been the subject of a bankruptcy petition at any time.

## **Item 10 – Requirement for State Registered Advisers**

PCIA is a federally registered Investment Adviser; therefore, this section does not apply.

## **PART 2B OF FORM ADV: BROCHURE SUPPLEMENT**

**Christopher Osmond, CFA® CFP®**

**Chief Investment Officer**

Prime Capital Investment Advisors, LLC: 6201 College Blvd., 7<sup>th</sup> Floor, Overland Park, KS 66211, 913-491-6226

**April 25, 2018**

This brochure supplement provides information about Christopher Osmond that supplements Prime Capital Investment Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Anthony Woodard, Chief Compliance Officer if you did not receive the Prime Capital Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

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

## **Educational Background and Business Experience**

**Christopher Osmond**, Born 1982

### **Education Background:**

University of Arizona, Bachelor of Science in Finance, 2004

Rattiner's Financial Planning Fast Track™; Certified Financial Planning (CFP®) Certification Program, 2014

### **Business Background:**

Prime Capital Investment Advisors, LLC, Chief Investment Officer 02/2018 to Current;

Prime Capital Investment Advisors, LLC, Investment Advisor Representative, 07/2017 to Current;

Rental Property Owner, Sole Proprietor, 01/2014 to Current;

Prime Capital Investment Advisors, LLC, Director of Wealth Management Services, 06/2017 to 02/2018;

Lawing Financial Inc., Investment Advisor Representative, 01/2017 to 10/2017;

Lawing Financial Inc., Director of Wealth Advisory Services, 01/2017 to 06/2017;

BMO Private Bank, Director of Investments, 12/2014 to 11/2016;

Habitat for Humanity of Metro Denver Young Professionals, Volunteer/President, 10/2010 to 12/2015;

Private Client Reserve of US Bank, Portfolio Manager, 12/2012 to 12/2014;

Northern Trust, Investment Consultant, 01/2006 to 09/2011

### **Designations:**

CFA®, Charter Financial Analyst ®

CFP®, Certified Financial Planner™ Practitioner

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 140,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters



## **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment. Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

## **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its

equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP® Certification Examination.

The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## **Disciplinary Information**

Christopher Osmond has no legal or disciplinary events to report.

## **Other Business Activities**

Please note, while it remains a current business activity for Chris Osmond, his ownership and interaction with his rental property represents less than 10 percent of his time and income.

## **Additional Compensation**

Certain product sponsors may provide Christopher Osmond with other economic benefits as a result of Christopher Osmond's recommendation or sale of the product sponsors' investments. The economic benefits received by Christopher Osmond from product sponsors can include but are not limited to, approved financial assistance with or the sponsorship of meetings and client events, marketing support, approved reimbursement or payment of travel expenses, and tools to assist Christopher Osmond in providing various services to clients.

Although Prime Capital Investment Advisors, LLC and Christopher Osmond endeavor at all times to put the interest of their clients ahead of their own interests or those of the firm's officers, directors, or representatives ("affiliated persons"), these arrangements could affect the judgment of Christopher Osmond when recommending investment products. These situations present a conflict of interest that may affect the judgment of affiliated persons including Christopher Osmond.

## **Supervision**

Anthony Woodard is the Chief Compliance Officer of Prime Capital Investment Advisors, LLC. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including Christopher Osmond. Anthony Woodard can be contacted at 913-491-6226.

## Prime Capital Investment Advisors, LLC - Privacy Notice

Prime Capital Investment Advisors, LLC's ("PCIA") primary client goal is to protect your privacy.

### ***Collection of Information***

We gather private and non-public personal information about you in order to make products available to you through PCIA and to provide you with our services. The information we collect starts with the information you provide on applications and other forms and when you request services from us. We seek to collect and use only information that is necessary and appropriate for the needs of our business. We may collect information that relates to your investment needs and objectives, income, finances, employment, investments and other factors that properly relate to the products made available through PCIA and the services we are providing. We may search public records for relevant information about you. If you seek to purchase an insurance product or service through PCIA, we may also receive information about your health and other factors needed by the insurer for that purpose. Maintaining complete and accurate information on our customer's records is important. If you become aware that we may have inaccurate information, please write or call us at:

Prime Capital Investment Advisors, LLC:

6201 College Blvd, 7<sup>th</sup> Floor, Overland Park, KS 66211, Phone: 913-491-6226, Email: [contact@pciawealth.com](mailto:contact@pciawealth.com)

### ***Important Information for California Customers***

In response to California law, Prime Capital Investment Advisors, LLC treats all accounts for clients who are residents of California as if the client does not want to disclose private or non-public personal information to nonaffiliated third parties except as permitted by applicable California law. Clients who are residents of California are asked to complete a separate document titled, "Important Privacy Choices for Consumers".

### ***Disclosure Information***

PCIA does not disclose private or non-public personal information about our customers or former customers to anyone, except as required or permitted by law or as authorized by you in writing. We do not sell customer lists or any information about our customers. We may share information about you with companies and individuals who perform services on our behalf. Some examples would include the following:

- Sharing personal information with broker/dealer(s) for purposes of completing your requested transaction.
- Sharing information with our service providers who distribute legally required documents such as prospectuses, annual reports and proxy statements
- Sharing information with our service providers who perform audits/reviews of our firm and business practices.

If you are a resident of California, we will not share your private or non-public personal information with non-affiliated companies and individuals who perform services on our behalf if you notify us that you do not wish us to share this information with such non-affiliated companies and individuals. A separate document titled "Important Privacy Choices for Consumers" is available with this Privacy Notice that provides additional information under California law.

Before disclosing information to those who provide services to us, we require them to agree to keep any private or non-public personal information about our customers confidential and to use it only for the purposes we have authorized. Prime Capital Investment Advisors, LLC also limits the sharing of private or non-public personal information for clients who are residents of California with our affiliates to comply with all California privacy laws that apply to Prime Capital Investment Advisors, LLC. We may disclose information about you in response to a subpoena or other legal process and to protect against fraud.

### ***Protecting Confidentiality of Customer Records***

PCIA will internally safeguard your non-public personal information by restricting access to only those employees who (1) provide our services; (2) provide information about products available through PCIA; and/or (3) need access to your information to service your account. In addition, we maintain physical, electronic and procedural safeguards that meet the federal and/or state standard to guard your non-public personal information.

### ***Do You Need to Do Anything?***

You do not need to take any action in response to this notice of our Privacy Policies and Procedures. Because we do not share your private or non-public personal information with nonaffiliated third parties other than as described above, you do not need to opt-out or opt-in. If, however, you want more information concerning our privacy policies and practices, please contact us at:

Prime Capital Investment Advisors, LLC:

6201 College Blvd, 7<sup>th</sup> Floor, Overland Park, KS 66211, Phone: 913-491-6226, Email: [contact@pciawealth.com](mailto:contact@pciawealth.com)

### ***Form ADV Part 2A Delivery***

If you are a client of Prime Capital Investment Advisors, LLC and would like to receive a current copy of our ADV Part 2A free of charge, please send a written request to the address shown above.

Revised 08-2018

**FOR CALIFORNIA RESIDENTS ONLY**

**Important Privacy Choices for Consumers**

**FOR CALIFORNIA RESIDENTS ONLY**

**You have the right to control whether we share some of your personal information.  
Please read the following information carefully before you make your choices below.**

**Your Rights**

You have the following rights to restrict the sharing of personal and financial information with our affiliates (companies we own or control) and outside companies that we do business with. Nothing in this form prohibits the sharing of information necessary for us to follow the law, as permitted by law, or to give you the best service on your accounts with us. This includes sending you information about some other products or services.

**Your Choices**

**Restrict Information Sharing With Companies We Own or Control (Affiliates):** Unless you say “No,” we may share personal and financial information about you with our affiliated companies.

☐ NO, please do not share personal and financial information with your affiliated companies.

**Restrict Information Sharing With Other Companies We Do Business With To Provide Financial Products And Services:** Unless you say “No,” we may share personal and financial information about you with outside companies we contract with to provide financial products and services to you.

☐ NO, please do not share personal and financial information with outside companies you contract with to provide financial products and services.

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**Time Sensitive Reply**

You may make your privacy choice(s) at any time. Your choice(s) marked here will remain unless you state otherwise. However, if we do not hear from you we may share some of your information with affiliated companies and other companies with whom we have contracts to provide products and services.

Name: \_\_\_\_\_

Account or Policy Number(s): \_\_\_\_\_ [to be filled in by consumer]

Signature: \_\_\_\_\_

**To exercise your choices please do the following:**

**Fill out, sign, and send back this form to us using the envelope provided (you may want to make a copy for your records)**

Revised 08-2018