

## Item 1. Cover Page

### Part 2A of Form ADV: *Firm Brochure*

Pinnacle Wealth Planning Services, Inc.  
*conducting business as*



### **PINNACLE ADVISORS**

6 W. 3rd Street, Suite 100  
Mansfield, Ohio 44902

Telephone: 419-526-5226  
Email: [jennifersh@pinnacleadvisors.com](mailto:jennifersh@pinnacleadvisors.com)  
Web Address: [www.pinnacleadvisors.com](http://www.pinnacleadvisors.com)

01-26-2024

This brochure provides information about the qualifications and business practices of PINNACLE ADVISORS. If you have any questions about the contents of this brochure, please contact Jennifer Henderson, Chief Compliance Officer at 419-526-5226 or [jennifersh@pinnacleadvisors.com](mailto:jennifersh@pinnacleadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Pinnacle also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 106817.

Item 2 Material Changes

The following is a summary of our Brochure’s material changes since our last annual amendment filing on March 15, 2023:

- Pinnacle Wealth Planning Services, Inc is now conducting business as PINNACLE ADVISORS.
- Moved branch office from St. Petersburg, Florida to Sarasota, Florida.
- Established a Trust Representative Office of National Advisors Trust Company, FSB (“NATC”), a federally chartered trust company regulated by the Office of the Comptroller of the Currency and FDIC member. The Firm offers trust services through a private label trade name, Pinnacle Private Trust, a Trust Representative Office of NATC.

**ANY QUESTIONS:** Pinnacle’s Chief Compliance Officer, Jennifer Henderson, remains available to address any questions regarding this Part 2A, including the material change and/or disclosure additions and enhancements below.

Item 3 Table of Contents

Item 1. Cover Page .....1

Item 2 Material Changes.....2

Item 4 Advisory Business.....3

Item 5 Fees and Compensation.....12

Item 6 Performance-Based Fees and Side-By-Side Management.....16

Item 7 Types of Clients.....16

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....17

Item 9 Disciplinary Information .....17

Item 10 Other Financial Industry Activities and Affiliations .....17

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....19

Item 12 Brokerage Practices .....20

Item 13 Review of Accounts.....21

Item 14 Client Referrals and Other Compensation.....22

Item 15 Custody .....24

Item 16 Investment Discretion.....24

Item 17 Voting Client Securities.....25

Item 18 Financial Information .....25

## Item 4 Advisory Business

Pinnacle Wealth Planning Services, Inc. (“Pinnacle”) is a SEC-registered investment adviser who began conducting business in 1998 and now conducts business as PINNACLE ADVISORS (herein Pinnacle). Pinnacle is headquartered in Mansfield, Ohio with additional offices in Columbus, Medina and Mentor, Ohio and Sarasota and Tierra Verde, Florida. Pinnacle is a family-owned company currently serving the wealth management needs of clients in 36 states. Pinnacle is currently owned in equal shares in trusts for the benefit of Keith Heichel, President & CEO, Jennifer Henderson, COO, CCO & CFO, David Heichel, VP-Marketing, Scott Heichel, CIO and Adam Heichel.

Pinnacle offers several advisory services to our clients. Our firm requires that individual clients utilize our wealth management programs, which include financial planning or educational services in order to utilize our other advisory services so that we will have the information needed in order to make well informed decisions in the best interest of our clients. Pinnacle bundles financial planning with investment advisory and quarterback services to form our formal Wealth Management Services. However, each service is described and disclosed individually within this document.

- Wealth Management Programs
- Trust Wealth Management Programs
- Financial Planning
- Investment Advisory Services/Independent Managers
- Quarterback Service
- Asset Tracking and Performance Reporting Service
- Retirement Plan Consulting Services

### AMOUNT OF MANAGED ASSETS

As of 12/31/2023, Pinnacle was actively managing \$1.73 billion of total client’s assets. \$1.71 billion of client’s assets are managed on a discretionary basis and \$14 million of clients' assets are managed on a non-discretionary basis. Pinnacle also provided investment consulting services on an additional \$35 million to self-directed retirement plan participants.

### WEALTH MANAGEMENT PROGRAMS

To service the various planning needs of our clients, business owners and their families, Pinnacle designed and now offers four (4) formal Wealth Management Programs and one (1) informal program. Our formal programs: Compass, Lifetime, Enhanced and Family Office, include varying levels of financial planning services, investment advisory services, independent manager selection, client portal and quarterback administration services. Our informal program offers financial planning education, planning coordination and investment advisory services. *See* descriptions below, and corresponding program fee schedules, including minimum annual fees, at Item 5 below.

#### **Formal Wealth Management Programs**

1. **Compass Wealth Management Program:** A service designed for clients with a net worth under \$1,500,000 with liquid investable assets of \$250,000 to \$750,000. Program Includes: Financial plan with one (1) annual planning meeting, investment advisory services with utilizing Pinnacle models at the account level, basic quarterback services and client portal.
2. **Lifetime Wealth Management Program:** A service designed for clients with a net worth \$1,500,000 to \$3,000,000 and income under \$250,000. Program Includes: Financial plan with two (2) annual planning meetings + one annual follow-up/review meeting, investment advisory services with household allocation/rebalancing, asset location, tax loss harvesting and/or individual managers, account aggregation, Lifetime Quarterback Services and client portal.

3. **Enhanced Wealth Management Program:** A service designed for clients with a net worth \$3,000,000 to \$10,000,000 and income of \$250,000 to \$1,000,000. Program Includes: Financial plan with three (3) annual planning meetings, investment advisory services with household allocation/rebalancing, asset location, tax loss harvesting and/or individual managers, account aggregation, Enhanced Quarterback Services and client portal.
4. **Family Office Wealth Management Program:** Our top level of service designed for clients with a net worth of \$25,000,000+. Program Includes: Comprehensive financial plan with four (4) annual planning meetings with client and relevant professionals, quarterly pre-meeting coordination with client's other professionals, investment advisory services with household allocation/ rebalancing, asset location, tax loss harvesting and/or individual managers, account aggregation, Family Office Quarterback Services and client portal.

### **Informal Wealth Management Program**

Our Insight Program is an informal wealth management education program designed for relatives of current formal Wealth Management clients who do not require formal financial planning program yet but would like to meet with an advisor who will provide financial planning education as well as basic investment management. Program includes annual meeting; investment advisory services utilizing account level models, and client portal with tools for budgeting, account aggregation and document storage.

### **Inclusive Planning Services**

Pinnacle believes that it is important for the client to address financial planning issues on an ongoing basis. To the extent that planning services are included in Pinnacle's advisory fee, as set forth at Item 5 below, Pinnacle's fee will remain the same regardless of whether the client determines to address financial planning issues with Pinnacle.

## **TRUST WEALTH MANAGEMENT PROGRAMS**

To assist Trustee's with their fiduciary responsibilities, Pinnacle offers three (3) formal Trust Wealth Management Programs: Lifetime, Enhanced and Comprehensive, include varying levels of Trust Investment Advisory Services, Trust Longevity Planning Services, Trust Asset Tracking and Performance Reporting Service and Trust Administration Compliance Services. *See* descriptions below, and corresponding program fee schedules, including minimum annual fees, at Item 5 below.

### **Trust Wealth Management Programs**

1. **Lifetime Trust Wealth Management Program:** A service designed for trusts with minimal complications. Program Includes: Trust Longevity Planning with two (2) annual meetings, trust investment advisory services with rebalancing, asset location, tax loss harvesting and/or individual managers and account aggregation, Trust Administration Compliance Service and trust portal.
2. **Enhanced Trust Wealth Management Program:** A service designed for trusts with various complications. Program Includes: Trust Longevity Planning with three (3) annual meetings, trust investment advisory services with rebalancing, asset location, tax loss harvesting and/or individual managers and account aggregation, Trust Administration Compliance Service and trust portal.
3. **Comprehensive Trust Wealth Management Program:** A service designed for a trust with a business operating inside the trust. Program Includes: Trust Longevity Planning with four (4) annual meetings, trust investment advisory services with rebalancing, asset location, tax loss harvesting and/or individual managers and account aggregation, Trust Administration Compliance Service and trust portal.

## **FINANCIAL PLANNING**

We offer financial planning as a stand-alone service or as a component of our wealth management services.

Financial planning is an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives. In general, the financial plan, depending upon the client's needs and direction, can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, disability and long-term care.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney and asset protection plans.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent engaged by the client to do so, Pinnacle will generally provide financial planning and related consulting services regarding non-investment related matters, such as retirement planning, tax planning, estate planning, insurance, etc. Pinnacle will generally provide such consulting services as part of one of its Wealth Management programs and/or on a stand-alone separate fee basis. **Please Note:** Pinnacle **does not** serve as an attorney, accountant or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. Accordingly, Pinnacle **does not** prepare estate planning documents or tax returns, nor does it sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including Pinnacle's affiliated entity and/or representatives in their respective separate licensed capacities as an attorney and a CPA firm - *see* disclosure at Item 10 below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Pinnacle and/or its representatives. **Please Also Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged professional[s], and **not** Pinnacle, shall be responsible for the quality and competency of the services provided. **Please Note.** Pinnacle believes that it is important for the client to address financial planning issues on an ongoing basis. Pinnacle's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Pinnacle.

**Family Office Services.** Pinnacle is affiliated with Pinnacle Family Office, LLC, a wholly owned subsidiary business that provides non-investment advisory, administrative services, to Pinnacle clients as set forth on the Wealth Management Agreement between Pinnacle and the client. Pinnacle shares a portion of its fee with Family Office for those clients that receive such administrative services. The family office service is in addition to Pinnacle's fees for the above Wealth Management Programs.

**Trustee Services.** Pinnacle has established a Trust Representative Office of National Advisors Trust Company, FSB ("NATC"), a federally chartered trust company regulated by the Office of the Comptroller of the Currency and FDIC member. The Firm offers trust services through a private label trade name, Pinnacle Private Trust, a Trust Representative Office of NATC. Pinnacle's client assets are segregated from the capital assets of NATC and are not subject to potential NATC creditor claims. Pinnacle and NATC are not related entities. The terms and conditions of a client's engagement of NATC, including the fee payable by the client to NATC, are outlined in a separate agreement between the client and NATC. The client is under no obligation to engage NATC. Pinnacle does not receive any compensation from NATC.

**Client Obligations.** In performing its services, Pinnacle shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Pinnacle if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Pinnacle's previous recommendations and/or services.

### **INVESTMENT ADVISORY SERVICES: INDIVIDUAL PORTFOLIO MANAGEMENT**

As a component of our Wealth Management Programs, our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We offer management of these advisory accounts on both a discretionary and a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities: Equity securities, corporate debt, commercial paper, certificates of deposit, municipal securities, United States government securities, interests in partnerships in real estate and oil and gas interests.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

**Client Retirement Plan Assets.** If requested to do so, Pinnacle shall provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, Pinnacle shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. Pinnacle's ability

shall be limited to the allocation of the assets among the investment alternatives available through the plan. Pinnacle will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify Pinnacle of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management for purposes of Pinnacle calculating its advisory fee.

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to continue to engage Pinnacle on a non-discretionary investment advisory basis **must be willing to accept** that Pinnacle cannot affect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event that Pinnacle would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Pinnacle will be unable to affect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Please Note: Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Pinnacle recommends that a client roll over their retirement plan assets into an account to be managed by Pinnacle, such a recommendation creates a **conflict of interest** if Pinnacle will earn new (or increase its current) compensation as a result of the rollover. **No client is under any obligation to roll over retirement plan assets to an account managed by Pinnacle. Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Please Note-Use of Mutual Funds/ETFs:** Most mutual funds and exchange-traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that maybe utilized by Pinnacle independent of engaging Pinnacle as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Pinnacle's initial and ongoing investment advisory services. In addition to Pinnacle's investment management fee described above, transaction and/or custodial fees discussed below at Item 5, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). **Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the above.**

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Pinnacle) will be profitable or equal any specific performance level(s).

**Custodian Charges-Additional Fees.** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Pinnacle generally recommends that *Schwab* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While

certain custodians, including *Schwab*, generally do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note:** there can be no assurance that *Schwab* will not change its transaction fee pricing in the future. **Trade-aways:** When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Pinnacle and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by *Schwab*). The above fees/charges are in addition to Pinnacle’s investment advisory fee at Item 5 below. Pinnacle does not receive any portion of these fees/charges. **ANY QUESTIONS: Pinnacle’s Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the above.**

**Portfolio Activity.** Pinnacle has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, Pinnacle will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when Pinnacle determines that changes to a client’s portfolio are neither necessary nor prudent. Pinnacle’s advisory fee remains payable during periods of account inactivity.

**Cash Sweep Accounts.** Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion, Pinnacle shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian’s platform, unless Pinnacle reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client’s account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account. Please Note: The above does not apply to the cash component maintained within a Pinnacle actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. Please Also Note: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any Pinnacle unmanaged accounts. **ANY QUESTIONS:** Pinnacle’s Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the above.

**Cybersecurity Risk.** The information technology systems and networks that Pinnacle and its third-party service providers use to provide services to Pinnacle’s clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Pinnacle’s operations and result in the unauthorized acquisition or use of clients’ confidential or non-public personal information. Clients and Pinnacle are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Pinnacle has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be



successful, especially considering that Pinnacle does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Borrowing Against Assets/Risks.** A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Pinnacle does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). Pinnacle does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Pinnacle:

- by taking the loan rather than liquidating assets in the client's account, Pinnacle continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Pinnacle, Pinnacle will receive an advisory fee on the invested amount; and,
- if Pinnacle's advisory fee is based upon the higher margined account value, Pinnacle will earn a correspondingly higher advisory fee. This could provide Pinnacle with a disincentive to encourage the client to discontinue the use of margin.

**Please Note:** The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loan.

### **INDEPENDENT MANAGERS**

Pinnacle may allocate a portion of client assets among unaffiliated independent investment managers available on various custodian investment platforms. In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. Pinnacle shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. **Please Note:** The investment management fee charged by the Independent Manager[s], and any applicable platform fee, is separate from, and in addition to, Pinnacle's advisory fee as set forth in the fee schedule at Item 5 below.

**ANY QUESTIONS: Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the allocation of account assets to an Independent Manager(s), including the specific additional fee to be charged by such Independent Manager(s).**

## **QUARTERBACK SERVICE**

As a component of our Wealth Management Services, we provide basic Quarterback Service. This service provides the administration and coordination of the investment and planning services in coordination with the client's other professional advisors. This basic service also includes a Client Wealth Management portal with access to the Client's document vault, investment portfolio and financial plan, if applicable. Enhanced and Family Office Program clients receive an additional level of Quarterback services required by the complexity of their personal, business and financial situation.

## **ASSET TRACKING AND PERFORMANCE REPORTING SERVICE**

Pinnacle may also provide periodic comprehensive reporting services, which can incorporate all of the client's investment assets including those investment assets that are not part of the assets managed by Pinnacle (the "Excluded Assets"). Pinnacle's service relative to the Excluded Assets is limited to reporting services only, which does not include investment implementation. Because Pinnacle does not have trading authority for the Excluded Assets, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional), and not Pinnacle, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. The client and/or his/her/its other advisors that maintain trading authority, and not Pinnacle, shall be exclusively responsible for the investment performance of the Excluded Assets. Without limiting the above, Pinnacle shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that Pinnacle provide investment management services (whereby Pinnacle would have trading authority) with respect to the Excluded Assets, the client may engage Pinnacle to do so pursuant to the terms and conditions of the Investment Advisory Agreement between Pinnacle and the client.

## **RETIREMENT PLAN CONSULTING SERVICES**

Pinnacle provides retirement plan consulting services under the alternate name, Pinnacle Fiduciary Consulting Group (herein PFCG). PFCG offers retirement plan consulting services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan consulting services can include, but are not limited to, the following services:

### **Fiduciary Consulting Services**

PFCG provides the following Fiduciary Retirement Plan Consulting Services:

- Assist the Client in the development of an investment policy statement (IPS). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client shall have the final decision-making authority regarding the initial selection, retention, removal and addition of investment options.
- Assist the Client with the selection of a broad range of investment options consistent with ERISA section 404(c) and the regulations thereunder.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain or remove and replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative ("QDIA") for participants who are automatically enrolled in the

Plan or who otherwise fail to make an investment election. The Client retains the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).

PFCG acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 (“ERISA”) for purposes of providing non-discretionary investment advice only. PFCG will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause PFCG to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services of a Section 3(21) advisor, PFCG (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client’s retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client’s retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client’s retirement plan or the interpretation of Client’s retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of Client’s retirement plan as defined in ERISA.

If contracted specifically, PFCG may also provide full investment manager services as defined in Section 3(38) of ERISA which would give PFCG the additional authority to manage, acquire or dispose of plan assets. However, PFCG will not serve as the “Administrator” of Client’s retirement plan as defined in ERISA.

### **Non-Fiduciary Services**

PFCG provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Assist in the education of the participants in the Plan about general investment principles and the investment alternatives available under the Plan. Client understands that Adviser’s assistance in participant investment education shall be consistent with and within the scope of (d) (i.e., the definition of investment education) of Department of Labor Interpretive Bulletin 96-1. As such, the Adviser is not providing fiduciary advice (as defined in ERISA) to the participants. Adviser will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Consulting Agreement.

All recommendations of investment options and portfolios will be submitted to the client for the client’s ultimate approval or rejection. Therefore, it is always the client’s responsibility to accept investment recommendations of PFCG and then physically make changes to the plan itself. In the event a client contracts with PFCG for one-on-one consulting services with plan participants, such services are consultative in nature and do not involve PFCG implementing recommendations in individual participant accounts. It will be the responsibility of each participant to implement changes in the participant’s individual accounts.

Retirement plan consulting services are not management services, and PFCG does not serve as administrator or trustee of the plan. PFCG does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees). In addition, we do not implement any transactions in a retirement plan or participant's account. For retirement plan consulting services, the retirement plan or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

PFCG will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Consulting Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

## **Item 5 Fees and Compensation**

### **WEALTH MANAGEMENT PROGRAM FEES**

The base annualized fee for our firm's Wealth Management Programs is charged as a percentage of assets under management, according to the following tiered schedule. However, these fees may be negotiable on a client-by-client basis. These fees are billed quarterly, in arrears, based on the average daily market value of the managed portfolio during the billing quarter.

- 1.2% on first \$500,000
- 1.00% on monies exceeding \$ 500,000 up to \$1,000,000
- 0.90% on monies exceeding \$ 1,000,000 up to \$2,000,000
- 0.80% on monies exceeding \$ 2,000,000 up to \$3,000,000
- 0.70% on monies exceeding \$ 3,000,000 up to \$4,000,000
- 0.60% on monies exceeding \$ 4,000,000 up to \$5,000,000
- 0.40% on monies exceeding \$ 5,000,000 up to \$10,000,000
- 0.30% on monies exceeding \$10,000,000 and above

For Clients with more comprehensive planning needs, the following annual fees will apply based upon client complexity. These fees are billed quarterly in arrears.

- \$1,000 annually (\$250/quarter) for Lifetime Wealth Management Services
- \$3,000 annually (\$750/quarter) for Enhanced Wealth Management Services
- 0.10% additional annual fee on assets under management for Family Office Wealth Management Services, based on the average daily market value of the managed portfolio during the billing quarter.

Individual clients are required to be a part of one of our Wealth Management programs in order for our firm to provide investment advisory service. Our clients are required to pay a minimum annual fee according to the Wealth Management Program agreed upon in their contract. This minimum annual fee can be met by adding all of fees paid for the Client's wealth management program, quarterback services and asset tracking and performance reporting services:

- Insight Program = \$500 minimum annual fee
- Compass Wealth Management Program = \$3,000 minimum annual fee
- Lifetime Wealth Management Program = \$5,000 minimum annual fee
- Enhanced Wealth Management Program = \$10,000 minimum annual fee
- Family Office Wealth Management Program = \$25,000 minimum annual fee

Pinnacle, in its sole discretion, may charge a lesser wealth management fee and/or reduce or waive its aggregate minimum annual fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, grandfathered accounts, account composition, negotiations with client, etc.). **Please Note:** Clients that are subject to an annual minimum fee could pay a higher percentage (%) annual fee than references in the above fee schedule. **Please Also Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Pinnacle's Chief Compliance Officer, **Jennifer Henderson**, remains available to address any questions that a client or prospective client may have regarding advisory fees.

### **TRUST WEALTH MANAGEMENT PROGRAM FEES**

The annualized fee for Pinnacle's Trust Wealth Management Program is charged as a percentage of the trusts' assets under management, according to the following tiered schedule. However, these fees may be negotiable on a trust-by-trust basis. These fees are billed quarterly, in arrears, based on the average daily market value of the trust's managed portfolio during the billing quarter.

- 1.2% on first \$1,000,000
- 0.90% on monies exceeding \$ 1,000,000 up to \$2,000,000
- 0.80% on monies exceeding \$ 2,000,000 up to \$3,000,000
- 0.70% on monies exceeding \$ 3,000,000 up to \$4,000,000
- 0.60% on monies exceeding \$ 4,000,000 up to \$5,000,000
- 0.40% on monies exceeding \$ 5,000,000 up to \$10,000,000
- 0.30% on monies exceeding \$10,000,000 and above

In addition, the following annual flat fees will be applied for Trust Longevity Planning Administration Compliance Trust Service, based upon the trust's complexity. These fees are billed quarterly in arrears.

- \$1,000 annually (\$250/quarter) for Lifetime Trust Wealth Management Services
- \$3,000 annually (\$750/quarter) for Enhanced Trust Wealth Management Services
- \$5,000 annually (\$1,250/quarter) for Comprehensive Trust Wealth Management Services

Trusts are required to pay a minimum annual fee according to the Trust Wealth Management Program agreed upon in their contract. This minimum annual fee can be met by adding all of fees paid for the Trust's wealth management program, Trust Longevity Planning Administration Compliance Trust Service and asset tracking and performance reporting services:

- Lifetime Trust Wealth Management Program = \$5,000 minimum annual fee
- Enhanced Trust Wealth Management Program = \$10,000 minimum annual fee
- Comprehensive Trust Wealth Management Program = \$20,000 minimum annual fee

## FINANCIAL PLANNING FEES

Pinnacle's financial planning fees are included in the Wealth Management Fee for our formal Wealth Management Programs. For financial planning only clients, Pinnacle's one-time Financial Planning fees range from \$2,000 to \$20,000, depending on the specific arrangement reached with the client. The client is billed ½ of the agreed upon fee upon contract signing and the remaining ½ of the fee upon completion of the financial plan.

## QUARTERBACK FEES

Pinnacle's basic Quarterback fees are included in the client's Wealth Management Program fee. These fees are charged on a fixed fee basis, typically ranging from \$2,000 to \$20,000, billed quarterly in arrears based on their fixed quarterly fee.

## PINNACLE FAMILY OFFICE FEES

The annualized fee for Pinnacle's Family Office service is charged as a percentage of the client's assets under management at 0.10%. These fees are billed quarterly, in arrears, based on the average daily market value of the client's managed portfolio during the billing quarter.

## ASSET TRACKING AND PERFORMANCE REPORTING FEES

Asset Tracking fees are charged based upon the amount of non-managed assets being tracked. Non-Wealth Management clients are charged 0.15% based on the first dollar tracked. The top three Wealth Management service level clients receive some free asset tracking with their program. Lifetime receives \$250,000, Enhanced receives \$500,000 and Family Office received \$1,000,000 of free tracking. An asset tracking fee of 0.15% is charged on non-managed assets above those included in their Wealth Management program. If Pinnacle facilitates the opening a non-managed investment account on behalf of a client, Pinnacle will also charge a one-time \$250 account opening administration fee.

## PFCG RETIREMENT PLAN CONSULTING SERVICES

For retirement plan sponsors, the Plan will be charged the following annual fee based upon the amount of Plan assets:

<u>Assets</u>	<u>Minimum Fee</u>	<u>Standard Fee</u>	<u>Upper Fee</u>
\$0 - \$1,000,000	\$2,500	1.00%	1.00%
\$1,000,000 - \$3,000,000	0.45%	0.55%	0.75%
\$3,000,000 - \$10,000,000	0.30%	0.45%	0.60%
\$10,000,000 - \$50,000,000	0.20%	0.30%	0.35%
\$50,000,000 - \$100,000,000**	0.18%	0.20%	0.24%
\$100,000,000 and above	Flat Fee Pricing		

\*\* Flat Fee Pricing also available for plans over \$50M

This fee is negotiable based upon the complexity of the plan, the size of the plan assets, the number of plan participants, the actual services requested and the potential for additional deposits.

For retirement plan sponsors fees are 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 previous 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.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Pinnacle. We will provide the custodian with a fee notification statement.

Either party may terminate the services upon providing the other party providing with written notice of termination effective upon 30 after the other party receives such notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

Pinnacle does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** Except for the thirty (30) days' notice for retirement plan clients as referenced above, the client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, unpaid Investment Advisory Services fees will be prorated according to the number of days already passed in the billing period. Termination fees may be charged by the custodian and is unrelated to Pinnacle's final fees.

***Mutual Fund/ETF Fees:*** All fees paid to Pinnacle for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program or administration fees in addition to the advisory fee charged by our firm. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians, including, but not limited to, any transaction charges imposed by a custodian with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Pinnacle's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** Pinnacle is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Pinnacle may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

**Please Note: Cash Positions.** Pinnacle continues to treat cash as an asset class. As such, unless determined to the contrary by Pinnacle, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Pinnacle's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Pinnacle may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Pinnacle's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS: Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

**Margin Accounts: Risks/Conflict of Interest.** Pinnacle **does not** recommend the use of margin for investment purposes. A *margin account* is a brokerage *account* that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Should a client determine to use margin, Pinnacle will include the entire market value of the margined assets when computing its advisory fee. Accordingly, Pinnacle's fee shall be based upon a higher margined account value, resulting in Pinnacle earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since Pinnacle may have an economic disincentive to recommend that the client terminate the use of margin. **Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction. **ANY QUESTIONS: Our Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the use of margin.**

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

Pinnacle does not charge performance-based fees.

## **Item 7 Types of Clients**

Pinnacle provides advisory services to the following types of clients:

- ☐ Individuals & High net worth individuals
- ☐ Pension and profit-sharing plans (other than plan participants)
- ☐ Trusts & Charitable Foundations
- ☐ Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service. Pinnacle, in its sole discretion, may charge a lesser investment advisory fee, waive its minimum annual fee, and/or a charge a



flat fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.).

**Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY**

**QUESTIONS:** Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy with all clients. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Risk of Loss.*** Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

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

**Legal Services.** Pinnacle **does not** provide legal services. Pinnacle's founder and Chairman of the Board, William D. Heichel, in his separate individual capacity, is an attorney, and in such separate individual capacity and exclusively through his separate law office, may provide legal services on a separate fee basis, including to Pinnacle clients. Similarly, Kory Wiita, Wealth Manager at Pinnacle, in his separate individual capacity, is an attorney, and in such separate individual capacity and exclusively through his separate law

office, may provide legal services on a separate fee basis, including to Pinnacle clients. No client is under any obligation to engage Mr. Heichel or Mr. Wiita for legal services. Pinnacle shall not receive any portion of the legal fees charged by Mr. Heichel or Mr. Wiita. Nevertheless, given Mr. Heichel's and Mr. Wiita's association with Pinnacle, the recommendation that a client consider same presents a **conflict of interest**.

**Affiliated CPA Firm.** Pinnacle has a passive member ownership interest in a CPA firm, Pinnacle CPA Advisory Group, LLC ("CPA Firm"). Pinnacle intends to refer clients to CPA Firm for tax and accounting related services. Given its ownership interest in CPA Firm, Pinnacle has an economic incentive to recommend CPA Firm. Thus, Pinnacle has a **conflict of interest** when it makes such recommendation. No client is under any obligation to engage CPA Firm. In addition, **KM&M Pinnacle/Pinnacle CPA Wealth Planning Services**, a registered investment adviser affiliated with majority members of CPA Firm, also serves as a compensated promoter for Pinnacle. See disclosure at Item 14 below. **ANY QUESTIONS: Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest and solicitor arrangement.**

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Clients should be aware that the receipt of additional compensation by Pinnacle and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Pinnacle endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our professionals seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

**National Advisors Trust.** A control person of Pinnacle also holds a small minority ownership interest (less than 1%) in National Advisors Holdings, Inc. ("NAH") a Delaware corporation. The business purpose of NAH is as sole owner and operator of National Advisors Trust Company, FSB ("NATC"), a Federal Savings Bank that offers personal trust, employee benefit services, IRA, and custodial services to clients on a national basis. National Advisors Trust is currently supervised by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation. Pinnacle may, and does, recommend NATC to certain clients for custody and trustee services when Pinnacle believes NATC's services may be appropriate for those clients.

No client is under any obligation to use NATC's services. Because Pinnacle indirectly has an interest in NAH, and therefore indirectly has an interest in NATC, a **conflict of interest** is present because Pinnacle could have an economic incentive to recommend NATC's services.

**ANY QUESTIONS:** Pinnacle's Chief Compliance Officer, Jennifer S. Henderson, CFP®, remains available to address any questions that a client or prospective client may have regarding the above conflict of interests.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Pinnacle and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code also provides for oversight, enforcement and recordkeeping provisions.

Pinnacle's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [jennifersh@pinnacleadvisors.com](mailto:jennifersh@pinnacleadvisors.com), or by calling our Chief Compliance Officer at 419-526-5226.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts may be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No employee of our firm may put his or her own interest above the interest of an advisory client.
2. No employee of our firm may buy or sell securities for their personal portfolio where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered.
8. All of our employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

In the event that the client requests that Pinnacle recommend a broker-dealer/custodian for execution and/or custodial services, Pinnacle generally (with exceptions, including for retirement plans) recommends that investment advisory accounts be maintained at Charles Schwab & Co., Inc. ("*Schwab*"). Prior to engaging Pinnacle to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Pinnacle setting forth the terms and conditions under which Pinnacle shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Pinnacle considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Pinnacle, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees paid by Pinnacle's clients shall comply with Pinnacle's duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to affect the same transaction where Pinnacle determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Pinnacle will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. The transaction fees charged by

the designated broker-dealer/custodian are exclusive of, and in addition to, Pinnacle's investment advisory fee.

**Research and Benefits:** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Pinnacle can receive from Schwab (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Pinnacle to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by Pinnacle can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by Pinnacle in furtherance of its investment advisory business operations.

Pinnacle's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab*, et. al as a result of these arrangements. There is no corresponding commitment made by Pinnacle to *Schwab*, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangements.

**ANY QUESTIONS: Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.**

**Directed Brokerage.** Pinnacle generally does not accept directed brokerage arrangements (when a client requires that account transactions be affected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Pinnacle will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Pinnacle. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs Pinnacle to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Pinnacle. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Order Aggregation.** Transactions for each client account generally will be affected independently unless Pinnacle decides to purchase or sell the same securities for several clients at approximately the same time. Pinnacle may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Pinnacle's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Pinnacle shall not receive any additional compensation or remuneration as a result of such aggregation.

## Item 13 Review of Accounts

**REVIEWERS:** Accounts are reviewed by one or more of our professional advisors:

- Keith A. Heichel, CFP®, ChFC®, President & CEO
- Scott Heichel, CFA®, CFP®, Chief Investment Officer
- Dayne Wendling, CFP®, VP of Investment Advisory Services
- Christine Larson-Postel, CFP®, MBA, VP of Wealth Management Services
- Allen Sykes, CFP®, Senior Wealth Manager
- David Heichel, CFP®, Senior Wealth Planner and VP of Marketing
- Billy Cunningham, CFP®, Wealth Manager
- Chris Meek, Wealth Planner
- Kory Wiita, JD, CFP®, Wealth Manager

## INVESTMENT ADVISORY SERVICES

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**REPORTS:** In addition to the monthly or quarterly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance and balances.

## SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS

**REVIEWS:** These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser. Pinnacle will provide reviews at least annually.

**REPORTS:** These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser. Pinnacle will provide these client accounts with quarterly reports.

## FINANCIAL PLANNING SERVICES

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## Item 14 Client Referrals and Other Compensation

As indicated at Item 12 above, Pinnacle can receive from Schwab and/or others, without cost (and/or at a discount), support services and/or products. Pinnacle's clients do not pay more for investment transactions

effected and/or assets maintained at Schwab or any other entity as result of these arrangement. There is no corresponding commitment made by Pinnacle to any custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangements. **Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.**

Pinnacle engages promoters to introduce new prospective clients to Pinnacle consistent with the Investment Advisers Act of 1940, its corresponding. Rules, and applicable state regulatory requirements. If the prospect subsequently engages Pinnacle, the promoter shall generally be compensated by Pinnacle for the introduction. Because the promoter has an economic incentive to introduce the prospect to Pinnacle, a conflict of interest is presented. The promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to Pinnacle (i.e., if the prospect was to engage the Registrant independent of the promoter's introduction).

Below is a list of our current Pinnacle Advisor® relationships. Pinnacle Advisors® are promoters who remain active participants (co-advisors) in the client's Wealth Management Program.

- Battalion Group, LLC of Fairlawn, OH
- Belser Pinnacle Financial Advisors LLC of Bellefontaine, OH
- Deimling Forbes Financial Advisors Inc. of Willoughby, OH
- DFFA, Inc. of Willoughby, OH
- HD Pinnacle Advisors, Ltd. Of Mansfield, OH
- H&M Financial Advisors LLC of Marion, OH and Marysville, OH
- James Ruthsatz Pinnacle Advisors, LLC of Sandusky, OH
- JoVan, LTD of Ashland, OH
- Kee Huchok Wealth Management, LLC of Uniontown, OH
- KM&M Pinnacle, Ltd of Mansfield, OH
- Pinnacle CPA Wealth Planning Services (*a wholly owned subsidiary of KM&M Pinnacle*)
- Pinnacle Advisory Services, LLC of Tierra Verde, FL
- R&M Consulting, Ltd. of Mansfield, OH
- Shealy Pinnacle Advisors, Ltd. of Mansfield, OH
- Sullivan Pinnacle Advisors of Akron, OH
- WS Wealth Management LLC of Middleburg Heights, OH

**Please Note: Promoter-Continued Obligations.** The above promoters shall be responsible for: (1) assisting the referred client in determining the initial and ongoing suitability for Pinnacle's investment portfolios and/or strategies; and (2) for receiving/ascertaining the referred client's directions, notices and instructions and forwarding to Pinnacle, in writing. Pinnacle shall be entitled to rely upon any such direction, notice or instruction (including any information or documentation regarding the referred client's investment objective, risk tolerances and/or investment restrictions) until it has been duly advised in writing of changes thereto. Pinnacle shall have no responsibility for the promoter's failure to correctly, accurately and/or timely ascertain/forward/communicate any and all such directions, notices and instructions, including, but no limited to initial and ongoing suitability for Pinnacle's investment portfolios and/or strategies.

Below is a list of our current Pinnacle promoter relationships. Pinnacle promoters typically do not participate in the client's Wealth Management Program and are simply paid a referral fee.

- 3AB, LLC of Columbus, OH
- HW&Co. CPAs and Advisors of Beachwood, OH
- William Clark, CFD Investments of Columbus, OH
- Mizick, Miller CPAs of Bucyrus, OH
- S. Lewis Patrick, Westlake, OH
- Bob & Birdie Lape of Lakewood Ranch, FL
- Pinnacle Puerto Rico, LLC of Guaynabo, PR

As a matter of firm practice, the advisory fees paid to Pinnacle by clients referred by promoters are not increased as a result of any referral. It is Pinnacle's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## Item 15 Custody

Pinnacle shall have the ability to deduct its advisory fee from the client's custodial account on a quarterly basis. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian at least quarterly. **Please Note:** To the extent that Pinnacle provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Pinnacle with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Pinnacle's advisory fee calculation.

**Please Also Note: Custody Situations:** In addition, certain clients have established asset transfer authorizations which permit the qualified custodian to rely upon instructions from Pinnacle to transfer client funds or securities to third parties. These arrangements are also disclosed at ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

**ANY QUESTIONS:** Pinnacle's Chief Compliance Officer, Jennifer Henderson, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

## Item 16 Investment Discretion

Through its asset management services and upon receiving written authorization from a client, Pinnacle will maintain trading authorization over client accounts. Upon receiving written authorization from the client, Pinnacle may implement trades on a **discretionary** basis. When discretionary authority is granted, Pinnacle will have the authority to determine the type of securities, the amount of securities that can be bought or sold, the broker or dealer to be used, and the commission rates paid for the client's portfolio without obtaining the client's consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell



Once the above factors are agreed upon, Pinnacle will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations, and we may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We may provide clients with consulting assistance regarding proxy issues if they contact us with questions.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. As an advisory firm that deemed to have custody, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Pinnacle has no additional financial circumstances to report. Pinnacle has not been the subject of a bankruptcy petition at any time during the past ten years.

**ANY QUESTIONS: Pinnacle's Chief Compliance Officer, Jennifer S. Henderson, CFP®, remains available to address any questions regarding any portion of this written disclosure statement.**