



## Form ADV Part 2A Investment Advisor Brochure

### *Cover Page*

Registered Investment Advisor	The Planners Network, Inc. (TPN)
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Date of Brochure	September 8, 2017

This Form ADV Part 2A (Investment Advisor Brochure) gives information about The Planners Network (“the investment advisor, or “TPN”) and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC’s website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### ***Material Changes***

The purpose of this section is to discuss only material changes since the last annual update of TPN’s Investment Advisor Brochure, or when material changes occur since the previous release of the Firm Brochure.

#### Summary of Material Changes:

This update is in accordance with the required annual filing. Since the last update of this brochure on September 21, 2016, the following has been updated:

- Item 4 has been updated to disclose our assets under management

#### Delivery:

Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

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## ***Advisory Business***

### **Advisory Firm**

The Planners Network, Inc. ("TPN") is a network of financial services professionals ("members"). Some members are shareholders. Each shareholder has equal ownership, with no one person holding more than a 25% ownership.

Some members are Investment Advisor Representatives ("IA Reps") under TPN, and provide some or all of the investment advisory services described below. Members that are not IA Reps under the TPN registration may be IA Reps of other investment advisory firms, and are not covered by the disclosures herein.

As a membership network, TPN has been in business since 1999. TPN has been providing investment advisory services since 2001.

### ***Advisory Services***

#### **1. Asset Management**

TPN provides both account management and supervisory services (collectively "asset management") to its clients. As of June 30, 2017, TPN has approximately \$108,226,304 of assets under management on a discretionary basis, and approximately \$1,188,200 of assets under management on a non-discretionary basis.

Asset Management services include, among other things, providing advice regarding asset allocation and the selection of investments. Asset Management is guided by the stated objectives and individual needs of the client. The IA Rep considers the client's risk profile and financial status prior to making any recommendations.

Each IA Rep offers their blend of services and has their own investment philosophies. Prior to or at the time of entering into the client Investment Advisory Agreement, the IA Rep will provide to the client the "Brochure Supplement" (Form ADV Part 2B), which will include the following additional information pertaining to the specific IA Rep:

Services offered, fee/compensation arrangements, whether fees are negotiable, types of investments, methods of analysis, investment strategies, conditions for managing accounts, frequency of reviews and reports, education and business background, other business activities, additional broker/dealer (custodians) used other than as disclosed herein, and any other material disclosures about the individual IA Rep's business.

It is important that the client review the Brochure Supplement, as it will contain more specifics as to the services and fees/compensation that will apply to the client. To the extent there is any conflict between the Brochure Supplement and the following general description of TPN services and fees, the Brochure Supplement will control.

Regardless of the tailored program offered by the IA Rep, all IA Reps will undertake the following steps:

An initial interview and data gathering is undertaken to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. Clients have the ability to leave standing instructions with the IA Rep to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities. Quarterly the IA Rep will notify the client in writing to contact the IA Rep if there have been any changes in the client's financial situation or investment objectives, or to impose or modify account restrictions. The IA Rep will actively contact or attempt active contact with the client annually on these matters. It is the client's responsibility to notify the IA Rep at any time there are changes. Clients may call in at any time during normal business hours to discuss directly with the IA Rep about the client's account, financial situation, or investment needs. Clients will receive from the custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program. In addition to custodial statements, the IA Rep sends quarterly reports to the client.

## **2. Financial Planning and Consulting**

IA Reps provide financial planning and consulting services to individuals and institutions that is consistent with the individual client's financial and tax status, in addition to their risk profile and return objectives.

IA Reps may also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning, divorce planning, and business planning. This may be bundled into a Financial Plan or Consultation, or may be provided as a separate value-added service.

## **3. Seminars**

IA Reps may hold seminars or provide similar presentations. These seminars may include presentations on various securities and insurance products, or on financial planning strategies. Seminars provide generalized information and do not provide investment advice tailored to individuals. Individualized advice would only be provided if/when an attendee enters into an Investment Advisory Agreement with TPN.

## **4. Third Party Money Managers**

After determining the client's financial situation and investment objective, the IA Rep may refer the client to a third-party money manager for asset management services.

# ***Fees and Compensation***

## **1. Asset Management Fees**

Fees for asset management services are negotiable and generally range from 0.25% to 2.5% per year of the assets under management. Fees are generally based on the assets under management and the range of services being provided. Also, some IA Reps waive or offset

fees against commissions. IA Reps who charge commissions and fees will disclose this in their Brochure Supplement.

Billing will generally be collected quarterly, either in arrears or in advance. Payments in advance will not represent more than one-quarter billing period. Quarterly fees may be calculated on a calendar quarter or client anniversary quarter based on the closing price of the last quarter or as of the first day of a new quarter, an average price of the quarter, or other formula. Billing for partial quarters will be done on a pro-rata basis.

IA Reps will provide clients a Brochure Supplement no later than at the time of entering into the Investment Advisory Agreement, showing all fee breakpoints, timing of payment, method of calculation, and all other fee disclosures.

## **2. Financial Planning and Consulting Fees**

Clients are charged an hourly or negotiated fixed fee for financial planning and consulting services. Fees are based on the complexity of the plan and the range of services provided. The hourly rates, including rates for unique consulting services (e.g., divorce services or legal testimony) vary among IA Reps. Information about the hourly rates charged by an IA Rep offering this fee option can be found in the IA Rep's Form ADV Part 2B (Brochure Supplement). Similarly IA Reps that charge a flat fee disclose the amount and/or range of flat fees in their respective Form ADV Part 2B (Brochure Supplement).

Financial planning and consulting fees may be payable in advance, arrears, or a retainer of up to 50% of the estimated or fixed fee may be collected at the time of entering into the Investment Advisory Agreement.

For services of an on-going nature, billing will generally be collected quarterly, either in arrears or in advance.

Fees are not collected for services to be performed more than one quarter in advance, with the exception of an annual advance payment for financial consultations, not to exceed \$495 for a full year.

## **3. Seminar Fees**

Seminars may be offered to the public free of charge, or at a maximum fee of up to \$500 per person. Fees will not be collected more than six months prior to the seminar presentation. A negotiated fee may be charged to corporations sponsoring seminars for their employees.

## **4. Third Party Money Manager Fees**

Fees charged by third party money managers are pursuant to disclosures in their Form ADV and Investment Advisory Agreement. TPN may receive a portion of the account fee or commissions. The client will receive compensation disclosure at the time the referral to a third party money manager is made.

## **General Fee and Other Disclosures**

These fees are for advisory services only and do not include any transaction fees or commissions, which may be charged separately by the broker/dealer custodial firm. See the section heading Brokerage Practices for more information.

Payment of fees may be paid direct by the client, or client may authorize the custodian holding client funds and securities to deduct TPN advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by TPN. National Planning Corporation ("NPC") may act as "paying agent" between TPN and the custodian. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by TPN. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

IA Reps of our firm are also Registered Representatives of a broker/dealer, and as such may receive commission-based compensation for the sale of securities and other investment products. In addition to initial sales commissions, IA Reps may receive 12(b)-1 trailing fees. Clients are not obligated to purchase investment products recommended, or to purchase through the broker-dealer with which IA Reps are affiliated.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor. IA Reps in their capacity as Registered Representatives may earn all or a portion of these additional fees. For a complete explanation of fees, please refer to the IA Rep's Brochure Supplement.

For Asset Management, services will continue until either party terminates the Agreement on thirty (30) days written notice. If termination occurs prior to the end of a calendar quarter, a pro-rata refund of unearned fees will be made to client, or client will be invoiced for fees due on a pro-rata basis.

For a Financial Plan or short-term Consulting, Client may terminate the Agreement at any time and a refund of the unearned fees will be made based on time and effort expended before termination. The Agreement terminates upon delivery of the Financial Plan or short-term Consulting. At this time no refunds will be made, and all unpaid fees will be due and payable.

For Consulting under annual retainer, the Agreement is for a period of one year. Either party may terminate the Agreement at any time prior to the one-year period or a refund of unearned fees will be made based on time and effort expended before termination. Consulting under annual retainer is renewable upon the execution of a new Investment Advisory Agreement.

Upon termination of management services, client assets will be held at the custodian and it will be the client's responsibility to instruct the custodian as to the final disposition of assets, unless the client specifically notifies TPN to liquidate holdings or take other action. As of the date of termination, TPN will no longer be the investment advisor of record, and it will be the client's responsibility to monitor the timely disposition of the account and take all future actions in regards to the management of the account. The agreement does not automatically terminate upon client death or incapacity, only upon written notification from the client's legally recognized representative or that of their estate.

TPN's Advisory Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.

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

TPN does not charge performance-based fees, which is based on capital gains in the client account.

### ***Types of Clients and Account Minimums***

TPN provides advisory services to individuals, pension and profit sharing plans and other ERISA accounts, trusts, estates, charities, and business entities.

TPN does not impose any minimum account size to open or maintain an account. However, some IA Reps may have minimum standards, as would be disclosed in their Brochure Supplement.

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

IA Reps generally focus on financial planning and/or asset allocation. The client's current situation, investments and needs are evaluated to determine whether they correspond with his/her financial objectives. IA Reps design and propose a portfolio and/or financial plan to help clients attain their financial goals. By its nature, financial planning usually looks to the long-term. Asset allocation may be reviewed and re-balanced or adjusted annually, or more frequently during the year.

Some IA Reps utilize charting, fundamental, technical, cyclical and/or other form of analysis to assist in their decision-making process in the selection of investments.

Many sources of public information are used, such as financial news and research materials including, but not limited to, those provided by NPC. It is not uncommon for IA Reps to consult with the marketing department and the due diligence staff of NPC, which reviews the products of other issuers.

Insurance reviews, when performed by the IA Rep, generally cover life, health, and disability. Some IA Reps also review casualty insurance (e.g. homeowner's, auto, liability, etc.). The client should seek insurance advice from outside sources when the IA Rep does not include such coverage during a financial planning review. Clients may also seek second opinions and quotes from outside sources even when covered under an IA Rep review.

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

TPN is disclosing those risks and opportunities for the investment strategy or for particular types of securities generally used:

- Stock represents ownership in a company. If the company prospers and grows, the value of the stock should increase. Even if a company is profitable, the stock prices are subject to “market risk” which is attributable to investor attitudes. Stock ownership in more established companies is more conservative, while younger companies provide the most risk and reward opportunities.
- Debt Securities (corporate or municipal bonds) are promissory notes that pay interest and the return of principal at the end of a specified term. Credit risk is the chance the issuer will fail to pay the interest payments on the security or to pay the principal at maturity. Interest rate risk is that the market value of the bonds will go down when interest rates go up. Prepayment risk is the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off its debt. When this happens, the investor may not be able to reinvest the proceeds in an investment with as high a return or yield.
- High Yield Bonds have a lower credit rating than investment-grade bonds. Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.
- Mutual Fund is an investment pool, which may include money market instruments, stocks, bonds, or other investment vehicles. Professional money managers research, select, and monitor the performance of the securities the fund purchases. It is easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds. Even with no-load or load-waived funds, there are mutual fund expenses paid to the fund company.

Investors may have to pay taxes on capital gains distribution received by the fund, but not distributed to the investor. Mutual funds redeem shares at net asset value (“NAV”) at the end of the trading day.

- Index Fund is an investment pool (e.g., mutual fund or ETF invested in stocks, bonds, or other investment vehicles) that aims to replicate the movements of an index of a specific financial market. The lack of active management generally gives the advantage of lower fees and lower taxes in taxable accounts. Of course there are fees, which reduce the return to the investor relative to the index. It is usually impossible to precisely mirror the index, as the models for sampling and mirroring, by their nature, cannot be 100% accurate. The difference between the index performance and the fund performance is known as the “tracking error.” By design, an index fund seeks to match rather than outperform the target index. Therefore, a good index fund with low tracking error will not generally outperform the index, but rather produces a rate of return similar to the index minus fund costs. An index fund does not have to follow a well-known index. There are thousands of index funds, leaving advisors to determine which fund best matches the client’s risk capacity and other investment objectives.
- Exchange Traded Fund (“ETF”) holds securities to match the price performance of a certain market index or commodity price. ETFs can track stock indexes and sectors, bonds and precious metals. ETFs are subject to the same market risks as the index or sector they are designed to track. ETFs can be bought and sold throughout the day like stocks. ETFs may be an index fund or a fully transparent actively managed fund.



- Variable Annuity is a contract between the investor and an insurance company, under which the insurer agrees to make periodic payments, beginning either immediately or at some future date. A variable annuity offers a range of investment options, and the value of the investment will vary depending on the performance of the underlying investments. Variable annuities offer insurance and death benefits, as well as taking advantage of tax law benefits. The fee and expense charges incurred in a variable annuity are higher than a mutual fund.
- Real Estate Investment Trusts (“REITs”) are a form of security that trades like a stock on major markets, yet participates in real estate projects. Most REITs focus on particular types of commercial development, such as apartments or office buildings. This concentration leaves them vulnerable to a downturn in this particular sector of real estate. Also, a high concentration of development in one community or geographic region may leave it vulnerable to a downturn in that area’s economy. Equity REITs own and manage income-producing real estate properties. Mortgage REITs purchase or originate mortgages on properties, not the properties themselves. Some REITs use leverage, which has potential for higher rewards, but comes with greater risks. Some REITs are private placements and thus are not traded on the stock exchange. These carry liquidity risk.
- Private placements are limited offerings that are not registered with the Securities and Exchange Commission. There are suitability standards investors must meet to be accepted into the offering. These are not liquid investments and may be difficult to sell if an investor needs to access to the principal.

See the Brochure Supplement for more detail on the specifics on the methods of analysis and investment strategies used by your IA Rep. If your IA Rep utilizes any other securities that involve significant or unusual risks, this will be disclosed in the Brochure Supplement.

### ***Disciplinary Information***

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client’s evaluation of the advisory business or of the integrity of its management personnel. A new Board of Directors and Officers are approved annually. TPN will disclose in this Brochure material events (if any) for the current President, current Board Members, Treasurer, and/or Chief Compliance Officer. Material disclosure events (if any) for the IA Reps will be disclosed in their Brochure Supplement. Clients are advised that additional information is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

TPN does not have any disclosure items.

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

Generally, IA Reps of TPN are Registered Representatives of National Planning Corporation, (“NPC”) a registered broker-dealer, member of the Financial Industry Regulatory Authority (“FINRA”) and a registered investment adviser. NPC is a wholly-owned subsidiary of Jackson National Life Insurance Company, which is owned by Prudential plc, a company incorporated in the United Kingdom and not affiliated in any manner with Prudential Financial, Inc. Affiliated

companies of NPC are engaged in the design and sale of insurance, securities, and investment advisory products or services.

TPN (doing business as TPN Insurance Services) is an insurance general agency. IA Reps may be licensed as insurance agents and in the business of selling insurance products through TPN Insurance Services. In addition, IA Reps may be appointed with Jackson National Life, or other insurance companies.

In these capacities IA Reps may recommend securities, asset management, insurance, advisory services or other products, and receive commissions and/or compensation if products are purchased through NPC or any affiliated company. Thus, a conflict of interest exists between the interests of TPN and its IA Reps and those of the advisory clients. The client is under no obligation to purchase products recommended, or to purchase products either through us or through these brokerage, investment advisory, or insurance companies.

It is possible that "non-securities" products (e.g. art, collectibles) may be recommended, and when implemented compensation would be received. The sale of such products are disclosed by TPN to NPC, but not necessarily offered through the auspices of NPC.

See Client Referrals section in this Brochure for details on referrals to other outside Registered Investment Advisors.

Some IA Reps have their own *accounting firm*. TPN does not provide accounting services and takes no responsibility for the provision of these services. Clients should investigate the accounting services to be provided and fees charged by the IA Rep's accounting firm and seek outside advice if necessary. Other IA Reps may refer accounting firms to their clients, but this would generally be done without a referral fee.

Relationships with *attorneys / law firms*. Currently no IA Rep is an attorney, however certain members of TPN may be attorneys. TPN does not provide legal advice or services and takes no responsibility for the provision of these services. Clients should investigate the legal services to be provided and fees charged by the IA Rep's law firm (if any) and seek outside advice if necessary. IA Reps are prohibited from receiving referral fees from attorneys. Nonetheless, if the attorney to whom the client is referred is a member of TPN, there may exist a conflict of interest.

Some IA Reps may be licensed as *Real Estate Brokers or Mortgage Brokers*. TPN does not provide real estate or mortgage services and takes no responsibility for the provision of these services. Others may make referrals to unaffiliated real estate companies. If clients purchase properties or deeds, IA Reps may receive commissions or finder's fees. Thus a conflict of interest exists between our interests and those of advisory clients. The client is under no obligation to purchase real estate or deeds of trust through these real estate companies.

Some IA Reps may recommend a *pension consultant or third-party plan administrator* ("TPA") for administration of ERISA qualified plans. TPN members (who are not an IA Rep) may be a TPA. TPN does not provide pension plan services and takes no responsibility for the provision of these services.

Some IA Reps may receive fees for “enrollment services” from a TPA. This would be an outside business activity of the IA Rep and not offered under the auspices of TPN. Neither TPN nor an IA Rep will receive referral fees from any TPA. However, IA Reps may receive discounted or free services or continuing education from the TPAs to maintain their expertise in pension matters. Review the Brochure Supplement for your IA Rep for specifics of your IA Rep's other business activities.

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

### **Code of Ethics**

TPN maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

### **Participation or Interest in Client Transactions**

From time to time, some of the IA Reps/registered representatives may recommend to their clients, the purchase of mutual funds, variable insurance, investment advisory services, or other products/services that are sponsored by Jackson National Life, or other NPC affiliated companies. This would be when the recommendation is suitable for the client and meets their investment objectives. Clients are not obligated to purchase these funds or products.

### **Personal Trading**

At times TPN and/or its IA Reps may take positions in the same securities as clients, and we will try to avoid conflicts with clients. TPN and its IA Reps will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded security), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

## ***Brokerage Practices***

### **Selection or Recommendation of Broker/Dealers**

Because IA Reps are generally registered representatives of NPC, clients who freely choose to implement recommendations through TPN will have NPC as the broker dealer of record, except as otherwise noted for advisory services. NPC performs “due diligence” on mutual funds, limited partnerships, and insurance companies/products. Only those investments that meet firm requirements will be on the NPC approved product list and be available for investment opportunity to clients through NPC. Pershing LLC is the clearing and custodial firm for NPC.

For Asset Management accounts:

- Some IA Reps utilize NPC for trade execution and custody the assets at Pershing LLC.
- Some IA Reps may recommend the Pershing Advisor Solutions (“PAS”) platform. Pershing LLC provides trade execution and custody services for PAS. Pershing LLC acts as the clearing firm for NPC, however PAS is not under the auspice of NPC and is deemed an outside broker. IA Reps of TPN are not Registered Representatives of Pershing, and do not receive any commissions or fees from recommending these services.
- Some IA Reps may recommend to implement trades and maintain custody of assets through other non-affiliated broker/dealers (other outside brokers). These outside brokers may include Charles Schwab & Co. Inc., or TD Ameritrade, Inc. IA Reps of TPN are not Registered Representatives of these outside brokers, and do not receive any commissions or fees from recommending these services. Refer to the Brochure Supplement regarding the use of broker/dealer custodians other than NPC/Pershing.

### Soft Dollar Practices

TPN may receive compensation from a brokerage firm or product sponsor in the form of research, products or services (“soft dollars”). When a firm uses client brokerage commissions to obtain soft dollars, the firm receives a benefit by not having to produce or pay for such items. A firm may have an incentive to select or recommend a broker/dealer or product sponsor based on soft dollars received, rather than best execution for the client.

TPN may receive soft dollar compensation for research services to include reports, software & technology, and educational conferences that assist in the investment decision-making process or trade execution for the benefit of the client.

Additionally, TPN may receive soft and hard dollar compensation for non-research services to include training and meetings to meet IA Rep continuing education requirements, client meetings/seminars (that promote the services and products offered by TPN and client appreciation events) and expenses related to these events for travel, marketing, or administration, and non-research or trading software/technology. This compensation is of benefit to the IA Rep and other TPN members or TPN, and not the client.

When the source of the compensation is from a securities firm (brokerage firm or fund sponsor), the payment flows through NPC. TPN is then reimbursed for documented expenses by NPC.

Non-securities firm sponsors (e.g., fixed insurance brokerages or software and technology providers) will pay TPN direct for expenses.

TPN understands its duty for best execution and considers all factors in making recommendations to clients. These payments create a conflict of interest for IA Reps with those of their clients. These research and non-research services may be useful in servicing all TPN clients and TPN members who are not IA Reps of TPN, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. IA Reps are not required to utilize the products or services of the firms in the conduct of their advisory services on behalf of TPN clients.

While TPN may not always obtain the lowest commission rate, TPN believes the rate is reasonable in relation to the value of the brokerage and research services provided.

If an IA Rep utilizes the services of an outside broker for asset management, that firm may also provide soft dollars. See the IA Rep's Brochure Supplement for details.

#### Trade Aggregation (Block Trades)

The client receives individual advice for all discretionary and non-discretionary asset management accounts. When allocating investment opportunities or trades among client accounts, the IA Reps will do so in a manner that is fair and equitable. The IA Rep is not obligated to aggregate trades, and it will be up to the IA Rep to determine if the trade will be aggregated, using the following guidelines:

- Block trades may be utilized for exchange-traded securities (e.g., stocks, ETFs, certain bonds). Block trades are not applicable to open-end mutual funds or annuities.
- Under a discretionary asset management program where the IA Rep determines to buy or sell the same security in more than one client account on the same day. The block trade would not be applicable for a discretionary account where trading is done as a result of a client-by-client account review. Block trades are not applicable to non-discretionary accounts where trades are entered only after discussing the recommendation with the client.
- If the IA Rep is aware that making the block trade may facilitate a better execution price for all clients. A block trade would not be made where the IA Rep believes that the aggregation will not improve price or execution for the client.

When engaging in a block trade, the IA Rep encourages its existing and new clients to use the Advisor's "lead custodian." Generally this will be Pershing as the clearing firm for NPC. Some IA Reps may utilize an outside broker as a lead custodian.

Only accounts in the custody of the lead custodian would have the opportunity to participate in aggregated securities transactions. All trades using the lead custodian will be aggregated and done in the name of the Advisor. The executing broker will be informed that the trades are for the account of the Advisor's clients and not for the Advisor itself. No advisory account within the block trade will be favored over any other advisory account, and thus, generally each account will participate in an aggregated order at the average share price and receive the same commission rate. Some outside brokers may apply commissions on the same basis (or lower) as if the trade had been entered on an individual basis.

The aggregation should, on average, reduce slightly the costs of execution, and the Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account. The Advisor and/or its IA Reps may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

## ***Review of Accounts and Reports on Accounts***

### **Reviews**

Asset Management accounts may be reviewed on a “supervised” (on-going continuous) basis, or “managed” (on a periodic basis – at a minimum quarterly) basis.

- For supervised accounts, the IA Rep may actively monitor asset activity on a daily basis, but may be looking at the overall portfolio less frequently.
- For managed accounts on a periodic basis, the IA Rep may review the account for investment strategy, asset allocation, and performance at scheduled intervals. Changes in client needs, the economy, or the investments may trigger a review in advance of a scheduled interval.

Financial plans and consulting services are generally reviewed only upon request unless the IA Rep is retained to review and update these analyses on an ongoing basis.

Financial plans and consulting services are generally reviewed only upon request unless the IA Rep is retained to review and update these analyses on an ongoing basis.

While there is no limit to the number of accounts an IA Rep may review, the IA Rep may also have staff persons who support the asset/account review process. Refer to the Brochure Supplement for details on how your IA Rep reviews accounts.

Each branch manager is responsible to review and supervise the accounts within that location. Some IA Reps/branches report to a regional manager, however most TPN IA Reps act as their own branch manager.

### **Reports**

Custodians (such as Pershing, mutual fund companies, or insurance companies) provide regular account statements directly to the client on at least a quarterly basis. Clients may obtain electronic access to these statements.

Generally IA Reps providing Asset Management (supervisory or managed accounts) provide performance reporting of client portfolios on a quarterly basis. These reports may contain value-added information that is not found on the custodial account statement. Client is urged to compare custodial account statements against statements prepared by the IA Rep for accuracy.

## ***Client Referrals & Other Compensation***

### **Referral Fees Received**

TPN may exercise agreements with other Registered Investment Advisors and recommend other Advisors to clients. In such instances, TPN may receive a portion of the account fee or commissions. In these instances, we will make available to the client a "Compensation Disclosure Statement" and the Form ADV for the other Advisor. The client is under no obligation to use the services of the other Advisor(s) recommended. In instances of a "wrap fee" program, clients will receive a Wrap Fee

Brochure (Form ADV Part 2A Appendix 1) disclosures. The outside money manager prepares the regulatory filing of the brochure.

### ***Sales Awards***

TPN does receive compensation from NPC based on securities production levels that are met, which pay for administrative support of TPN.

### ***Custody***

Although client assets are held at a third-party independent custodian, TPN is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement. Except for this fee deduction, we do not have authority to withdraw funds out of client accounts.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against statements prepared by TPN for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

### ***Investment Discretion***

Some IA Reps maintain discretionary authority under the terms of the Investment Advisory Agreement to select the securities and amount of securities. Some accounts are handled on a non-discretionary basis, in which case client consent is required for each trade.

### ***Voting Client Securities***

TPN does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page of your IA Rep Brochure Supplement.

### ***Financial Information***

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. TPN does not have any disclosure items in this section.

### ***Brochure Supplement***

Your IA Rep must provide you with the “Brochure Supplement” (Form ADV Part 2B), which will include background information and specifics as to how your IA Rep works with you.