

**Form ADV Part 2A – Appendix 1 Wrap Fee Program Brochure**

**Item 1 – Cover Page**

**Pinkerton Retirement Specialists, LLC**

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<http://www.pinkertonretirement.com/>

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This **Wrap Fee Program Brochure** provides information about the qualifications and business practices of Pinkerton Retirement Specialists, LLC. If you have any questions about the contents of this brochure, please contact us at 208-667-8998. 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 Pinkerton Retirement Specialists is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view Pinkerton Retirement Specialists information on this website by searching for Pinkerton Retirement Specialists, LLC. You may search for information by using the firm's name or by using the firm's CRD number. The CRD number for Pinkerton Retirement Specialists, LLC is 120973.

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

## Item 2 – Material Changes

There have been no material changes to this wrap fee program brochure since filing our last annual update in March 2012. We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4 – Services, Fees and Compensation**

Pinkerton Retirement Specialists is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”). Our company is a limited liability company formed under the laws of the State of Idaho.

- We have been registered as an investment advisor since June 15, 2010. Prior to forming our own investment advisory firm, the investment advisor representatives of Pinkerton Retirement Specialists provided fee-based, investment advisory services through LPL Financial. During the summer of 2010 we decided to register Pinkerton Retirement Specialists as an investment advisor and subsequently withdraw our investment advisor representative affiliations with LPL Financial after transferring our advisory clients to Pinkerton Retirement Specialists.
  - Dan Pinkerton was an investment advisor representative with LPL Financial from March 2002 through December 2010;
  - Ron Glendening was an LPL Financial investment advisor representatives from July 2003 through December 2010; and
  - Walter “Web” Beggs was an LPL Financial investment advisor representative from September 2002 through October 2010.

More information about our investment advisor representatives’ business and education background can be found in the *Information Required by Part 2B of Form ADV: Brochure Supplement* section of this Wrap Fee Program Brochure.

- The investment advisor representatives of Pinkerton Retirement Specialists are also registered representatives of LPL Financial, a registered broker/dealer, member SIPC/FINRA, and our offices are also LPL Financial branch office locations.
- The firm is ultimately owned and controlled by Dan Pinkerton, Managing Member, and his wife Kathryn Pinkerton.

- We provide fee-based investment advisory services through Pinkerton Retirement Specialists. The nature and extent of the specific services provided to clients, including you, will always depend on each client's financial status, objectives and needs, time horizons, concerns, expectations and risk tolerance.

**Pinkerton Retirement Specialists, LLC** sponsors the Pinkerton Managed Asset Program (referred to as "PMAP"). PMAP is a wrap-fee program. Only investment advisor representatives (referred to as "IARs") of Pinkerton Retirement Specialists, LLC may serve as portfolio managers in PMAP. Therefore, participants in PMAP must be advisory clients of Pinkerton Retirement Specialists, LLC.

Pinkerton Retirement Specialists, LLC provides investment advisory services other than PMAP described in this Wrap Fee Program Brochure. A description of all fee-based investment advisory services provided by Pinkerton Retirement Specialists, LLC is available in the Pinkerton Retirement Specialists, LLC's Disclosure Brochure. Pinkerton Retirement Specialists, LLC's IARs also provide securities advice through their capacity as registered representatives of LPL Financial (referred to as "LPL Financial" or "LPL"), a broker/dealer, member of the Financial Industry Regulatory Authority ("FINRA") and Securities Investors Protection Corporation ("SIPC"). In their separate capacities as registered representatives of LPL Financial, Pinkerton Retirement Specialists, LLC's IARs may charge commissions on a per-transaction basis when implementing their advice on behalf of clients. Pinkerton Retirement Specialists, LLC and LPL Financial are unaffiliated companies.

When making the determination of whether one of the advisory programs available through Pinkerton Retirement Specialists, LLC is appropriate for their needs, clients should bear in mind that fee based accounts, when compared with commission based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, such arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Some such factors are account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and the client's tax situation.

Clients should have a conversation with their advisor representative and read this Wrap Fee Program Brochure carefully as it explains, in detail, PMAP.

#### **PMAP sponsored by Pinkerton Retirement Specialists, LLC**

PMAP has been developed through an arrangement with LPL whereby Pinkerton Retirement Specialists, LLC utilizes LPL Financial's Strategic Wealth Management platform. Through PMAP, Pinkerton Retirement Specialists, LLC provides investment management (also known as asset management) services which are defined as providing continuous investment advice to a client and making investments for the client based on the individual needs of the client. Through this service, Pinkerton Retirement Specialists, LLC offers a customized and individualized investment program for clients. A specific asset allocation strategy is crafted to focus on the specific client's goals and objectives. Clients will be required to complete the PRS Confidential Profile in order to help define the risk tolerance and investment objective of the client.

The Firm will typically construct each client's account holdings using, but not necessarily limited to, no-load mutual funds, funds at NAV, equity positions, fixed income positions, municipal securities and U.S. government securities.

Pinkerton Retirement Specialists, LLC shall obtain from clients information to determine each individual client's financial situation and investment objectives. Accounts are managed on the basis of each client's financial situation and investment objectives. At least quarterly, clients are instructed to notify Pinkerton Retirement Specialists, LLC whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of accounts managed under PMAP. At least annually, Pinkerton Retirement Specialists, LLC shall contact individual clients to determine whether their financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of accounts managed. Pinkerton Retirement Specialists, LLC shall be reasonably available to consult with individual clients relative to the status of their accounts. Clients shall have the ability to impose reasonable restrictions on the management of their accounts, including the ability to instruct Pinkerton Retirement Specialists, LLC not to purchase certain securities. Client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account. A separate account is maintained for each client with the custodian and clients retain right of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

PMAP accounts are established at LPL Financial in its capacity as a registered broker/dealer. LPL Financial is also an investment advisor registered with the SEC, but does not serve as an investment advisor for Pinkerton Retirement Specialists, LLC's clients through PMAP. Clearing, custody and other brokerage services are provided by LPL Financial for accounts established through PMAP. Therefore, clients will be required to establish a brokerage account(s) through LPL Financial's Strategic Wealth Management platform.

PMAP accounts allow clients to authorize Pinkerton Retirement Specialists, LLC to purchase and sell securities on a discretionary basis. Pinkerton Retirement Specialists, LLC may limit its discretion with respect to the client account and the securities eligible to be purchased for the client account. Upon establishment of a PMAP account, an IAR of Pinkerton Retirement Specialists, LLC will be granted trading authorization on the client's account. However, upon a client's request, Pinkerton Retirement Specialists, LLC will manage PMAP accounts on a non-discretionary basis. Clients must authorize Pinkerton Retirement Specialists, LLC with the ability to manage accounts on a discretionary basis. Such authorization will be memorialized in the *Asset Management Agreement*. This authority will allow Pinkerton Retirement Specialists, LLC to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.

### **Suitability and Investment Strategy**

Pinkerton Retirement Specialists, LLC will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening a PMAP account. Clients must contact Pinkerton Retirement Specialists, LLC to advise of any changes in their investment objective(s) and/or financial situation.

### **PMAP Fees – PMAP I v. PMAP II**

The annual investment advisory fee charged shall vary up to 3.00% of the assets held in the account and is determined by the market value of the account, asset types, the client's financial situation and trading activity, and is negotiable with the client. The annual fee shall be divided and payable quarterly in advance through a direct debit in the client account. LPL Financial is responsible for calculating and debiting all fees from client accounts. Clients must provide LPL Financial written authorization to debit advisory fees from their accounts and pay such fees to Pinkerton Retirement Specialists. Fees are based

on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter. The minimum household account size is \$500,000 with the exception of \$300,000 for family members of existing clients. Exceptions to these minimums may be granted at the discretion of the firm.

Prior to engaging Pinkerton Retirement Specialists to provide investment management services, the client will be required to enter into a formal investment advisory agreement with Pinkerton Retirement Specialists setting forth the terms and conditions, including the amount of investment advisory fees, under which Pinkerton Retirement Specialists shall manage the client's assets, and a separate custodial/clearing agreement with LPL Financial.

Clients may open a PMAP I or PMAP II account. In a PMAP I account, in addition to the investment advisory fee, the client will pay certain transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform brokerage account and application agreement. In the PMAP II account, the client does not pay transaction charges associated with trade execution. However, the total advisory fee charged by the firm for PMAP II accounts is higher than the advisory fee charged for PMAP I accounts. Higher fees for PMAP II accounts are charged by Pinkerton Retirement Specialists to help absorb the transaction costs.

Clients may incur certain charges imposed by third parties other than Pinkerton Retirement Specialists in connection with investments made through the account, including but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by Pinkerton Retirement Specialists (which include transaction and execution fees charged by LPL Financial for PMAP II accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus. Pinkerton Retirement Specialists' investment advisor representatives, will not retain any portion of the commissions charged to the client. However, such commissions will be retained by LPL Financial. These commissions may include 12b-1 fees, surrender charges, and IRA and qualified retirement plan fees.

PMAP I / PMAP II may cost the client more or less than if the assets were held in a traditional brokerage account. In a brokerage account, the client is charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold investment strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a PMAP I or PMAP II account.

### **Brokerage, Clearing and Custody**

The LPL Strategic Wealth Management platform is used for all PMAP accounts and therefore LPL will be used as the introducing and clearing broker/dealer. IARs of Pinkerton Retirement Specialists are registered representatives of LPL and are required to use the services of LPL when acting in their capacity as registered representatives. LPL has a wide range of approved securities products for which LPL performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. Because the IARs of Pinkerton Retirement Specialists may also be registered representatives of LPL, Pinkerton Retirement Specialists may receive support services and/or products from LPL Financial, which assist Pinkerton Retirement Specialists to better monitor and

service PMAP accounts maintained at LPL Financial. These support services and/or products may be received without cost and/or at a discount, and may include 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, consulting services, attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Pinkerton Retirement Specialists in furtherance of its investment advisory business operations.

LPL will be the primary broker/dealer and custodian recommended due to Pinkerton Retirement Specialists' IARs' relationship with LPL. Pinkerton Retirement Specialists recommends broker/dealers and custodians that Pinkerton Retirement Specialists feels will provide services in a manner and at a cost that will allow Pinkerton Retirement Specialists to meet its duty of best execution. However, Pinkerton Retirement Specialists may be limited in the broker/dealer or custodians that it is allowed to use due to Pinkerton Retirement Specialists' IARs relationship with LPL. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By directing clients to use a particular broker/dealer, LPL, Pinkerton Retirement Specialists may achieve the most favorable execution of client transactions and the practice requiring the use of LPL may cost clients more money than if the client used a different broker/dealer or custodian.

Although we do not receive client referrals from LPL and there is no direct linkage between the investment advice given to clients and Pinkerton Retirement Specialists' recommendation of LPL, economic benefits may be provided by LPL to Pinkerton Retirement Specialists that will not be provided if the client selects another broker/dealer or account custodian. These benefits may include: negotiated costs for transaction implementation, a dedicated trade desk that services LPL participants exclusively, a dedicated service group and an account services manager dedicated to Pinkerton Retirement Specialists' accounts, access to a real-time order matching system, electronic download of trades, balances and position information, access, for a fee, to an electronic interface with the account custodian's software, duplicate and batched client statements, confirmations and year-end reports.

### ***Aggregate Trades***

In some cases transactions implemented by Pinkerton Retirement Specialists are effected on an individual basis. However, generally Pinkerton Retirement Specialists will purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by the firm when we believe such action may prove advantageous to clients. When Pinkerton Retirement Specialists aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When Pinkerton Retirement Specialists determines to aggregate client orders for the purchase or sale of securities, including securities in which the associated person of the firm may invest, we will do so in accordance with the parameters

set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, Pinkerton Retirement Specialists does not receive any additional compensation or remuneration as a result of aggregation.

### **Trade Error Policy**

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

Pinkerton Retirement Specialists and its supervised persons will never retain any portion of any gains made as a result of trade error corrections or profit in any way from trade errors.

If the gain does not remain in the account and LPL is the custodian, LPL as the broker/dealer, will maintain gains that may result from correcting a trade error and in some instances may use such gains to offset overall losses LPL incurs from trading errors.

### **Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

According to this definition, Pinkerton Retirement Specialists does not have custody of client funds or securities. Although the firm does not have custody, Pinkerton Retirement Specialists has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any reports received directly from Pinkerton Retirement Specialists. When clients have questions about their account statements, they should contact Pinkerton Retirement Specialists or the qualified custodian preparing the statement.



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

### **Opening an Account**

To become a PMAP participant, a program agreement (the *Asset Management Agreement*) between the client and Pinkerton Retirement Specialists, LLC must be executed with Pinkerton Retirement Specialists, LLC setting forth the terms and conditions, including the amount of investment advisory fees, under which Pinkerton Retirement Specialists, LLC shall manage the client's assets. In addition, the client will be required to establish a brokerage account through the LPL Financial Strategic Wealth Management platform.

### **Termination of Services**

Either party may terminate the agreement for services at any time. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and a full refund of all fees paid in advance will be provided. If services are terminated after the initial five day period, Pinkerton Retirement Specialists shall provide the client with a pro-rated refund of fees paid in advance. The refund will be based on the number of days service was actually provided during the final billing period. Termination shall be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There will be no penalty charge upon termination.

### **Minimum Account Size**

The minimum household account size is \$500,000 with the exception of \$300,000 for family members of existing clients. For individual accounts, a minimum investment of \$15,000 is required. Exceptions to these minimums may be granted by LPL and Pinkerton Retirement Specialists.

### **Types of Clients**

Pinkerton Retirement Specialists generally provides investment advice to the following types of clients.

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

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

PMAP does not allow IARs or clients to utilize portfolio managers that are not associated with Pinkerton Retirement Specialists. In other words, the only portfolio managers selected for managing client assets in the PMAP are IARs of Pinkerton Retirement Specialists. Therefore, conflicts of interest present in other wrap-fee programs that make available both affiliated and unaffiliated portfolio managers are not present in this PMAP. Because PMAP does not provide for a multitude of outside portfolio managers, Pinkerton Retirement Specialists does not have procedures designed to select outside portfolio managers. Most of the items required by this item of the Wrap Fee PMAP Brochure instructions do not apply to Pinkerton Retirement Specialists. Items that do apply are answered below.

### **General Description of Primary Advisory Services**

Because IARs serve as portfolio managers of the PMAP, the following is provided as brief descriptions of Pinkerton Retirement Specialists' primary services. Detailed descriptions of Pinkerton Retirement Specialists' services other than the PMAP are provided in Pinkerton Retirement Specialists' Disclosure Brochure.

***Financial Planning Services*** – We provide advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

***Asset Management Services*** – We provide advisory services in the form of asset management services through the program described in this brochure. Asset management services involve providing clients with continuous and on-going supervision over client accounts. This means we will continuously monitor a client's account and make trades in client accounts when necessary.

***Outside Money Managers*** – We also provide advisory services through LPL Financial's Manager Access Select program by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

***Specialization*** - The firm specializes in providing individualized investment advice through its asset management services and the PRS Four-Step Advance & Protect Investment Process. Please refer to the following pages for details regarding our asset management services. A description of the PRS Four-Step Advance & Protect Investment Process can be found below in this section.

#### **Participation in Wrap Fee Programs**

As thoroughly discussed in this brochure, Pinkerton Retirement Specialists provides services through both wrap-fee programs and non-wrap fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), Pinkerton Retirement Specialists will receive all or a portion of the fee charged.

There is no material difference in the way we manage client accounts on wrap-fee basis versus non-wrap fee accounts other than one group of clients will pay ticket charges (non-wrap) and for the other group, ticket charges are paid by Pinkerton Retirement Specialists.

#### **Tailor Advisor Services to Individual Needs of Clients**

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews to determine the client's investment objectives and suitability information.

When managing client accounts, we typically manage a client's account in accordance with one or more investment models that we have developed. When client accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

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

Pinkerton Retirement Specialists **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

### **Client Assets Managed by Pinkerton Retirement Specialists**

We manage and administer approximately \$268,916,000 of client assets as of June 13, 2012.

- Of this total, \$90,028,700 is managed by Pinkerton Retirement Specialists through fee-based programs. The entire amount is managed on a discretionary basis.
- In addition, our investment advisor representatives, in their separate capacities as LPL Financial registered representatives, oversee approximately \$178,887,300 of client assets through strictly commission-based arrangements on a non-discretionary basis.

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

#### **A. Pinkerton Retirement Specialists uses the following methods of analysis in formulating investment advice.**

**Charting** - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

**Cyclical** - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

**Fundamental** - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

**Technical** - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

**B. Pinkerton Retirement Specialists uses the following investment strategies when managing client assets and/or providing investment advice.**

The PRS investment process is a disciplined, non-emotional, formula-driven approach that seeks to capture growth in advancing markets, and minimize risk and exposure in down-trending markets. While PRS knows that no strategy can ultimately guarantee a profit or protect against a loss, the process is essentially important.

Step 1: Research - Define the investment objectives and identify the investable universe from the global capital markets. The PRS Research Team selects the investments that best match the stated objectives through focused analysis, disciplined methodology, and leading third-party research.

Step 2: Respond - Allocate capital only to those investments in the established universe that are in a confirmed uptrend, utilizing a quantitative and technical analysis process. Cash is an asset class that is utilized to minimize volatility and losses. In advancing markets, cash exposure decreases. Conversely, in declining markets, cash exposure increases.

Step 3: Advance - Monitor each investment, making tactical adjustments weekly, if needed, in response to changes in the global capital markets, a specific sector, or an individual company or fund. Investments that continue to advance and maintain upward momentum are kept. Investments that enter confirmed downtrends are sold and reallocated to another security or cash.

Step 4: Protect - Protect gains through a disciplined sell strategy for each invested position. PRS research focuses not only on when to buy, but also on when to sell. The objective is not to “buy, hold, and hope” but to “Advance and Protect.”

In addition, we also utilize the following general investment strategies: long term purchases (Investments held at least a year), short term purchases (Investments sold within a year), trading (Investments sold within 30 days), and option writing including covered options, uncovered options, or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

There is a potential for frequent trading of securities in our strategies, which may have a positive or negative impact on investment performance. Performance from active trading can be lowered due to an increase in brokerage and other transaction costs.

**Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When our firm invests in a an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### **Voting Client Securities**

Pinkerton Retirement Specialists will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with

voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

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

Because only IARs of Pinkerton Retirement Specialists serve as portfolio managers, IARs or their assistants are responsible for gathering all information provided by clients. IARs will interview and work with clients to gather all information needed relative to their investment objectives and needs in order to provide management services through PMAP. Clients need to contact their IAR whenever there are changes to their financial situation that will impact or materially influence the way Pinkerton Retirement Specialists manages accounts.

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

Because only IARs of Pinkerton Retirement Specialists serve as portfolio managers, there are no restrictions placed on clients' ability to contact and consult with their portfolio managers. It is the policy of Pinkerton Retirement Specialists to provide an "open channel" of communication between IARs and their clients. Clients are encouraged to contact their IAR whenever they have questions about the management of their account.

### **Item 9 – Additional Information**

#### **Disciplinary Information**

This item is not applicable to Pinkerton Retirement Specialists' brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2A instructions that are material to a client's or prospective client's evaluation of Pinkerton Retirement Specialists' business or the integrity of Pinkerton Retirement Specialists' management.

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

Pinkerton Retirement Specialists is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

While Pinkerton Retirement Specialists does not sell products or services other than investment advice, the firm's investment advisor representatives may sell other products or provide services through their brokerage relationship with LPL Financial. Pinkerton Retirement Specialists' investment advisor representatives concentrate the majority of their efforts providing investment advisory services and financial planning services for clients.

### ***Insurance Activities***

Investment advisor representatives may be licensed to provide insurance services to clients. Insurance products are provided to clients for personal, estate and business needs to minimize clients' exposure to identified risks. Although clients are under no obligation to purchase insurance products recommended by Pinkerton Retirement Specialists' investment advisor representatives in their separate capacities as insurance agents, clients often purchase such products when needs arise. For clients of Pinkerton Retirement Specialists who purchase products causing commissions to be generated, these are paid to the investment advisor representatives in their separate capacities as insurance agents. For those investment advisor representatives who are insurance licensed, this activity varies throughout the year.

### ***Arrangement with LPL Financial***

If the client wants to, the client can engage the investment advisor representatives of the firm (but not the firm) in their separate capacities as registered representatives of LPL, to render securities brokerage services under a commission arrangement. Brokerage commissions may be charged by LPL to effect these securities transactions and, thereafter, a portion of these commissions will be paid by LPL to such investment advisor representatives as registered representatives of LPL. Prior to effecting any transactions, the client will be required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

Depending on the type of LPL account that could be used to implement a financial plan or investment strategy, such compensation may include (but is not limited to) advisory program fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with LPL's insured deposit account program; administrative services fees for trust accounts; referral fees; compensation for directing order flow; and bonuses, awards or other things of value offered by LPL to the IAR.

This compensation to IAR and LPL may be more or less depending on the product or service that IAR recommends. Therefore, the IAR may have a financial incentive to recommend that a financial plan be implemented using a certain product or services.

The investment advisor representatives of Pinkerton Retirement Specialists may recommend securities or insurance products offered by LPL (or other insurance firms), and will receive the normal commissions if products are purchased through them; thus a conflict of interest exists between their interests and those of Pinkerton Retirement Specialists' Clients. Clients are under no obligation to purchase products recommended by investment advisor representatives or to purchase products either through Pinkerton Retirement Specialists or LPL.

As a result of the LPL relationship, LPL will have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Pinkerton Retirement Specialists' clients, even if the client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Pinkerton Retirement Specialists.

### **Code of Ethics Summary**

Rule 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. Pinkerton Retirement Specialists has established a Code of Ethics that will apply to all of its supervised persons. An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Pinkerton Retirement Specialists has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the advisor's Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. Pinkerton Retirement Specialists requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the Pinkerton Retirement Specialists' Code of Ethics. Pinkerton Retirement Specialists has the responsibility to make sure that the interests of all clients are placed ahead of the firm's or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. Pinkerton Retirement Specialists and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

This disclosure is provided to give all clients a summary of Pinkerton Retirement Specialists' Code of Ethics. **However, if a client or a potential client wishes to review Pinkerton Retirement Specialists' Code of Ethics in its entirety, a copy will be provided promptly upon request.**

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

Pinkerton Retirement Specialists or its supervised persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. The control for potential conflicts, we have developed several procedures.

- It is the express policy of Pinkerton Retirement Specialists that all persons associated in any manner with Pinkerton Retirement Specialists must place the interests of the firm's clients ahead of their own when implementing personal investments.
- Pinkerton Retirement Specialists and its supervised persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry.
- Client and PRS employee securities transactions are typically executed through block trades prior to the open of the market to ensure common execution.
- If a security is traded intraday for both clients and PRS employees, these PRS employee trades must be completed in the last ½ hour of trading in order to avoid leading client transactions.
- As part of our Code of Ethics, personnel are required to report their personal securities transactions and holdings to the Firm for review.

### **Account Reviews and Reviewers**

Account reviews are provided in connection with PMAP. For clients participating in PMAP, the client's individual advisor representative will contact the client at least annually for the purpose of reviewing their



account and to determine if there have been changes in their financial situation or investment objectives. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in the client's circumstances, client request, or changes within the market.

The underlying investments held in PMAP accounts and the recommended holdings in Pinkerton Retirement Specialists, LLC portfolios are reviewed on a more frequent basis. Portfolios are usually reviewed as frequently as monthly, but no less than quarterly, by Pinkerton Retirement Specialists, LLC. Daniel Pinkerton, Ron Glendening and Walter Beggs, are responsible for providing all investment advisory services and making all investment recommendations.

### **Statements and Reports**

During any month that there is activity in the PMAP account, the client receives a monthly account statement, from LPL Financial, showing account activity as well as positions held in the account at month end. Additionally, the client receives a confirmation of each transaction that occurs within the PMAP account unless the transaction is the result of a systematic purchase, redemption or exchange. The client will also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL Financial.

In addition, Pinkerton Retirement Specialists, LLC may provide newsletters covering general financial planning and investment topics.

### **Client Referrals**

Pinkerton Retirement Specialists may enter into arrangements with individuals ("Solicitors") who will refer clients that may be candidates for investment advisory services, to the firm. In return, Pinkerton Retirement Specialists will agree to compensate the Solicitor for the referral. Compensation to the Solicitor is dependent on the client entering into an advisory agreement with Pinkerton Retirement Specialists. Compensation to the Solicitor will be an agreed upon percentage of Pinkerton Retirement Specialists' investment advisory fee or a flat fee depending on the type of advisory services the Applicant provides to clients. Pinkerton Retirement Specialists' referral program will be in compliance with federal or state regulations (as applicable). The solicitation/ referral fee is paid pursuant to a written agreement retained by both Pinkerton Retirement Specialists and the Solicitor. The Solicitor will be required to provide the client with a copy of Pinkerton Retirement Specialists' Form ADV Part II and a Solicitor Disclosure Document prior to or at the time of entering into any investment advisory contract with Pinkerton Retirement Specialists. The Solicitor is not permitted to offer clients any investment advice on behalf of Pinkerton Retirement Specialists. The advisory fee charged to clients will not increase as a result of compensation being shared with the Solicitor.

### **Other Compensation**

Our advisor representatives do not receive commissions, 12b-1 fees and other "brokerage" compensation from fee-based accounts. Pinkerton Retirement Specialists' investment advisor representatives, in their separate capacities as registered representatives, may receive commissions from the execution of securities transactions. In addition, they may receive 12b-1 fees from certain mutual fund companies as outlined in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for investment advisor representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. While Pinkerton Retirement Specialists endeavors at all times to put the interest of the clients firms as part of its fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

### **Financial Information**

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

## **CUSTOMER PRIVACY POLICY**

Regulation S-P, Privacy of Consumer Financial Information, requires financial institutions, including Pinkerton Retirement Specialists, to provide notice to current clients and prospective clients about their policies and practices concerning the collection and use of customer, non-public information. This privacy policy notice is given to all prospective clients of the firm upon entering into a contract with Pinkerton Retirement Specialists and annually thereafter.

**Privacy Disclosure Statement.** A primary goal of Pinkerton Retirement Specialists is to protect the privacy of its clients. Pinkerton Retirement Specialists does not sell the personal information of clients to anyone.

To conduct regular business, Pinkerton Retirement Specialists may collect nonpublic personal information from clients. This information is provided by clients to Pinkerton Retirement Specialists on applications and other forms provided by clients to Pinkerton Retirement Specialists as well as transactions with the firm, our affiliates, or others.

Pinkerton Retirement Specialists may enter into contracts with outside third parties so that Pinkerton Retirement Specialists can assist its clients in servicing their accounts. In order to do this, Pinkerton Retirement Specialists will disclose personal information to companies that help Pinkerton Retirement Specialists process transactions for client accounts (for example, executing client trades at through a broker/dealer). However, Pinkerton Retirement Specialists does not share or disclose any nonpublic customer information except as allowed or required by law. In addition to sharing information in order to provide financial services to clients, the firm may be required to disclose personal information to cooperate with regulators or law enforcement authorities, to resolve customer disputes, or for risk control.

**Information Safeguarding.** Pinkerton Retirement Specialists has implemented strict policies and procedures aimed at protecting the sensitive nature of client information. The firm restricts access to client information to only those members of the firm that must provide products and services to clients in order to service client accounts. Pinkerton Retirement Specialists may also share information with LPL Financial which has supervisory obligations over certain of the firm's activities. As a result of the LPL relationship, LPL will have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Pinkerton Retirement Specialists' clients, even if the client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Pinkerton Retirement Specialists.

Pinkerton Retirement Specialists has implemented physical, electronic, and procedural safeguards aimed at meeting the firm's duty to protect nonpublic client information.

If you have any questions concerning Pinkerton Retirement Specialists' customer privacy policy or concerns about your personal information please feel free to contact Pinkerton Retirement Specialists at the number located on the cover page of this brochure.

### **Information Required by Part 2B of Form ADV: *Brochure Supplement***

#### ***Item 1 – Cover Page***

This brochure supplement provides information about Dan Pinkerton, Ron Glendening, and Walter “Web” Beggs that supplements the information previously provided in this brochure. Please contact the Compliance Administrator at 208-667-8998 if you have any questions about the contents of this supplement.

Additional information about Mr. Pinkerton, Mr. Glendening, and Mr. Beggs is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

##### **Dan Pinkerton**

Born: 01/1965

##### **Education Background:**

- Bachelor of Arts in International Relations with emphasis in Economics – Stanford University (Palo Alto, CA), 1987

##### **Business Background & Other Business Activity:**

- Pinkerton Retirement Specialists, LLC, Managing Member, 09/1996 – Present and Investment Advisor Representative, 05/2010 – Present;
- LPL Financial Corporation, Registered Principal, 07/1997 – Present;
- LPL Financial Corporation, Investment Advisor Representative, 03/2002 – 12/2010;
- Pinkerton Financial Corporation, President, 09/1996 – Present;
- Pinkerton Family Heritage, LP, General Partner, 09/1996 – Present;
- Pinkerton Investments, Inc., President, 09/1996 – Present; and
- Rockford Bay Ranch (Family Owned Ranch), 07/2004 – Present.

##### **Ron Glendening**

Born: 09/1964

##### **Education Background:**

- Bachelor of Arts - Moody Bible Institute (Chicago, IL), 1988
- Master of Divinity- Trinity Evangelical Divinity School (Deerfield, IL), 1993

##### **Business Background & Other Business Activity:**

- Pinkerton Retirement Specialists, LLC, Chief Compliance Officer, Wealth Advisor, 6/2001 – Present; and Investment Advisor Representative, 05/2010 – Present;
- LPL Financial Corporation, Registered Representative, 01/2002 – Present; and
- LPL Financial Corporation, Investment Advisor Representative, 07/2003 – 12/2010.

## **Walter “Web” Beggs**

Born: 02/1954

### **Education Background:**

- Bachelor of Arts in Mathematics – Northwest Nazarene (Nampa, ID), 1987

### **Business Background & Other Business Activity:**

- Pinkerton Retirement Specialists, LLC, Wealth Advisor 05/1996 – Present; and Investment Advisor Representative, 05/2010 – Present;
- LPL Financial Corporation, Registered Representative, 10/1997 – Present; and
- LPL Financial Corporation, Investment Advisor Representative, 09/2002 – 10/2010.

### ***Item 3 – Disciplinary Information***

Mr. Pinkerton, Mr. Glendening and Mr. Beggs have never been subject to a legal or disciplinary event required to be reported by the Form ADV Part 2B – Brochure Supplement instructions.

### ***Item 4 – Other Business Activities***

Registered Representative with LPL Financial Corporation. Mr. Pinkerton, Mr. Glendening and Mr. Beggs are separately licensed as a registered representative with LPL Financial Corporation, a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in his/her separate capacity as a registered representative of LPL Financial, Mr. Pinkerton, Mr. Glendening and Mr. Beggs may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Mr. Pinkerton, Mr. Glendening and Mr. Beggs may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based LPL Financial account in addition to an advisory account.

The receipt of commissions creates an incentive for Mr. Pinkerton, Mr. Glendening and Mr. Beggs to recommend those products for which he will receive a commission. Consequently, the objectivity of the advice rendered to clients could be biased. Mr. Pinkerton, Mr. Glendening and Mr. Beggs controls for this potential conflict of interest by discussing with clients the benefits and negatives of establishing a fee-based account through Pinkerton Retirement Specialists versus establishing a commission-based account through LPL Financial.

Clients are never obligated or required to establish accounts through Pinkerton Retirement Specialists, Inc, or LPL Financial. However, if a client does not choose to accept Mr. Pinkerton, Mr. Glendening and Mr. Beggs’s advice or decides not to establish an account through LPL Financial, Mr. Pinkerton, Mr. Glendening and Mr. Beggs may not be able to provide management and advisory services to the client. Clients should understand that, due to certain regulatory constraints, Mr. Pinkerton, Mr. Glendening and Mr. Beggs, in his capacity as a LPL Financial registered representative must place all purchases and sales of securities products in commission-based brokerage accounts through LPL Financial or other LPL Financial approved institutions.

Insurance Agent. Mr. Pinkerton, Mr. Glendening and Mr. Beggs are independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Mr. Pinkerton, Mr. Glendening and Mr. Beggs will receive commissions for selling insurance and annuity products. Mr. Pinkerton, Mr. Glendening and Mr. Beggs may also receive other incentive awards for the

recommendation/sale of annuities and other insurance products. The receipt of compensation and other incentive benefits may affect the judgment of Pinkerton Retirement Specialists' investment advisor representatives when recommending products to its clients. While Mr. Pinkerton, Mr. Glendening and Mr. Beggs endeavor at all times to put the interest of his/her clients first as a part of Pinkerton Retirement Specialists' overall fiduciary duty to clients, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest.

Clients are never obligated or required to purchase insurance products from or through Mr. Pinkerton, Mr. Glendening and Mr. Beggs and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

Additional Other Business Activities. Mr. Pinkerton is the owner or control person of the following entities: Pinkerton Investments, Inc. and Pinkerton Family Heritage, LP. These entities are not held out to the public and do not provide services (financial or otherwise). Mr. Pinkerton spends less than 5% of his time on these activities.

He is the owner of Pinkerton Financial Corp. which provides consulting services to financial professionals through workshops, seminars and training events. Such services are provided solely to financial professionals and not to the underlying investment clients of Pinkerton Retirement Specialists. Mr. Pinkerton spends approximately less than 5% of his time on this activity.

Finally, Mr. Pinkerton is also the owner/control person of Rockford Bay Ranch, a non-investment related business that has no material impact on advisory clients or Mr. Pinkerton's investment activities other than a time commitment. Mr. Pinkerton spends less than 5% of his time engaged in the ranching activities of Rockford Bay Ranch.

#### ***Item 5 – Additional Compensation***

In addition to the description of additional compensation provided in Item 4 above, certain product sponsors may provide Mr. Pinkerton, Mr. Glendening and Mr. Beggs with other economic benefits as a result of Mr. Pinkerton, Mr. Glendening and Mr. Beggs's recommendation or sale of the product sponsors' investments. The economic benefits received by Mr. Pinkerton, Mr. Glendening and Mr. Beggs from Pinkerton Retirement Specialists and product sponsors can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist Mr. Pinkerton, Mr. Glendening and Mr. Beggs in providing various services to clients. Although Pinkerton Retirement Specialists and LPL Financial endeavor at all times to put the interest of its clients ahead of its own or those of its officers, directors, or representatives, these arrangements present a conflict of interest that may affect the judgment of Mr. Pinkerton, Mr. Glendening and Mr. Beggs.

#### ***Item 6 – Supervision***

Ron Glendening is the Chief Compliance Officer of Pinkerton Retirement Specialists and ultimately responsible for supervising activities and services provided by the firm including the services provided by Mr. Pinkerton and Mr. Beggs. Investment accounts and advice provided by the Firm are reviewed as frequently as weekly by Mr. Glendening. Mr. Glendening can be contacted at 208-667-8998.