

Item 1 – Cover Page

Wrap Fee Brochure
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This wrap-fee brochure provides information about the qualifications and business practices of Pinkerton Retirement Specialists, LLC (herein PRS). 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.

PRS is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you decide to hire or retain an Adviser.

Additional information about PRS is also available on the Internet at www.adviserinfo.sec.gov. You can view PRS' information on this website by searching for PRS. You may search for information by using PRS' name or by using PRS' CRD number. The CRD number for PRS is 120973.

Item 2 – Material Changes

There have been no material changes to this disclosure 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

PRS 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 PRS may serve as portfolio managers in PMAP. Therefore, participants in PMAP must be advisory clients of PRS.

PRS 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 PRS is available in the PRS’s Disclosure Brochure. PRS’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, PRS’s IARs may charge commissions on a per-transaction basis when implementing their advice on behalf of clients. PRS and LPL Financial are unaffiliated companies.

When making the determination of whether one of the advisory programs available through PRS 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 the PMAP in detail.

Pinkerton Managed Asset Program: PRS is the sponsor of the Pinkerton Managed Asset Program (referred to as PMAP), a wrap-fee program developed through third-party custodian arrangements, such as LPL Financial’s Strategic Wealth Management platform. Through the PMAP, PRS provides investment 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, PRS 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 to 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.

PRS 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 PRS 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, PRS 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. PRS 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 PRS 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 with third-party custodians, such as LPL Financial (referred to as “LPL Financial” or “LPL” throughout) in its capacity as a registered broker/dealer, member Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC). LPL Financial is also an investment advisor registered with the SEC,

but does not serve as an investment advisor for PRS' clients through the PMAP. Clearing, custody and other brokerage services can be provided by various custodians, such as LPL Financial, for accounts established through the PMAP. Separate accounts are maintained for each client. Each client retains all rights of ownership of their accounts (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations)

PMAP accounts allow clients to authorize PRS to purchase and sell securities on a discretionary basis. PRS 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 PRS will be granted trading authorization on the client's account. However, upon a client's request, PRS will manage PMAP accounts on a non-discretionary basis. Clients must authorize PRS with the ability to manage accounts on a discretionary basis. Such authorization will be memorialized in the *Asset Management Agreement*. This authority will allow PRS 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.

Fees for PMAP: 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. The custodian is responsible for calculating and debiting all fees from client accounts. Clients must provide the custodian written authorization to debit advisory fees from their accounts and pay such fees to PRS. 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.

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

PMAP accounts held at LPL will incur no transaction charges on stock, bond, ETF or mutual fund trades. PMAP accounts held at other custodians will be charged the standard transaction fees.

PMAP 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 account.

Clients may incur certain charges imposed by third parties other than PRS in connection with investments made through the account, including but not limited to, 12b-1 fees and surrender charges. Management fees charged by PRS 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. PRS' investment advisor representatives, will not retain any portion of the commissions charged to the client. However, such commissions will be retained by the custodian.

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, PRS 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.

This section is intended to be a summary of the PMAP. All clients contracting for PMAP services will be provided a copy of the PMAP Wrap Fee Program Brochure.

Conflicts of Interest: The potential for additional compensation may give PRS' supervised persons an incentive to recommend investment products based on the additional compensation received. PRS' objective as a firm is to place nothing before the client's best interests. Clients always have the option to purchase investment products that PRS recommends through other unaffiliated brokers or agents. Additionally, advice offered by PRS does not constitute legal or accounting advice. Therefore, you should coordinate and discuss the impact of financial advice with your attorney and/or accountant. Clients are advised that it is necessary to inform PRS promptly with respect to any changes in their financial situation, investment goals and objectives. Failure to notify PRS of any such changes could result in investment recommendations not meeting the needs of the client.

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 PRS must be executed with PRS setting forth the terms and conditions, including the amount of investment advisory fees, under which PRS shall manage the client's assets.

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

Minimum Investment Amounts Required: The minimum household account size is \$500,000. Exceptions to these minimums may be granted by PRS.

Item 6 – Portfolio Manager Selection and Evaluation

PMAP Manager Selection & Evaluation: PMAP does not allow IARs or clients to utilize portfolio managers that are not associated with PRS. In other words, the only portfolio managers selected for managing client assets in the PMAP are IARs of PRS. 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, PRS does not have procedures designed to select outside portfolio managers. Most of the items required by this item of the Wrap Fee Brochure instructions do not apply to the PMAP. 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 PRS' primary services. Detailed descriptions of PRS' services other than the PMAP are provided in PRS' Disclosure Brochure.

Asset Management Services: PRS offers investment advisory services for individual clients, high net worth families, foundations, endowments and institutional investors. This service involves providing a client with constant management of their investment funds. PRS develops investment plans to work toward a client's goals, objectives and risk tolerance. PRS watches a client's advisory accounts and executes trades.

PRS has discretionary authority of clients' advisory accounts. This allows us to decide what securities to buy or sell without needing client approval.

Custodians selected by PRS or by the client (if mutually agreed) hold all advisory accounts. Currently, PRS primarily uses LPL Financial Services. The client must designate PRS as its investment advisor on their accounts. The client's qualified custodian will maintain actual custody of all client funds and securities.

Since custodians are also broker dealers, they may have different account fees, execution charges and execution capacities. Clients using a custodian selected by PRS may pay higher account-related fees and execution charges than if

PRS used another custodian. This may occur because custodial services are based on several factors. Factors PRS considers include cost, expected level of asset safety, client confidentiality, communication and reporting. PRS bases all decisions on the individual investment circumstances of each client.

Investment Management Services: PRS employs the following strategies as part of its investment management services:

- The PRS investment management process seeks to create a balance between reward and risk over a given time period. This typically involves using a mix of the securities highlighted below.
- PRS relies on quantitative, technical and fundamental analysis.
- PRS considers multiple time horizons, including long, medium and short term, when determining strategies. Depending on the client's needs, PRS may employ various risk-management strategies. PRS believes these risk-management tools distinguish it in the investment advisory marketplace.

Types of Investments: PRS provides investment advice on the following types of investments.

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Foreign issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Managed Futures
- United States government securities
- Options contracts on securities and commodities
- Interests in partnerships investing in real estate, oil and gas interests
- Master Limited Partnerships
- Private Equity
- Business Development Corporations
- REITs
- Hedge Funds

PRS avoids market timing, but may increase cash holdings when necessary. This is based on the client's risk tolerance and PRS' expectations of market behavior.

Participation in Wrap-Fee Programs: PRS offers investment management 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 is charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), PRS will receive all or a portion of the fee charged.

There is no material difference in the way PRS manages 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 PRS.

Financial Planning Services: PRS and its advisors, or Investment Advisor Representatives (IARs), provide financial planning services. The client selects these services in the financial planning agreement. They may include tax planning or investment planning. They may also include retirement planning, estate or business needs, education planning, life and disability insurance needs, long-term care needs and cash flow/budget planning. The services consider information collected from the client. Information may include financial status, investment objectives and tax status, among other data.

The IAR delivers a written financial plan to the client. Except for the multi-year program described below, the engagement ends upon delivery of the financial plan.

Clients receive a written financial plan from the IAR reflecting the planning services selected on the financial planning agreement. Clients will have planning-related consultations with the IAR to evaluate the financial plan and all recommendations.

Clients either receive consulting services in person or by telephone from the planning categories selected for the respective period.

Client Assets Managed by PRS: PRS manages and administers approximately \$302,697,140 of client assets as of March 18, 2013. Of this total, \$111,818,729 is managed by PRS through fee-based programs, managed on a discretionary basis. In addition, PRS' investment advisor representatives, in their separate capacities as LPL Financial registered representatives, oversee approximately \$190,878,411 of client assets through strictly commission-based arrangements on a non-discretionary basis.

Advisory Services for Individual Needs of Clients: PRS provides asset management services based on the specific needs of the individual client. The client has the ability to impose limits on investment selections and sectors.

PRS may manage a client's account in accordance with one or more investment models. When client accounts are managed using models, investment selections are based on the underlying model and PRS does 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

PRS 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.

Methods of Analysis, Investment Strategies and Risk of Loss

PRS 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.

PRS Investment Process: 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 – Prioritize allocating capital 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.

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, PRS also utilizes 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 PRS 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 with custodians outside of LPL.

Risk of Loss: Clients must understand that past performance is not indicative of future results. 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: PRS generally does not vote proxies or other securities for client accounts. It is the responsibility of the client to vote all securities in the PRS asset management program. However, if accounts are ERISA accounts, then PRS does vote proxies.

Item 7 – Client Information Provided to Portfolio Managers

Because only IARs of PRS serve as portfolio managers for PMAP accounts, IARs or their assistants are responsible for gathering all information provided by clients for those accounts. 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 PRS manages accounts.

Item 8 – Client Contact with Portfolio Managers

Because only IARs of PRS serve as portfolio managers for PMAP accounts, there are no restrictions placed on clients' ability to contact and consult with their portfolio managers for those accounts. It is the policy of PRS 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

There are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of PRS business or the integrity of PRS management.

Other Financial Industry Activities and Affiliations

PRS is not related to any company that is one of the following:

broker dealer	municipal securities dealer
government dealer or broker	investment company
other pooled investment product	unit investment trust
private investment company	futures commission merchant
commodity pool operator	commodity trading advisor
banking or thrift institution	accountant or accounting firm
lawyer or law firm	pension consultant
real estate broker or dealer	sponsor or syndicator of limited partnerships.

While PRS 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. PRS' investment advisor representatives concentrate the majority of their efforts providing investment advisory services and financial planning services for clients.

Insurance Activities: 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 PRS' 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 PRS' 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.

Registered Representative Activities: 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 PRS 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 PRS' Clients. Clients are under no obligation to purchase products recommended by investment advisor representatives or to purchase products either through PRS 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 PRS' 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 PRS.

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 PRS versus establishing a commission-based account through LPL Financial.

Clients are never obligated or required to establish accounts through PRS 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.

Third-Party Investment Advisors: As described in Item 4 – Advisory Business and Item 5 – Fees and Compensation, PRS has formed relationships with independent, third-party investment advisors through LPL Manager Select Program and the LPL Model Wealth Portfolios.

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. PRS 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 PRS client at all times. PRS 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.

PRS 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 PRS' Code of Ethics. PRS 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. PRS 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 its duty of complete loyalty to all clients.

This disclosure is provided as a summary of PRS' Code of Ethics. Clients may request a copy at any time.

Affiliate and Employee Personal Securities Transactions Disclosure: PRS 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. To control potential conflicts, PRS has developed several procedures.

It is the express policy of PRS that all persons associated in any manner with PRS must place the interests of the firm's clients ahead of their own when implementing personal investments.

PRS 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 PRS' Code of Ethics, personnel are required to report their personal securities transactions and holdings to the Firm for review.

Review of Accounts: On-going financial planning services are reviewed and updated on an on-going basis at the request of the client. PRS shall periodically contact the client to determine if updates or additional financial planning services are needed; however, clients are expected to inform PRS of any changes in the client's situation or when additional services and updates are needed. Reviews are not provided for one-time financial planning services. However, clients are encouraged to have their financial planning situation reviewed and updated on an as-needed basis. The PRS Research Team reviews PMAP portfolios on a weekly basis.

Statements and Reports: Asset Management clients will receive account statements at least quarterly from the qualified custodian. Clients may additionally receive on-demand position and performance reports from PRS for no additional fee. Clients are encouraged to compare reports provided by PRS against the account statements delivered from the qualified custodian, as the latter is the official record of the client's account.

In addition, PRS may provide newsletters covering general financial planning and investment topics.

Other Compensation: The investment advisor representatives of PRS who are registered representatives or insurance representatives may be eligible to receive various incentives that may be based upon production levels. These incentives may include marketing reimbursements, educational conference trips or discounts on various software or investment-related research materials. PRS may also be provided with various newsletters or publications from financial services firms as a customary consideration.

Client Referrals: PRS may enter into arrangements with individuals ("Solicitors") who will refer clients that may be candidates for investment advisory services, to the firm. In return, PRS will agree to compensate the Solicitor for the referral. Compensation to the Solicitor is dependent on the client entering into an advisory agreement with PRS. Compensation to the Solicitor will be an agreed upon percentage of PRS' investment advisory fee or a flat fee depending on the type of advisory services the Applicant provides to clients. PRS' 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 PRS and the Solicitor. The Solicitor will be required to provide the client with a copy of PRS' Form ADV Part 2 and a Solicitor Disclosure Document prior to or at the time of entering into any investment advisory contract with PRS. The Solicitor is not permitted to offer clients any investment advice on behalf of PRS. The advisory fee charged to clients will not increase as a result of compensation being shared with the Solicitor.

Conflicts of Interest: The potential for additional compensation may give PRS' supervised persons an incentive to recommend investment products based on the additional compensation received. PRS' objective as a firm is to place nothing before the client's best interests.

How PRS addresses these conflicts. First, PRS addresses the conflicts inherent in Other Compensation by disclosing them to you in this Brochure and by providing an explanation at the end of this disclosure. Additionally, PRS has also designated a CCO, as set forth on Schedule A of its Form ADV, to be responsible for oversight of its supervisory process.

Clients always have the option to purchase investment products that PRS recommends through other unaffiliated brokers or agents.

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