



# PENNIALL & ASSOCIATES, INC.

## *Wrap Fee Program Brochure*

### Part 2A – Appendix 1 of Form ADV

#### Item 1 – Cover Page

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December 14, 2018

This wrap fee program brochure provides information about the qualifications and business practices of PENNIALL & ASSOCIATES, INC., herein after referred to as “P&A”. If you have any questions about the contents of this Brochure, please contact us at 626-795-3062 and/or [info@penniall.com](mailto:info@penniall.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

P&A 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 determine to hire or retain an Adviser. Additional information about P&A also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

**Revised December 14, 2018**

The purpose of this page is to inform you of material changes since the last annual update to this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

Penniall & Associates, Inc. ("P&A") reviews and updates our brochure at least annually to confirm that it remains current. Below is a summary of the material changes P&A made since the last annual update on March 31, 2018.

Item 4 – Advisory Business: P&A is no longer offering Advisory Services To Retirement Plans.

Item 4 – Advisory Business: Advisory Assets Under Management decreased due to the spin-off of our Penniall Retirement Advisors division, which is now a separate but affiliated RIA called Retirement Wellness Group.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting David Penniall, Chief Compliance Officer at 626-795-3062 or [drp@penniall.com](mailto:drp@penniall.com). Our Brochure is also available free of charge on our web site [WWW.PENNIAL.COM](http://WWW.PENNIAL.COM).

Additional information about P&A is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with P&A who are registered as investment adviser representatives of P&A.

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## Item 4 - Services, Fees and Compensation

### A. Consulting Services/Financial Planning

Financial Planning services include: defining goals, needs and objectives; gathering and providing appropriate data; determining the results if no changes are made to the client/prospect's current course of action; determining recommendations and possible changes to the current course of action; determining implementation responsibilities; and determining monitoring responsibilities. The non-investment related services provided by P&A may include:

#### Financial Planning Services

- Perform an initial review of your current financial situation
- Recommend solutions for streamlining and controlling finances
- Coordination of bank and other financial industry relationships

#### Budgeting & Cash Flow Management

- Provide tools to create and monitor a financial budget

#### Tax Planning and Preparation Services

- Coordinate tax planning with qualified tax professionals
- Proactively implement sophisticated tax-minimization strategies in investment portfolios that we manage
- Conduct reviews of prior year returns

#### Estate Planning Services

- Present and implement wealth preservation and distribution strategies
- Integrate estate planning strategies with income tax and investment strategies
- Coordinate estate plan documentation with qualified attorney

#### Insurance Analysis and Risk Management

- Coordinate a review all of current insurance policies and make recommendations for cost savings or additional coverage if considered necessary
- Implement insurance recommendations with best practices for securing competitive rates

Certain IAR's of P&A carry the Certified Financial Planner™ (CFP®) designation. CFP® certificants acknowledge their responsibility to adhere to the standards established in the CFP Board's Standards of Professional Conduct, including the duty of care of a fiduciary, as defined by the CFP Board. The client is encouraged to review the information contained in this disclosure brochure and ask the certificant any questions they may have. Should any material changes occur to this information, updated information will be provided in a reasonable time frame. If you become aware that our conduct may violate the Standards, you may file a complaint with the CFP Board at [www.CFP.net/complaint](http://www.CFP.net/complaint).

### B. Portfolio Management

**The Legacy Portfolios** – The Legacy Portfolios are P&A's proprietary asset allocation model portfolios, comprised of load-waived and no-load mutual funds. Certain Legacy Portfolios are managed under a wrap fee program ("program"). The portfolios are managed according to various risk tolerance levels (e.g., preservation of capital, conservative, balanced, growth and aggressive growth). The program may cost the client more or less than purchasing such services separately. The factors that impact relative cost are the amount of trades the take place in a client's account as well as the account size.

### C. Wrap fees

**Legacy Portfolio Fees** - The annual advisory fee for the Legacy Portfolios under the wrap program are subject to negotiation, but is generally set based on the assets under management.

All of the advisory fees are paid to P&A. Clients are advised that all fees paid to P&A for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. This represents an additional layer of fees that impacts the investment returns. Further, there may be transaction charges involved with purchasing or selling of securities. P&A does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the client funds or securities. The client should review all fees charged by mutual funds, P&A, and others to fully understand the total amount of fees to be paid by the client.

Although P&A believes its advisory fees are competitive, lower fees for comparable services may be obtained from other sources.

P&A's advisory fee for all accounts does not include other custodian fees, including transfer fees, margin charges, and/or other miscellaneous transaction related costs, from the assets in the account. These charges are in addition to the fees client pays to P&A. P&A Investment Advisor Representatives do not receive any additional compensation as a result of a client's participation in the program.

**Total Advisory Assets Under Management** - As of 11/30/2018, P&A had assets under advisement of \$330,350,813 on a discretionary basis and \$88,804,988 on a non-discretionary basis.

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

Qualified accounts must be at least \$8,000 and non-qualified accounts must be at least \$12,000 to participate in the wrap program.

P&A offers the wrap program to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

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

### **A. Portfolio Manager Selection**

#### **Methods of Analysis**

P&A's recommendations and Model Portfolios will be based on internal analysis, research reports and analysis, and other third party technology-based tools to analyze the performance of mutual funds, exchange-traded funds, stocks and bond. Representatives of P&A may also utilize computer software programs provided by such third-party advisers in providing this advice to clients.

P&A uses commercial software packages such as Orion and Morningstar in offering advisory services to its clients. Investing in securities involves risk of loss that clients should be prepared to bear.

The investment process employed by the Portfolio Manager and Investment Committee is a top-down, tactical asset allocation approach. The initial step in the process includes forming an overall perspective of the economy and the financial markets. The Portfolio Manager considers current economic and market conditions and develops an economic forecast that may impact markets in the future. The goal is to identify thematic trends, determine how those trends will impact our portfolios, and adjust our allocations accordingly to benefit from these trends. The development of an economic perspective is a dynamic process that is consistently revised based upon changes in the economy and financial markets.

The economic perspective and thematic trends help shape the asset allocation of each portfolio. Five major asset classes are included in all but the Fixed Income portfolio:

**Cash & Cash Equivalents** – money market and currency instruments, as well as short-term bonds or fixed-rate investments.

**Fixed Income** – domestic and international fixed income investments of intermediate and longer-term maturities with varying quality and duration characteristics.

**Domestic Equity** – a combination of domestic growth and value equity investments, ranging from small to large companies.

**International Equity** – a combination of international growth and value investments, ranging from small to large companies.

**Alternative Assets** – non-traditional investments such as precious metals, real estate, commodities and natural resources that historically have exhibited a low correlation to stock and bond markets. The portfolios may also utilize inverse funds as hedges or offsetting positions.

The Portfolio Manager determines the weightings of each asset class. These allocations may be underweight or overweight their respective benchmarks based upon the current recommendations of the Portfolio Manager and Investment Committee.

The determination of individual investments for each asset class is generally based upon two criteria: a risk-based metric (typically standard deviation) and a performance-based metric (rate of return). These two critical components allow the Portfolio Manager and Investment Committee to focus on the conversion of beta (risk) into alpha (reward). If our outlook for a specific asset class is favorable, the investment selected will likely exhibit a higher level of risk. If our outlook is bearish, the holding selected will likely exhibit a lower level of risk.

Based upon the level of risk that is desired, an analysis is performed to determine which investment has historically achieved superior performance on a risk-adjusted basis.

### **Investment Strategies/Monitoring/Reporting**

The ongoing monitoring of the model portfolios involves a rigorous and disciplined process. Performance is tracked at every Investment Committee meeting. In addition, a formal attribution analysis is prepared on a quarterly basis.

**Versions of Portfolios** - To accommodate client portfolios of all sizes, the Portfolio Manager and Investment Committee have designed condensed versions of the model portfolios. The investment methodology and monitoring process in which these portfolios are managed is similar to the steps described above. The difference is in the number of investments that are utilized in these models. "Fund of fund" or multi-sector mutual funds that cover more than one specific asset class are often used. The overall broad allocations in these condensed portfolios are similar to the allocations of the full portfolios.

**Custom Portfolios** - To accommodate client portfolios with special situations, the Portfolio Manager and Investment Committee have designed customized versions of the model portfolios. Special situations would include tax issues, liquidity requirements, individual stock holdings and other personal considerations. The investment methodology and asset allocation of the custom portfolios are similar to the model portfolios. The primary difference is that the investments selected to represent each asset class may differ from the model portfolios. All managed employer sponsored retirement accounts will be customized portfolios based upon the available investments

A second difference is in the monitoring of these custom portfolios. Since these portfolios are customized on an individual client basis, the performance will differ from the standard portfolios. On a quarterly basis, the performance of each custom portfolio will be compared to its corresponding model portfolio. For example, a custom Balanced portfolio will be compared to the performance of the standard Balanced portfolio. If the performance of the custom portfolio is within an acceptable range, no additional analysis will be deemed necessary. However, if the custom portfolio is outside an acceptable range, additional analysis will be performed to determine why the custom portfolio out-performed or under-performed the model portfolio. Changes to the allocations or individual holdings in the custom portfolio may be deemed necessary based upon this analysis.

#### **B. David Penniall serves as the Portfolio Manager of the wrap fee program.**

The performance of the Portfolio Manager is reviewed by the Investment Committee periodically and is subject to the same review process as outlined above.

#### **C. Advisory Services**

Penniall & Associates, Inc. (hereinafter "P&A" or the "firm") was established in May, 2002. Penniall Holding Company, Inc. (hereinafter "PHC") is the owner of P&A. David R. Penniall, Chief Executive Officer of P&A, is the primary owner of PHC.

P&A is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. This Brochure is offered to potential and existing clients to provide an understanding of the services the firm provides, potential conflicts of interest and the experience and education of certain P&A personnel. Individuals associated with P&A will be involved with providing services to the firm's clients. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of P&A and are known as Investment Adviser Representatives ("IARs").

Please contact David Penniall, Chief Compliance Officer, if you have any questions about this Brochure. Additional information about P&A is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for P&A is 148282.

P&A advisory business includes financial consulting services, asset management programs and advisory services to retirement plans and plan participants.

#### **Wealth Management Services**

##### **Consulting Services/Financial Planning**

Financial Planning services include: defining goals, needs and objectives; gathering and providing appropriate data; determining the results if no changes are made to the client/prospect's current course of action; determining recommendations and possible changes to the current course of action; determining implementation responsibilities; and determining monitoring responsibilities. The non-investment related services provided by P&A may include:

###### **Financial Planning Services**

- Perform an initial review of your current financial situation
- Recommend solutions for streamlining and controlling finances
- Coordination of bank and other financial industry relationships

###### **Budgeting & Cash Flow Management**

- Provide tools to create and monitor a financial budget
- Tax Planning and Preparation Services
- Coordinate tax planning with qualified tax professionals
  - Proactively implement sophisticated tax-minimization strategies in investment portfolios that we manage
  - Conduct reviews of prior year returns
- Estate Planning Services
- Present and implement wealth preservation and distribution strategies
  - Integrate estate planning strategies with income tax and investment strategies
  - Coordinate estate plan documentation with qualified attorney
- Insurance Analysis and Risk Management
- Coordinate a review all of current insurance policies and make recommendations for cost savings or additional coverage if considered necessary
  - Implement insurance recommendations with best practices for securing competitive rates

Certain IAR's of P&A carry the Certified Financial Planner™ (CFP®) designation. CFP® certificants acknowledge their responsibility to adhere to the standards established in the CFP Board's Standards of Professional Conduct, including the duty of care of a fiduciary, as defined by the CFP Board. The client is encouraged to review the information contained in this disclosure brochure and ask the certificant any questions they may have. Should any material changes occur to this information, updated information will be provided in a reasonable time frame. If you become aware that our conduct may violate the Standards, you may file a complaint with the CFP Board at [www.CFP.net/complaint](http://www.CFP.net/complaint).

## Portfolio Management

P&A provides discretionary and non-discretionary portfolio management services to clients through two managed account programs (each referred to as "the Program"). The Programs are provided through brokerage and custodial relationships maintained with qualified custodians.

The Program recommended to the client will be based upon the client's stated risk tolerance, time horizon, investment objectives and other relevant information provided by the client (collectively, "Financial Data"), subject to any reasonable written restrictions or guidelines that the client may provide and P&A may agree to. When opening a Program account, a P&A IAR will obtain Financial Data from the client, assist in the selection of suitable investment objectives, and base the investment strategy on the most current Financial Data, specific goals and situation of the client ("Investment Strategy"). P&A will generally construct a portfolio for the client in their account maintained with a qualified custodian ("Account") based on one of P&A's Model Portfolios. A P&A IAR will contact the client periodically to review the client's financial situation and investment goals to determine whether changes to the Investment Strategy are warranted. Clients are advised to contact P&A whenever their Financial Data changes or they want to impose and/or modify any reasonable restrictions on their Account.

Once the client has approved a specific Model Portfolio for their Account, P&A will generally be granted discretionary authority to manage the client's Account and perform various functions without further approval from the client. Such functions include: (i) the determination of securities to be purchased/sold and the amount of securities to be purchased/sold in the client's Account; (ii) the ability to rebalance the securities in the Account according to the parameters of the Model Portfolio; (iii) selling and purchasing securities in the Account to harvest tax losses, if deemed appropriate under the circumstances; and (iv) selling securities and/or maintaining a cash balance in the Account to cover (1) margin calls, (2) debit balances, (3) checks drawn on the Account by the client, and (4) other fees reasonably expected to be incurred in connection with the Account or managing the Account, including P&A's investment advisory fees. For non-discretionary accounts, P&A will contact the client prior to executing any transactions.

Clients may engage P&A to manage the client's participant account in an employer sponsored retirement plan. P&A will manage the participant's account using our Model Portfolios and will monitor and report on the accounts using our portfolio reporting software.

Clients may direct P&A to maintain certain security positions in an Account, but such securities will not be managed by P&A or considered when managing the Account for a client ("Non-managed Securities"). P&A will not have discretionary authority over the Non-managed Securities.

1. **The Penniall Portfolios** – The Penniall Portfolios are P&A's proprietary asset allocation model portfolios, comprised of no-load mutual funds. The Penniall Portfolios are managed according to various risk tolerance levels (e.g., preservation of capital, conservative, balanced, growth and aggressive growth).
2. **The Legacy Portfolios** – The Legacy Portfolios are P&A's proprietary asset allocation model portfolios, comprised of load-waived and no-load mutual funds. The Legacy Portfolios are managed according to various risk tolerance levels (e.g., preservation of capital, conservative, balanced, growth and aggressive growth).

For accounts in the Legacy Portfolios, clients will not incur any costs for trading securities. For accounts in the Penniall Portfolios, the client is responsible for trading costs incurred in connection with transactions in the account.

### **Advisory Services To Retirement Plan Participants**

P&A offers various levels of advisory and consulting services to employee benefit plans ("Plans") and to the participants of such plans ("Participants") through its Penniall Retirement Advisors division. The services are designed to assist plan sponsors ("Plan Sponsors") in meeting their management and fiduciary obligations to the Participants under the Employee Retirement Income Securities Act ("ERISA") and the Pension Protection Act of 2006 ("PPA"). Generally, investment advice provided to Plan Sponsors and Participants is also regulated under ERISA and the PPA. P&A will provide services to Plan Sponsors and their Participants as described below. Plan Sponsors must make the ultimate decision to retain P&A for pension consulting and other advisory services including, but not limited to, services at the participant level. The Plan Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

#### **a. Standard Services**

##### **1. ERISA Non-Fiduciary Services**

**a) Participant Education Services** – P&A will conduct initial and/or periodic enrollment and informational meetings with employees and Participants and provide investment education. In accordance with the Department of Labor's Interpretative Bulletin 96-1, P&A may provide information about the Plan, general financial and investment information and materials relating to asset allocation models available through the Plan. P&A may also provide interactive investment materials to assist Participants in assessing their future retirement income needs and the impact of different asset allocations on retirement income.

**b) Third Party Product or Service** - P&A will not render individualized investment advice and will not be held to an ERISA fiduciary standard for services rendered hereunder.

#### **b. Additional Services**

- 1. Participant Advice** – P&A will meet with Plan Participants that seek to engage P&A for participant advice services to gather information concerning their retirement investments, time horizon, risk tolerance and investment goals. P&A will review the information and generate point in time individualized investment advice that may include a recommendation to invest in a particular model portfolio, or percentages to be allocated among a number of the Plan's core investment options. P&A will not provide recommendations on investments held outside of the plan unless they are an advisory client of P&A, and the Plan Participant retains the sole responsibility to implement the recommendations and to update P&A as to personal financial information. P&A does not guarantee that the Plan Participants' investment objectives will be achieved. Participant advice shall be delivered as an ERISA Non-Discretionary Fiduciary Service.

**General Information about Plan Participant Services** - Fees for these services shall be: 1) on a flat fee basis, 2) on a percentage of a plan's assets, or 3) on a combination of these methods, as agreed to between RWG and the Plan Sponsor. RWG compensates P&A directly for services provided to Plan Participants. Investment Advisory Representatives do not receive additional compensation to provide such services.

Advisory services provided to Plan Participants may be solely provided by Investment Advisory Representatives of P&A and/or RWG or in combination with third parties and their retirement plan services. P&A shall never have custody of any client funds or securities, as the services of an independent qualified custodian will be used for these asset management services.

P&A manages a wrap fee program. Wrap fee portfolios are managed in a tactical fashion whereas our non-wrap portfolios are managed more as a static portfolio.

P&A does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Methods of Analysis**

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P&A uses commercial software packages such as Orion and Morningstar in offering advisory services to its clients. Investing in securities involves risk of loss that clients should be prepared to bear.

The investment process employed by the Portfolio Manager and Investment Committee is a top-down, tactical asset allocation approach. The initial step in the process includes forming an overall perspective of the economy and the financial markets. The Portfolio Manager considers current economic and market conditions and develops an economic forecast that may impact markets in the future. The goal is to identify thematic trends, determine how those trends will impact our portfolios, and adjust our allocations accordingly to benefit from these trends. The development of an economic perspective is a dynamic process that is consistently revised based upon changes in the economy and financial markets.

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Based upon the level of risk that is desired, an analysis is performed to determine which investment has historically achieved superior performance on a risk-adjusted basis.

#### **Investment Strategies/Monitoring/Reporting**

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why the custom portfolio out-performed or under-performed the model portfolio. Changes to the allocations or individual holdings in the custom portfolio may be deemed necessary based upon this analysis.

#### **Investment Risk**

P&A does not represent, warrant or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

**Risk of Loss** - Investing entails risk of loss which the investor must be willing to bear. The programs will invest primarily in mutual fund shares which are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

**Asset Allocation** - P&A's ability to achieve its investment goal depends greatly upon the asset allocation mix and selecting underlying funds. There is the possibility that P&A's evaluations and assumptions regarding asset classes and underlying funds will not successfully achieve high long-term total return in view of actual market trends. The core principle of asset allocation is diversification. P&A relies heavily upon diversification to minimize investment risk but investment risk cannot be eliminated, and despite our best efforts, is oftentimes challenging to manage within a target range.

**Investing in Underlying Funds** - P&A's investments are concentrated in the underlying mutual funds, therefore the portfolio's performance is directly correlated to the performance of the underlying funds. The ability of the portfolios to achieve their investment goals are directly related to the ability of the underlying funds to meet their investment goals. In addition, investors will indirectly bear the fees and expenses of the underlying funds.

**Management** - The portfolios are subject to management risk because they are actively managed investment portfolios. P&A will apply investment techniques and risk analyses in making investment decisions for the portfolios, but there can be no assurances that these decisions will produce the desired results.

#### **Voting Client Securities**

Clients will make all of the decisions regarding corporate actions and the exercise of proxy voting rights with respect to the securities held in the client's account, and P&A will accept authority to vote proxies on behalf of client accounts. P&A may, on rare occasions and only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting rights. Clients may call us if they have questions about a particular solicitation. P&A will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

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

Client information is shared with the Investment Committee and Portfolio Managers for the wrap fee program.

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

There are no restrictions other than time for client contact with the portfolio manager.

#### **Item 9 - Additional Information**

##### **A. Disciplinary Information & Other Business Activities and Affiliated Firms**

###### **Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of P&A or the integrity of P&A's management. P&A and its management personnel have no legal or material disciplinary events applicable to this Item.

###### **Other Business Activities and Affiliated Firms**

In addition to its investment advisory activities, P&A offers health and welfare insurance. P&A has an affiliated insurance agency, Penniall Management, LLC, a licensed insurance agency which transacts group and individual insurance plans as well as employee benefits and annuities. Penniall Management, LLC, is owned 50% by P&A, with the remaining ownership held by David Penniall and Dennis Grant, the owners of Penniall Holding Company, Inc. Insurance activities are also conducted as Penniall Insurance Services, LLC. Certain associates of P&A are also licensed as insurance agents/brokers through Penniall Insurance Services or various insurance companies. As licensed

insurance agents/brokers, these associates may offer insurance products to advisory clients and receive normal and customary commissions if a client makes a purchase. This presents a conflict of interest between P&A associates and the client because these associates may have an incentive to recommend insurance products as a result of the commission. When recommending commissionable products to advisory clients, we have a fiduciary duty to recommend products that are in the best interest of the client regardless of whether we are receiving a commission on the product. Clients are under no obligation to act on any insurance recommendations or place any transactions through these insurance agents/brokers if they decide to follow their recommendations.

P&A is wholly owned by Penniall Holding Company, Inc. ("PHC"). David Penniall is the majority owner of PHC.

PHC owns 50% of AWM Capital, LLC ("AWM"). AWM is an RIA registered with the State of Arizona, is an affiliate of P&A and caters to the financial needs of professional athletes. Fees for these services are separate and apart from the fees P&A charges for advisory services.

David Penniall is the majority owner of Paragon Sports International, LLC. Paragon Sports International, LLC is a related entity that acts as a baseball agency and provides representation services. Fees for these services are separate and apart from the fees P&A charges for advisory services.

David Penniall is the majority owner of The Living Plan, LLC ("TLP"), dba Honed In, LLC. TLP is a related entity that acts as coordinator for the elderly to ensure their affairs are in good order, organized and accessible to their heirs, power of attorneys or other interested parties. Fees for these services are separate and apart from the fees P&A charges for advisory services.

P&A also maintains professional relationships with other unaffiliated firms and may have paid or unpaid referral arrangements with these firms. See below for additional information.

**Registered Representatives of Unaffiliated Broker-Dealer** - In addition to their investment advisory activities, P&A's IARs offer retail brokerage services through their affiliation as registered representatives with United Planners Financial Services ("UPFS"). UPFS is a registered broker-dealer and a member of the Financial Industry Regulation Authority ("FINRA") and is not affiliated with P&A. Brokerage products offered through UPFS may include stocks, bonds, mutual funds, ETF's, 529 plans, retirement plans, and other investments. These representatives receive compensation, commissions and/or trailing 12b-1 fees from UPFS for services provided to UPFS's brokerage clients. Should P&A advisory clients implement recommendations through registered representatives of UPFS, the representatives may receive commissions or other transaction-based compensation in addition to the advisory fees P&A receives. This presents a conflict of interest because the representative may have an incentive to recommend UPFS for executing securities transactions or securities for which they receive additional compensation. Commissions paid through UPFS may be higher or lower than at other broker-dealers. Additionally, account maintenance costs and transaction costs may be higher or lower at UPFS than at other broker-dealers. When recommending commissionable products to advisory clients, we have a fiduciary duty to recommend products that are in the best interest of the client regardless of whether we are receiving a commission on the product. If Investment Advisory Representatives, in their separate capacity as registered representatives of UPFS, are compensated in the form of commissions or 12b-1 fees from the sale of investments to the Plan, P&A shall offset the advisory fee to reflect the additional compensation earned, to the extent permitted by law. Clients are under no obligation to act on any recommendations of these individuals or place any transactions through them or through UPFS if they decide to follow their recommendations.

P&A conducts its investment advisory activities separate and apart from the advisory activities of UPFS; however, P&A's IAR's are Registered Representatives of UPFS, which necessitates that UPFS keep and maintain certain records and perform other compliance functions in relation to the advisory activities of P&A. These obligations require UPFS to coordinate with and have the cooperation of certain custodians and/or broker-dealers. Accordingly, UPFS has established a list of custodian or brokerage firms in which P&A client assets may be placed, and P&A client custodial choices will be limited to that list. Please note not all P&A advisors are affiliated with UPFS.

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

P&A or individuals associated with the firm may buy or sell for their personal account(s) investment products identical to those recommended to clients. In addition, a related person may have a position in a certain security or securities which may also be recommended to the clients.

In some instances, these situations may create either actual or perceived conflicts of interest. As such, P&A has established the following restrictions:

A director, officer or IAR shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with P&A or UPFS, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory clients.

All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.

P&A and its employees generally may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the firm's Compliance Officer.

P&A respects the right of clients to specify investment objectives, guidelines, and/or conditions/restrictions on the overall management of their accounts.

Records will be maintained of all securities or insurance products bought or sold by the firm, associated persons of the firm and related entities. A principal of P&A, or a qualified representative of the firm, reviews these records on a quarterly basis.

P&A requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Any individual not in observance of the above may be subject to termination.

The full text of the Firm's Code of Ethics is available to you upon request.

In accordance with Section 204-A of the Investment Advisers Act of 1940, P&A also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the firm or any person associated with P&A.

It is P&A's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. P&A will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

**Privacy Policies** - The firm views protecting its customer's private information as a top priority and, pursuant to the requirements of the federal Gramm Leach Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

The firm does not disclose any non-public information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client's account, the firm may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers. The firm may also share client information where the client is receiving services from entities with which P&A has a referral relationship (see below).

The firm restricts internal access to nonpublic personal information about the client to those associated persons of the firm who need access to that information in order to provide services to the client. It is the firm's policy to never sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the customer or as required by law.

P&A's clients or prospective clients may request a copy of the firm's Privacy Policies by contacting Justin Dyer, [Justin@penniall.com](mailto:Justin@penniall.com) or 626-795-3062.

**Account Reviews** – Managed accounts will be reviewed internally on a regular basis and rebalanced as required. For non-qualified accounts, the firm may tax harvest at any time on an as needed basis. Reviews are conducted by IARs of the firm.

Unusual economic, industry or individual investment developments may trigger a review. Changes in a client's situation, such as investment goals, financial position, marriage, divorce, death, change in employment, birth of a child, retirement, etc. may also trigger the need for additional reviews.

**Account Reporting** - All investment management services clients receive statements from their custodians on either a monthly or quarterly basis. These reports will show the current market values and transactions during the past month or quarter as well as interest, dividends and capital gains for the reporting period.

P&A generally provides clients with quarterly performance reports of their Legacy Portfolios, Penniall Portfolios and Managed Employer-Sponsored Retirement Plans Accounts. Reports may not be provided to clients whose accounts are not charged fees (courtesy accounts) or who have customized portfolios, or as agreed upon with the client.

P&A generally provides retirement plan clients with investment monitoring reports on a quarterly basis. Annual fee benchmarking reports are provided upon request or as needed.

P&A may also provide financial planning clients with annual updates of their financial situation, as agreed upon with the client.

**TDA Support Products and Services** - P&A participates in TD Ameritrade Institutional's program and may recommend TD Ameritrade to Clients for custody and brokerage services. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. There is no direct link between P&A's participation in the TDA Institutional program and the investment advice it gives to its clients, although P&A receives economic benefits through its participation in the program that are typically not available to TDA retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to P&A by third party vendors. TDA may also have paid for business consulting and professional services received by P&A's related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for P&A personnel to attend conferences or meetings relating to the program or to TDA's advisor custody and brokerage services. Some of the products and services made available by TDA through the program may benefit P&A but may not benefit its client accounts. These products or services may assist us in managing and administering our client accounts, including accounts not maintained at TDA. Other services made available by TDA are intended to help us manage and further develop its business enterprise. The benefits received by P&A or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TDA. Clients should be aware, however, that the receipt of economic benefits by P&A or its related persons in and of itself creates a potential conflict of interest and may indirectly influence P&A's recommendation of TDA for custody and brokerage services. No ERISA accounts are custodied at TDA therefore no prohibited transactions exist per ERISA Rule 406.

P&A also receives from TDA certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include payment coverage for eMoney and Orion Advisor Services. TDA provides the Additional Services P&A in its sole discretion and at its own expense, and P&A does not pay any fees to TDA for the Additional Services. P&A and TDA have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

P&A serves on the TD Ameritrade Institutional Client Experience Panel ("Panel"). The Panel consists of approximately thirty (30) independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The Panel meets in person three times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Panel for three-year terms by TDA Institutional senior management.

At times, Panel members are provided confidential information about TDA Institutional initiatives. Panel members are required to sign confidentiality agreements. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses P&A for the travel, lodging and meal expenses P&A incurs in attending Panel meetings. The benefits received by P&A or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by P&A or its related persons in and of itself creates a potential conflict of interest and may indirectly influence P&A's recommendation of TD Ameritrade for custody and brokerage services.

**Compensation for Client Referrals** - P&A or its representatives receive commissions for offering securities and insurance products. These activities and affiliations are discussed in **Item 9**.

Occasionally, P&A will send a thank you gift -- i.e. a gift basket -- to an individual or company for an advisory client referral. The value of this gift will not exceed \$100 per individual or company per year.

P&A may refer clients to unaffiliated professionals for a variety of services, and in turn, these professionals may refer clients to P&A. P&A may receive or pay monetary compensation based on referrals to and from unaffiliated providers. This presents a conflict, in that P&A has an incentive to recommend services of firms who refer clients to P&A or pay P&A for referrals. P&A only refers clients to professionals it believes are competent and qualified in their field; however, it is ultimately the client's responsibility to evaluate the provider. Clients are under no obligation to purchase any products or services through these professionals, and P&A has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the

other firm are separate from and in addition to fees charged by P&A. P&A does not share information with an unaffiliated provider unless first authorized by the client.

Brumm Financial Services, LLC ("BFS") serves as a Solicitor to P&A under SEC Rule 206(4)-3. P&A will share with BFS a portion, up to 40%, of Advisory Fees collected from clients referred by BFS to P&A.

**Financial Information** - Registered investment advisers are required to provide you with certain financial information or disclosures about P&A's financial condition. P&A has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.



# PENNIALL & ASSOCIATES, INC.

## Brochure Supplement

### Item 1 – Cover Page

David R. Penniall, CFP®, AIF®

Alex Leu

Anne Averill, CFA®

Brian R. Tinker, CFP®, AIF®

Devon Nick

Jaime G. Hefner, BCAA

Sarah A. Brace, RP®

Steven B. Sloan, CLU®, AIF®

Tammy Lee, CFP®

Vanessa Y. Burnett, CFP®

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December 14, 2018

This Brochure Supplement provides information about the above advisory representatives that supplements the PENNIALL & ASSOCIATES, INC. (herein after referred to as "P&A") Brochure. You should have received a copy of the Brochure. Please contact us at 626-795-3062 and/or [info@penniall.com](mailto:info@penniall.com) if you did not receive P&A's Brochure or if you have any questions about the contents of this Supplement.

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

## Item 2 - Educational Background and Business Experience

### David R. Penniall, CFP®, AIF®

Year of Birth: 1954

Formal Education After High School:

- Glendale College, A.A., General Education, 1974.
- University of California, Los Angeles, B.A., Political Science, 1976.

Entered Financial Services Industry in 1982

Professional Designations:\*

- Certified Financial Planner™ (CFP®)
- Accredited Investment Fiduciary® (AIF®)

Business Background Previous Five Years:

- Penniall & Associates, Inc., Founder/President/Chief Executive Officer, 05/2002 - Present.
- Pension Architects Advisory Group, LLC, Member and Manager, 08/2007 – 08/2013.
- United Planners Financial Services, Registered Principal, 10/2009 – Present.
- NRP Financial, Inc., Registered Principal, 07/2008 - 10/2009.
- AIG Financial Advisors, Inc. (formerly SunAmerica Securities), Registered Principal, 12/1997 - 07/2008.

\*Professional Designation Requirements:

- Certified Financial Planner™ (CFP®): Successful completion of CFP-board registered program and successful passing of 2-day closed book exam. Prerequisites: Bachelor degree and minimum 3 years full-time relevant personal financial planning experience. Continuing Education: 30 hours every 2 years.
- Accredited Investment Fiduciary® (AIF®): Completion of Web-based or Capstone program plus minimum score of 75% on closed book exam. No prerequisite. Continuing Education: 6 hours per year.

## Item 3 - Disciplinary Information

David Penniall has no legal or material disciplinary events applicable to this Item.

## Item 4 - Other Business Activities

- David Penniall is associated with United Planners Financial Services (UPFS) as a Registered Principal. UPFS is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). As a UPFS Registered Principal, David may offer clients the option to purchase securities and investment products distributed by that firm including, but not limited to, mutual funds, variable annuities, variable life insurance, stocks and bonds, and limited partnerships. Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Mr. Penniall an incentive to recommend investment products based on the compensation received, rather than on the client's needs. If a client purchases or sells securities products from David in this capacity, then he may receive commissions and related compensation, such as mutual fund service fees (12b-1 fees). Clients are under no obligation to purchase recommended securities products through UPFS or David Penniall.
- David Penniall is a licensed insurance agent appointed with various insurance companies. As a licensed insurance agent, David may offer investment advisory clients the option to purchase insurance products. If a client purchases insurance products through David, he will receive commission and related compensation such as insurance trail fees as a result of the sale. Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Mr. Penniall an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended insurance products through UPFS or David Penniall.
- David Penniall is a licensed Real Estate Agent receives referral fees and commissions from real estate consulting, sales and mortgage related services. Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Mr. Penniall an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to utilize the services offered by David Penniall.
- David Penniall is the majority owner of Paragon Sports International with involvement in overseeing the internal operations of the company. Paragon Sports International is a full service sports management agency. Clients of Paragon are under no obligation to utilize any of the other services offered by David Penniall.
- David Penniall is the majority owner of The Living Plan with involvement in overseeing the internal operations of the company. The Living Plan is a full service end of life coordinator. Clients of The Living Plan are under no obligation to utilize any of the other services offered by David Penniall.
- David Penniall is the majority owner of Penniall Holding Company.



## **Item 5 - Additional Compensation**

David Penniall receives additional compensation as indicated in Item 4 above.

## **Item 6 - Supervision**

David R. Penniall, CFP®, AIF® is the Chief Executive Officer of P&A and is not supervised by any other individual. To the extent required by P&A's Code of Ethics, Justin Dyer, the Chief Operating Officer, helps administer P&A's compliance program and reviews David Penniall's personal trading activities. David Penniall can be reached at 626-795-3062.

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

### **Alex Leu**

Year of Birth: 1982

Formal Education After High School:

- University of Arizona, Bachelor of Arts degree in Communications and minor in Business Finance 2004.

Entered Financial Services Industry in 2005

Business Background Previous Five Years:

- Penniall & Associates, Inc., Investment Advisor Representative, 04/2016- Present
- Creative Planning, Investment Advisor Representative, 10/2013-04-2016
- New England Securities, Registered Representative, 04/2009-10/2013
- Charles Schwab & Co., Inc. Financial Consultant, 11/2005 – 02/2009.
- Morgan Stanley DW Inc., Financial Advisor, 05/2004-10/2005

## **Item 3 - Disciplinary Information**

Alex Leu has no legal or material disciplinary events applicable to this Item.

## **Item 4 - Other Business Activities**

- Alex Leu is a licensed insurance agent appointed with various insurance companies. As a licensed insurance agent, Alex may offer investment advisory clients the option to purchase insurance products. If a client purchases insurance products through Alex, he will receive commission and related compensation such as insurance trail fees as a result of the sale. Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Mr. Leu an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended insurance products through Alex Leu.

## **Item 5 - Additional Compensation**

Alex Leu receives additional compensation as indicated in Item 4 above.

## **Item 6 - Supervision**

Alex Leu is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee or strategy Portfolio Manager as described in "Methods of Analysis" in the front section of this brochure.

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

### **Anne Averill, CFA®**

Year of Birth: 1986

Formal Education After High School:

- University of San Diego, Bachelor of Business Administration 2008.

Entered Financial Services Industry in 2010

Professional Designations:\*

- Chartered Financial Analyst® (CFA®)

Business Background Previous Five Years:

- AWM Capital, LLC, Chief Investment Officer, 03/2017 – Present.
- Penniall & Associates, Inc., Chief Investment Officer, 1/2016 – Present.
- Penniall & Associates, Inc., Portfolio Analyst, 08/2010 – 12/2016.
- Marriott International, Finance and Accounting, 10-2008 – 08-2010.

Professional Designation Requirements:

- Chartered Financial Analyst (CFA): Completion of three courses (250 hours per course) including passing of exam after each course. Prerequisites: Bachelor degree and 4 years of professional experience involving investment decision-making or 4 years qualified work experience. Continuing Education: None.

## **Item 3 - Disciplinary Information**

Anne Averill has no legal or material disciplinary events applicable to this Item.

## **Item 4 - Other Business Activities**

- Anne Averill is the Chief Investment Officer for Penniall & Associates, Inc. ("P&A") and serves an analogous role at AWM Capital, LLC ("AWM"). Both firms utilize nearly identical methodologies however the Investment Committee decision making is separate. Ms. Averill dedicates approximately 20% of her time to AWM, however, this conflict is mitigated by the significant overlap in the work performed.

## **Item 5 - Additional Compensation**

Anne Averill receives compensation for services performed for AWM.

## **Item 6 - Supervision**

Anne Averill is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee or strategy Portfolio Manager as described in "Methods of Analysis" in the front section of this brochure.

## Item 2 - Educational Background and Business Experience

### **Brian R. Tinker, CFP®, AIF®**

Year of Birth: 1970

Formal Education After High School:

- California State University Northridge, General Education, 1988.
- University of California, Los Angeles, BA Sociology/Business Administration, 1993.

Entered Financial Services Industry in 1999

Professional Designations:\*

- Certified Financial Planner™ (CFP®)
- Accredited Investment Fiduciary® (AIF®)

Business Background Previous Five Years

- Penniall & Associates, Investment Advisor Representative, 07/2006 - Present.
- Pension Architects Advisory Group, LLC, Investment Adviser Representative, 08/2007 – 08/2013.
- United Planners Financial Services, Registered Representative, 10/2009 - Present.
- NRP Financial, Inc., Registered Representative, 07/2008 - 10/2009.
- AIG Financial Advisors, Inc., Registered Representative, 07/2006 - 07/2008.

\*Professional Designation Requirements:

- Certified Financial Planner™ (CFP®): Successful completion of CFP-board registered program and successful passing of 2-day closed book exam. Prerequisites: Bachelor degree and minimum 3 years full-time relevant personal financial planning experience. Continuing Education: 30 hours every 2 years.
- Accredited Investment Fiduciary® (AIF®): Completion of Web-based or Capstone program plus minimum score of 75% on closed book exam. No prerequisite. Continuing Education: 6 hours per year.

## Item 3 - Disciplinary Information

Brian Tinker has no legal or material disciplinary events applicable to this Item.

## Item 4 - Other Business Activities

- Brian Tinker is associated with United Planners Financial Services (UPFS) as a Registered Representative. UPFS is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). As a UPFS Registered Representative, Brian may offer clients the option to purchase securities and investment products distributed by that firm including, but not limited to, mutual funds, variable annuities, variable life insurance, stocks and bonds, and limited partnerships. If a client purchases or sells securities products from Brian in this capacity, then he may receive commissions and related compensation, such as mutual fund service fees (12b-1 fees). Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Mr. Tinker an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended securities products through UPFS or Brian Tinker.
- Brian Tinker is a licensed insurance agent appointed with various insurance companies. As a licensed insurance agent, Brian may offer investment advisory clients the option to purchase insurance products. If a client purchases insurance products through Brian, he will receive commission and related compensation such as insurance trail fees as a result of the sale. Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Mr. Tinker an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended insurance products through UPFS or Brian Tinker.

## Item 5 - Additional Compensation

Brian Tinker receives additional compensation as indicated in Item 4 above.

## Item 6 - Supervision

Brian Tinker is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee or strategy Portfolio Manager as described in "Methods of Analysis" in the front section of this brochure.

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

### **Devon Nick**

Year of Birth: 1989

Formal Education After High School:

- University of Southern California – Bachelor of Arts in Economics (2011)

Entered Financial Services Industry in 2012

Professional Designations:\*

- Chartered Financial Analyst® (CFA®) Level II Candidate

Business Background Previous Five Years:

- Penniall & Associates, Inc. – Investment Analyst – 10-2012 – Present.

\*Professional Designation Requirements:

- Chartered Financial Analyst (CFA): Completion of three courses (250 hours per course) including passing of exam after each course. Prerequisites: Bachelor degree and 4 years of professional experience involving investment decision-making or 4 years qualified work experience. Continuing Education: None.

## **Item 3 - Disciplinary Information**

Devon Nick has no legal or material disciplinary events applicable to this Item.

## **Item 4 - Other Business Activities**

Devon Nick has no other business activities.

## **Item 5 - Additional Compensation**

Devon Nick receives no additional compensation.

## **Item 6 - Supervision**

Devon Nick is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee or strategy Portfolio Manager as described in “Methods of Analysis” in the front section of this brochure.

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

### **Jaime G. Hefner, BCAA**

Year of Birth: 1976

Formal Education After High School:

- Glendale Community College, General Education, Attended 2003 – 2006.
- Moorpark College, General Education, Attended, 1995 – 1996.

Entered Financial Services Industry in 1995

Professional Designations:\*

- Board Certified in Asset Allocation (BCAA)

Business Background Previous Five Years:

- Penniall & Associates, Inc., Investment Advisor Representative, 07/2004 - Present.
- Penniall & Associates, Inc., Chief Operating Officer, 04/2013 – 03/2016.
- Pension Architects Advisory Group, LLC, Investment Adviser Representative, 08/2007 – 08/2013.
- United Planners Financial Services, Registered Representative, 10/2009 – Present.
- NRP Financial, Inc., Registered Representative, 07/2008 - 10/2009.
- AIG Financial Advisors, Inc. (formerly SunAmerica Securities) Registered Representative, 08/2004 - 07/2008.

\*Professional Designation Requirements

- Board Certified in Asset Allocation (BCAA): Completion of three modules (45 total hours) including passing a closed book final exam after each module followed by a case study after completion of all modules. Prerequisites: 2 years' experience in financial services industry. Continuing Education: 15 hours per year for the first 5 years.

## **Item 3 - Disciplinary Information**

Jaime Hefner has no legal or material disciplinary events applicable to this Item.

## **Item 4 - Other Business Activities**

- Jaime Hefner is associated with United Planners Financial Services (UPFS) as a Registered Representative. UPFS is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). As a UPFS Registered Representative, Jaime may offer clients the option to purchase securities and investment products distributed by that firm including, but not limited to, mutual funds, stocks and bonds, and limited partnerships. If a client purchases or sells securities products from Jaime in this capacity, then she may receive commissions and related compensation, such as mutual fund service fees (12b-1 fees). Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Ms. Hefner an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended securities products through UPFS or Jaime Hefner.
- Jaime Hefner creates and markets jewelry thru her company Jaime Hefner Designs which is sold retail and wholesale.

## **Item 5 - Additional Compensation**

Jaime Hefner receives additional compensation as indicated in Item 4 above.

## **Item 6 - Supervision**

Jaime Hefner is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee or strategy Portfolio Manager as described in "Methods of Analysis" in the front section of this brochure.

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

### **Sarah A. Brace, RP®**

Year of Birth: 1962

Formal Education After High School:

- Woodbury University, BSBA - Finance, 1993 - 1995.
- Pasadena City College, General Education, 1988 -1993.

Entered Financial Services Industry in 1985

Professional Designations:\*

- Registered Paraplanner®

Business Background Previous Five Years:

- Penniall & Associates, Inc., Associate Wealth Manager, 04/2013 - Present  
Chief Compliance Officer, 06/2010 – 04/2013  
Director of Client Services 01/1990 – 12/2010.
- United Planners Financial Services, Registered Assistant, 10/2009 - Present.
- NRP Financial, Inc., Registered Representative, 07/2008 - 10/2009.
- AIG Financial Advisors, Inc., (formerly SunAmerica Securities) Registered Representative, 07/2000 - 07/2008.

Professional Designation Requirements:

- Registered Paraplanner<sup>SM</sup> (RP®) Completion of 10-module course and closed book final exam, completion of 3 month internship in financial services. Continuing Education: 16 hours every 2 years.

## **Item 3 - Disciplinary Information**

Sarah Brace has no legal or material disciplinary events applicable to this Item.

## **Item 4 - Other Business Activities**

- Sarah Brace is associated with United Planners Financial Services (UPFS) as a Registered Assistant. UPFS is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). She receives no additional compensation from this association.
- Sarah Brace is a Notary Public. She does not charge fees for this service and performs notarial acts as an accommodation for clients Notary
- Sarah Brace is a licensed Real Estate Agent and Mortgage Loan Officer and receives referral fees and commissions from real estate consulting, sales and mortgage related services. Clients are under no obligation to utilize the services offered by Sarah Brace.

## **Item 5 - Additional Compensation**

Sarah Brace receives additional compensation as indicated in Item 4 above.

## **Item 6 - Supervision**

Sarah Brace is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee as described in "Methods of Analysis" in the front section of this brochure.

## Item 2 - Educational Background and Business Experience

### Steven B. Sloan, CLU®, AIF®

Year of Birth: 1945

Formal Education After High School:

- Southern Illinois University, BA Political Science, 1970

Entered Financial Services Industry in 1980

Professional Designations:\*

- Chartered Life Underwriter™ (CLU®)
- Accredited Investment Fiduciary® (AIF®)

Business Background Previous Five Years:

- Penniall & Associates, Inc., Investment Advisor Representative, 12/2012 – Present.
- United Planners Financial Services, Registered Representative, 08/2009 – Present.
- United Planners Financial Services, Investment Advisor Representative, 08/2009 – 12/2012
- Associated Securities Corp, Investment Advisory Representative/Registered Principal, 05/1999 – 08/2009.

\*Professional Designation Requirements:

- Chartered Life Underwriter™ (CLU®): Successful completion of a comprehensive course of study and demonstrate competence by passing a series of eight, college-level examinations in several subject areas including: life insurance, pensions, taxation, finance, economics and business and estate planning. Rigid ethical and experience requirements also must be met. Prerequisites: Bachelor degree plus 2 years of full-time business experience or a minimum of 3 years full-time business experience. Continuing Education: CLU's who matriculated after June 30, 1989 must complete 30 hours every two years. CLU's who matriculated prior to June 30, 1989 are exempt from the continuing education requirement.
- Accredited Investment Fiduciary® (AIF®): Completion of Web-based or Capstone program plus minimum score of 75% on closed book exam. No prerequisite. Continuing Education: 6 hours per year.

## Item 3 - Disciplinary Information

Steve Sloan has no legal or material disciplinary events applicable to this Item.

## Item 4 - Other Business Activities

- Steven Sloan is associated with United Planners Financial Services (UPFS) as a Registered Representative. UPFS is a registered broker-dealer and member of the Financial Industry Regulatory Authority (FINRA). As a UPFS Registered Representative, Steve may offer clients the option to purchase securities and investment products distributed by that firm including, but not limited to, mutual funds, variable annuities, variable life insurance, stocks and bonds, and limited partnerships. Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Mr. Sloan an incentive to recommend investment products based on the compensation received, rather than on the client's needs. If a client purchases or sells securities products from Steve in this capacity, then he may receive commissions and related compensation, such as mutual fund service fees (12b-1 fees). Clients are under no obligation to purchase recommended securities products through UPFS or Steve Sloan.
- Steven Sloan is a licensed insurance agent appointed with various insurance companies. As a licensed insurance agent, Steven may offer investment advisory clients the option to purchase insurance products. If a client purchases insurance products through Steve, he will receive commission and related compensation such as insurance trail fees as a result of the sale. Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Mr. Sloan an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended insurance products through UPFS or Steve Sloan.

## Item 5 - Additional Compensation

Steven Sloan receives additional compensation as indicated in Item 4 above.

## Item 6 - Supervision

Steven B. Sloan is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee or strategy Portfolio Manager as described in "Methods of Analysis" in the front section of this brochure.



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

### **Tammy Lee, CFP®**

Year of Birth: 1982

Formal Education After High School:

- University of California, Irvine. B.A., English and Asian American Studies.
- University of California, Los Angeles, Certificate of Personal Financial Planning.

Entered Financial Services Industry in 2005

Professional Designations:\*

- Certified Financial Planner™ (CFP®)

Business Background Previous Five Years:

- Penniall & Associates, Investment Advisor Representative, 01/2015 – Present.
- United Planners Financial Services, Registered Representative, 01/2015 – Present.
- F500 Advisory Services, Inc., Senior Financial Planner 2013 – 12/2014, Operations Manager 2005 – 12/2014

Professional Designation Requirements:

- Certified Financial Planner™ (CFP®): Successful completion of CFP-board registered program and successful passing of 2-day closed book exam. Prerequisites: Bachelor degree and minimum 3 years full-time relevant personal financial planning experience. Continuing Education: 30 hours every 2 years.

## **Item 3 - Disciplinary Information**

Tammy Lee has no legal or material disciplinary events applicable to this Item.

## **Item 4 - Other Business Activities**

- Tammy Lee is associated with United Planners Financial Services (UPFS) as a Registered Representative. UPFS is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). As a UPFS Registered Representative, Tammy may offer clients the option to purchase securities and investment products distributed by that firm including, but not limited to, mutual funds, stocks and bonds, and limited partnerships. If a client purchases or sells securities products from Tammy in this capacity, then she will receive commissions and related compensation, such as mutual fund service fees (12b-1 fees). Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Ms. Lee an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended securities products through UPFS or Tammy Lee.

## **Item 5 - Additional Compensation**

Tammy Lee receives additional compensation as indicated in Item 4 above.

## **Item 6 - Supervision**

Tammy Lee is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee or strategy Portfolio Manager as described in "Methods of Analysis" in the front section of this brochure.

## Item 2 - Educational Background and Business Experience

### Vanessa Y. Burnett, CFP®

Year of Birth: 1983

Formal Education After High School:

- University of Southern California, BA Communication, 2005.

Entered Financial Services Industry in 2005

Professional Designations:\*

- Certified Financial Planner™ (CFP®)

Business Background Previous Five Years:

- Penniall & Associates, Inc., Investment Advisor Representative, 03/2009 – Present.  
Account Manager, 03/2008 – 03/2009.
- Pension Architects Advisory Group, LLC, Investment Adviser Representative, 03/2009 – 08/2013.
- United Planners Financial Services, Registered Representative, 10/2009 – Present.  
Registered Assistant, 10/2008 – 10/2009.
- NRP Financial, Inc., Registered Assistant, 03/2008 – 10/2008.
- Mercer Consulting, Associate, 01/2007 – 03/2008.  
Analyst, 09/2005 – 01/2007.

\*Professional Designation Requirements:

- Certified Financial Planner™ (CFP®): Successful completion of CFP-board registered program and successful passing of 2-day closed book exam. Prerequisites: Bachelor degree and minimum 3 years full-time relevant personal financial planning experience. Continuing Education: 30 hours every 2 years.

## Item 3 - Disciplinary Information

Vanessa Burnett has no legal or material disciplinary events applicable to this Item.

## Item 4 - Other Business Activities

- Vanessa Burnett is associated with United Planners Financial Services (UPFS) as a Registered Representative. UPFS is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). As a UPFS Registered Representative, Vanessa may offer clients the option to purchase securities and investment products distributed by that firm including, but not limited to, mutual funds, stocks and bonds, and limited partnerships. If a client purchases or sells securities products from Vanessa in this capacity, then she may receive commissions and related compensation, such as mutual fund service fees (12b-1 fees). Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Ms. Burnett an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended securities products through UPFS or Vanessa Burnett.
- Vanessa Burnett is a licensed insurance agent appointed with various insurance companies. As a licensed insurance agent, Vanessa may offer investment advisory clients the option to purchase insurance products. If a client purchases insurance products through Vanessa, she will receive commission and related compensation such as insurance trail fees as a result of the sale. Receipt of commissions and sales-based compensation creates a conflict of interest because it gives Ms. Burnett an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Clients are under no obligation to purchase recommended insurance products through UPFS or Vanessa Burnett.

## Item 5 - Additional Compensation

Vanessa Burnett receives additional compensation as indicated in Item 4 above.

## Item 6 - Supervision

Vanessa Burnett is supervised by David R. Penniall, CFP®, AIF®, who can be reached at 626-795-3062. Investment decisions and directions are made by the P&A Investment Committee or strategy Portfolio Manager as described in "Methods of Analysis" in the front section of this brochure.