

# Form ADV

January 20, 2017

## Part 2A

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### Peachtree Capital Tax and Advisory, LLC

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This brochure ("Brochure") provides information about the qualifications and business practices of Peachtree Capital Tax and Advisory, LLC ("PCTA"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at 404-220-8958 or david@peachcap.com. Additional information about PCTA or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The subsections appearing under each heading shall follow the mandated ordering of the items required to be addressed in this Brochure as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. PCTA's response to each such item shall immediately follow each numbered item. We encourage any reader of this Brochure to also refer to the SEC's instructions and guidance related to Part 2A of the Form ADV. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to PCTA.

## **II. Material Changes**

Filing date of last annual ADV update: January 20, 2017.

There have been no significant changes since the last annual update was filed.

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## Key Definitions

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at <http://www.sec.gov/about/forms/formadv.pdf>, however, several of the more important terms that are used throughout this Brochure are provided below for your reference. The definitions appear below as they appear in the glossary of the ADV so be mindful that all references made to "you," "your," or "yours" are intended to refer to PCTA. Each term is presented in alphabetical order, not necessarily its order of appearance or use in this Brochure.

**Advisory Affiliate:** Your advisory affiliates are (1) all of your officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by you; and (3) all of your current employees (other than employees performing only clerical, administrative, support or similar functions).

**Control:** Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise. Each of your firm's officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control your firm. A person is presumed to control a corporation if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation's voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation's voting securities. A person is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership. A person is presumed to control a limited liability company ("LLC") if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC. A person is presumed to control a trust if the person is a trustee or managing agent of the trust.

**Management Persons:** Anyone with the power to exercise, directly or indirectly, a controlling influence over your firm's management or policies, or to determine the general investment advice given to the clients of your firm. Generally, all of the following are management persons: Your firm's principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions; The members of your firm's investment committee or group that determines general investment advice to be given to clients; and If your firm does not have an investment committee or group, the individuals who determine general investment advice provided to clients (if there are more than five people, you may limit your firm's response to their supervisors).

**Person:** A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

**Related Person:** Any advisory affiliate and any person that is under common control with your firm.

**Self-Regulatory Organization or SRO:** Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade ("CBOT"), FINRA and New York Stock Exchange ("NYSE") are self-regulatory organizations.

**Supervised Person:** Any of your officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on your behalf and is subject to your supervision or control.

## IV. Advisory Business

### Item IV.(A). PCTA at a Glance

#### Firm Profile

Peachtree Capital Tax and Advisory, LLC is a Limited Liability Company organized in the state of Georgia.

#### Years in Business

Date of formation: July 24, 2011

Date of initial investment adviser registration: August 3, 2011.

#### Principal Owners

David Miller owns 100% of the Firm.

### IV.(B). PCTA's Advisory Services

In this section, we will describe the services we offer as well as the fees that correspond to those services.

#### Product Type Limitations

We generally provide investment advice in relation to the following specific types of securities/investments.

<input checked="" type="checkbox"/>	Exchange listed equities	<input checked="" type="checkbox"/>	Mutual funds (closed-end and open-end funds)
<input checked="" type="checkbox"/>	Over the counter equities	<input checked="" type="checkbox"/>	Real Estate Investment Trusts ("REITs")
<input checked="" type="checkbox"/>	Equities of foreign issuers	<input checked="" type="checkbox"/>	Exchange traded funds
<input checked="" type="checkbox"/>	Interests in privately offered securities (hedge funds, venture capital funds, private equity funds, etc.) involving any of the following: <ul style="list-style-type: none"><li>• Real estate</li><li>• Oil and gas</li><li>• Mortgages or other receivables/assets</li><li>• Other:</li></ul>	<input checked="" type="checkbox"/>	U.S. government securities
<input checked="" type="checkbox"/>	Warrants	<input checked="" type="checkbox"/>	Options on securities
<input checked="" type="checkbox"/>	Corporate debt securities (other than commercial paper)	<input checked="" type="checkbox"/>	Options on commodities
<input checked="" type="checkbox"/>	Commercial paper	<input checked="" type="checkbox"/>	Options on futures
<input checked="" type="checkbox"/>	Certificates of deposit	<input checked="" type="checkbox"/>	Futures contracts (tangibles)
<input checked="" type="checkbox"/>	Municipal securities	<input checked="" type="checkbox"/>	Futures contracts (intangibles)
<input checked="" type="checkbox"/>	Variable life insurance		
<input checked="" type="checkbox"/>	Variable annuities		

PCTA may use other securities as well to help diversify a portfolio when applicable.

### Specialized Services

As designated below, we specialize in the following services. As applicable, a description of each such service is also included below.

- ☐ 1. Financial planning.  
☐ 2. Quantitative analysis.  
☐ 3. Market timing services.  
☐ 4. Other:  
☒ 5. None. Although we may offer one or more of the services mentioned immediately above, we do not limit our services to specializing in any single service area. In the following grid(s), we will describe both the services we offer as well as other key issues related to those services.

### Our Services

Service:	Ongoing Asset Management										
Service description:	<p>Our ongoing asset management services can be described as follows:</p> <p><b>Discretionary Management:</b> On a discretionary basis, we may design, revise, and reallocate a custom investment portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.</p> <p><b>Non-Discretionary Management:</b> On a non-discretionary basis, we may provide periodic investment recommendations to you and if such recommendations are approved/authorized, we will ensure that the authorized recommendations are carried out for you.</p>										
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold  <input checked="" type="checkbox"/> Amount of the securities to be bought or sold  <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold  <input checked="" type="checkbox"/> Broker-dealer and/or custodian to be used  <input type="checkbox"/> Commission rates to be paid for securities brokerage activities  <input type="checkbox"/> Other:  <input type="checkbox"/> None         </p> <p>Our specific discretionary authority will be set forth in your service agreement ("Agreement") with us.</p>										
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <p><input checked="" type="checkbox"/> Annual, asset-based fees.</p> <table border="1"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th> </tr> <tr> <th>Account(s)/Portfolio Value</th> <th>Annual Percentage</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$500,000</td> <td>2.00 %</td> </tr> <tr> <td>\$500,000 to \$1,000,000</td> <td>1.5%</td> </tr> <tr> <td>Over \$1,000,000 to \$5,000,000</td> <td>1.25%</td> </tr> </tbody> </table>	Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	\$0 to \$500,000	2.00 %	\$500,000 to \$1,000,000	1.5%	Over \$1,000,000 to \$5,000,000	1.25%
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	<table border="1"> <tr> <td>Over \$5,000,000</td><td>Negotiable, as Approved by Principal</td></tr> <tr> <td colspan="2">Other fee/account maintenance conditions...</td></tr> <tr> <td>Minimum account/portfolio balance (initial):</td><td> <input type="checkbox"/> None  <input checked="" type="checkbox"/> \$500,000 </td></tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td><td> <input type="checkbox"/> None  <input checked="" type="checkbox"/> \$500,000 </td></tr> <tr> <td>Minimum annual fee:</td><td> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td></tr> </table> <p>These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Appendix B of the Investment Advisory Contract.</p>	Over \$5,000,000	Negotiable, as Approved by Principal	Other fee/account maintenance conditions...		Minimum account/portfolio balance (initial):	<input type="checkbox"/> None <input checked="" type="checkbox"/> \$500,000	Minimum account/portfolio balance (ongoing):	<input type="checkbox"/> None <input checked="" type="checkbox"/> \$500,000	Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$
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Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>										
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p> <input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> direct invoice to you. </p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your accounts to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, we will send the custodian an invoice of the amount of the fee to be deducted from your account(s) and will also send you an invoice itemizing the fee. The itemization notice shall include the following:</p> <ul style="list-style-type: none"> <li>• formula used to calculate the fee,</li> <li>• the amount of assets under managements the fee is based on,</li> <li>• the time period covered by the fee, and</li> <li>• a statement advising you of your responsibility to verify the accuracy of the fees.</li> </ul> <p><i>Direct billing.</i></p> <p>If so desired, you may choose to be billed directly by us for our service fees. If so chosen, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p>										

	Specific fee arrangements will be set forth in your Agreement with us.
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the quarter terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the quarter up to and including the day of termination. (*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
<b>IRA Rollover Considerations</b>	<p>As an investment advisor firm we are and have acted as a fiduciary in our relationships with our clients as we follow the fiduciary standard required by the provisions of the Investment Advisor's Act of 1940. As a result of the U. S. Department of Labor's ("DOL") enactment of its Fiduciary Rule in 2016, we are now also subject to the fiduciary standards of the DOL. Under the new rule, a recommendation to take a distribution from a plan or to transfer (or withdraw from) an IRA are fiduciary acts. As such, the recommendation must be prudent and in the best interest of the participant or IRA owner. Further, if the Firm will receive more compensation from a rollover IRA than from the plan (e.g., a higher percentage of the assets), the recommendation will be a prohibited transaction. The Best Interest Contract Exemption (BICE) provides relief from the prohibition if its conditions are satisfied by providing education regarding distribution options regarding important consideration for selecting among those options. The following is a discussion of those options and considerations:</p> <p>As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.</p> <p>Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:</p>

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this Disclosure Brochure.

Service:	Recommendation of Other Investment Advisers																					
Service description:	<p>Under this service and without specifically selecting other investment advisers to provide the specific investment management services related to your assets, we may recommend other investment advisers that would provide such services (not on a sub-advisory basis). Our services in relation to the other investment advisers we may recommend generally will include assisting you in choosing investment objectives and asset allocation, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering any of your questions. We will monitor such outside investment advisers' performance with respect their management of your assets.</p> <p>A description of the specific services and fees available from the outside investment adviser can be found in such other investment adviser's current disclosure document(s) (i.e. Form ADV, Part 2A).</p>																					
Use of discretion:	<p>In connection with the services described above, we will NOT retain the authority to engage or terminate such other investment advisers. At all times, you will retain the authority to engage or terminate such other investment advisers that we may recommend. Further, we do not possess or otherwise exercise investment discretion in connection with the underlying assets managed by any investment adviser that we may recommend to you.</p>																					
Service fees:	<p>For the service described above, we will typically charge an asset-based fee. Our standard fee schedule is as follows.</p> <table><tr><th colspan="2">Asset-Based Fee Schedule</th></tr><tr><th>Account(s)/Portfolio Value</th><th>Annual Percentage</th></tr><tr><td>\$0 to \$500,000</td><td>2.00%</td></tr><tr><td>Over 500.000 to \$1,000,000</td><td>1.5%</td></tr><tr><td>Over \$1,000,000 to \$5,000,000</td><td>1.25%</td></tr><tr><td>Over \$5,000,000</td><td>Negotiable as Approved by Principal</td></tr></table> <table><tr><th colspan="2">Other fee/account maintenance conditions...</th></tr><tr><td>Minimum account/portfolio balance (initial):</td><td>None imposed by PCTA, however, certain other investment advisers used to manage your assets may impose a minimum account balance. Refer to the other advisor's Part 2A.</td></tr><tr><td>Minimum account/portfolio balance (ongoing):</td><td>None imposed by PCTA, however, certain other investment advisers used to manage your assets may impose a minimum account balance. Refer to the other adviser's Part 2A and/or Appendix B of the client advisory agreement.</td></tr><tr><td>Minimum annual fee:</td><td>None imposed by PCTA, however, certain other investment advisers used to manage your assets may impose a minimum fee. Refer to the other adviser's Part 2A and/or Appendix B of the client advisory agreement.</td></tr></table> <p>The fee schedule above is PCTA's fee schedule. Other investment advisers recommended or selected by us generally charge their own advisory fees for managing client assets. Such fees are generally based on a percentage of the assets under management. Our fees are subject to negotiation, however, any other adviser's fees may not be negotiable. Our fees are separate and distinct from the fees charged by other investment advisers who are actively managing your assets. Additional details related to fees charged by other</p>		Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	\$0 to \$500,000	2.00%	Over 500.000 to \$1,000,000	1.5%	Over \$1,000,000 to \$5,000,000	1.25%	Over \$5,000,000	Negotiable as Approved by Principal	Other fee/account maintenance conditions...		Minimum account/portfolio balance (initial):	None imposed by PCTA, however, certain other investment advisers used to manage your assets may impose a minimum account balance. Refer to the other advisor's Part 2A.	Minimum account/portfolio balance (ongoing):	None imposed by PCTA, however, certain other investment advisers used to manage your assets may impose a minimum account balance. Refer to the other adviser's Part 2A and/or Appendix B of the client advisory agreement.	Minimum annual fee:	None imposed by PCTA, however, certain other investment advisers used to manage your assets may impose a minimum fee. Refer to the other adviser's Part 2A and/or Appendix B of the client advisory agreement.
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	<p>investment advisers will be explained in any such adviser's disclosure document(s). Your specific fee arrangements with us will be set forth in your Agreement with us.</p> <p><i>Referral Fees</i></p> <p>Fees related to our services described in this section may be considered "referral" fees since we will be referring our clients to certain outside investment advisers.</p>
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>For more details, please refer to the Sub-Adviser's or other investment adviser's current disclosure document(s) (i.e. Form ADV, Appendix B of the client advisory agreement).</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee frequency/timing/ collection:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears. Additionally, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian  <input checked="" type="checkbox"/> via the other investment adviser(s) managing your assets</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees deducted on our behalf.</li> </ul> <p><i>Use of Sub-Advisers or Other Investment Advisers:</i></p> <p>If another investment adviser is managing your assets, we will not bill or invoice you directly for our fees related to the recommendation or selection of other investment advisers. The fees charged by other investment advisers are assessed by such parties. Such fees may be charged in advance or in arrears; monthly, quarterly, or annually. Further, fees may be collected via the custodian or by way of direct billing by such investment adviser. Regardless of the other investment adviser's billing practices, our compensation will be received from the other investment adviser in accordance with the normal and customary billing practices as outlined in that outside investment adviser's disclosure document(s).</p>

	<p>For more details, please refer to the Sub-Adviser's or other investment adviser's current disclosure document(s) (i.e. Form ADV, Part 2A and/or Appendix B of the client advisory agreement).</p> <p>Your specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p><i>Use of other Investment Advisers:</i></p> <p>If another investment adviser(s) is used to manage your assets, any available refund process for fees that may be collected in advance will be dictated by such other investment adviser's disclosure document(s) and/or service agreement(s) with you.</p> <p>For more details, please refer to the Sub-Adviser's or other investment adviser's current disclosure document(s) (i.e. Form ADV, Part 2A and/or Appendix B of the client advisory agreement).</p> <p>Your specific fee arrangements will be set forth in your Agreement with us.</p>

Service:	Financial Planning
Service description:	<p>We may prepare a written financial plan for our clients. Our financial planning services may involve consultation, analysis, and recommendations in the following areas of financial planning, which include (1) financial situation; (2) income taxes; (3) insurance; (4) investments; (5) retirement planning; (6) estate planning (7) college planning; and (8) debt/credit planning.</p> <p>In order to determine a suitable course of action for an individual client, we will perform a review of the variables that are presented. This review may include, but would not necessarily be limited to, investment objectives, consideration of your overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to your particular circumstances.</p> <p>We will review your present financial situation and issue a written analysis and report of recommendations in accordance with your goals and objectives. This service may include an initial consultation and subsequent follow-up visits. The services provided in this regard may include but would not be limited to the following:</p> <ul style="list-style-type: none"> <li>• Prepare an annual net worth statement;</li> <li>• Create a cash flow statement;</li> <li>• Review current investments and make recommendations thereon;</li> </ul>

	<ul style="list-style-type: none"> <li>• Review client's most recent tax returns and provide tax planning advice or tax preparation services;</li> <li>• Review client's life insurance and disability insurance and make recommendations thereon;</li> <li>• Review client's estate plan and make recommendations thereon;</li> <li>• Complete a retirement analysis; and</li> <li>• Provide education planning advice.</li> </ul>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input type="checkbox"/> Securities to be bought or sold  <input type="checkbox"/> Amount of the securities to be bought or sold  <input type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Broker-dealer and/or custodian to be used  <input type="checkbox"/> Commission rates to be paid for securities brokerage activities  <input type="checkbox"/> Other:  <input type="checkbox"/> None </p>
Service fees:	<p>For the service described above, we may charge fees in the following manner:</p> <p> <input checked="" type="checkbox"/> Annual, flat/fixed fee. Our annual fee (flat/fixed) for our financial planning services ranges from \$500- \$10,000.  <input checked="" type="checkbox"/> Hourly fees. Our hourly fee rate for our financial planning services ranges from \$125 - \$225. </p> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your service agreement ("Agreement") with us.</p>
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>Hourly Financial Planning fees are paid via check or PayPal in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.</p> <p>Fixed Financial Planning fees are paid via check or PayPal in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.</p>
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, <input type="checkbox"/> in arrears, or <input type="checkbox"/> a portion in advance and a portion in arrears.</p>

	Specific fee arrangements will be set forth in your Agreement with us.
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination (“Termination Notice”) as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

#### **IV.(C). Customization of Advisory Services**

PCTA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

In making investment recommendations on behalf of a client, we will rely on a data gathering questionnaire or other similar type of instrument, which would be completed based on information provided by a client.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

#### **IV.(D). Wrap Fee Program Participation**

Refer to item IV.(B). above for details as to our participation/involvement with wrap programs.

#### **IV. (E). Assets Under Management<sup>1</sup> (“AUM”)**

AUM (discretionary): \$ 95,000,000  
 AUM (non-discretionary): \$ 7,200,000  
 Total AUM<sup>2</sup>: \$ 102,000,000  
 Date of AUM calculation: 12/31/2015

## **V. Fees and Compensation**

#### **V.(A). PCTA Advisory Fees**

Refer above to Item IV.(B).

<sup>1</sup> The term, “assets under management” shall carry the same meaning as that term is defined by Form ADV.

<sup>2</sup> Rounded to the nearest \$100,000



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**V.(B). Fee Collection Process**

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Refer above to Item IV.(B).

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**V.(C). Other Fee/Expenses.**

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Refer above to Item IV.(B).

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**V.(D). Fees Charged in Advance**

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Refer above to Item IV.(B).

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**V.(E). Additional Compensation**

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Certain individuals who are associated with us, if properly registered and licensed to do so, may also receive compensation (i.e. commissions) related to the sale of securities or other investment products. David Harrison Miller and Eric Steven Burnette in their role as principal owners, may receive compensation for the sale of securities to PCTA clients. Transaction-based compensation (“Additional Compensation”) such as this is separate and distinct from the other fees we may receive in connection with our investment advisory services as described above in Item IV.(B).

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**V.(E).(1). Conflicts of Interest**

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PCTA and its representatives will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. When recommending the sale of securities or investment products for which PCTA receives compensation, PCTA will document the conflict of interest in the client file and inform the client of the conflict of interest.

The instructions in the Form ADV require us to tell you that the receipt or potential for the receipt of Additional Compensation gives our supervised persons an incentive to recommend investment products based on the Additional Compensation received, rather than on your specific needs. Although we are obligated to tell you this, our objective as a firm, which is shared by our supervised persons, is to place nothing before your best interests.

*How we address these conflicts.* First and foremost, we address the conflicts described above in relation to Additional Compensation by disclosing them to you in this Brochure as well as your representative’s Brochure Supplement. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures (“WSPs”) that was designed to address, among other things, conflicts of interest such as Additional Compensation. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being carried out adequately and in a timely manner. Additionally, clients always have the option to purchase PCTA recommended products through other brokers or agents that are not affiliated with PCTA.

The potential conflict of interest resulting from the Additional Compensation described above is commonplace in the investment industry and we believe that such arrangements are not only appropriate but that they are proper in light of the added examination, licensing, registration, and other regulatory oversight that also takes place in the brokerage area of the investment industry. Our supervised persons have satisfied various regulatory examination and registration requirements that allow not only for the offering of the types of products and services described in the information related to the Additional Compensation described above but also the receipt of the normal and customary compensation that any similarly registered, licensed, and qualified person could receive in the form of sales compensation for those same products/services.

Bear in mind that even if our supervised persons were not registered/licensed to sell the types of products/services addressed in the preceding section, the majority of your investments or transactions involving such products would still result in you paying some sort of commission for those products. In the case of our supervised persons, their active registration/licensing may allow them to be able to receive such Additional Compensation as opposed to the executing financial institution keeping that compensation exclusively for itself.

Any Additional Compensation received by our supervised persons in connection with the products/services described in the preceding section is deemed routine and customary compensation for such activities and is not believed to be inappropriate.

*Procedures for disclosing these conflicts.* In an effort to inform you of these conflicts of interest, we have prepared this Brochure and have provided it to you, in part, for the purpose of disclosing these conflicts. You are always welcome to request a current copy of our Brochure. We are obligated to provide you a copy of this Brochure no later than the time you sign our Agreement and on an annual basis, we are required to provide you either (1) a copy of our current Brochure or (2) a set of instructions as to how you can request a copy of our current Brochure.

If we recommend mutual funds to our clients, we may often or occasionally recommend no-load funds.

#### **V.(E).(2). Client-Directed Brokerage**

You have the ability to purchase investment products that we recommend through any broker-dealer or other financial institution you choose. If you choose to use a firm other than the broker-dealer(s) we may normally recommend, we may not be able to properly monitor your assets and therefore we cannot be held responsible for the success or failure of any investment products or strategies that you implement at firms other than those we recommend. In other words, our services and responsibilities will not apply to transactions you effect on your own whether through firms you choose on your own or through any broker-dealer we may recommend.

#### **V.(E).(3). Brokerage Compensation**

We are not registered as a broker-dealer and thus, we do not receive transaction-based compensation for securities-related activities.

#### **V.(E).(4). Advisory Fee Offset**

In the event that we or our supervised persons receive compensation other than our advisory fees as described above in Item IV.(B), we will not adjust our advisory fees to offset those other fees.

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

PCTA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **VII. Types of Clients**

We will generally provide our services to the following types of clients.

- Individuals
- High net worth individuals
- Pension plans / profit sharing plans
- Foundations / charitable organizations
- Trusts for non-natural persons

- Trusts for natural persons
- Estates for natural persons
- Business or corporate entities

For information on any minimum fees, minimum initial/ongoing account balances, or other conditions we may impose, please refer to Item IV.(B).

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

### **VIII.(A). Methods of Analysis**

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. A description of each key risk appears later in this section.

#### **Charting / Technical –**

The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

#### **Fundamental**

Fundamental analysis is generally considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company’s/issuer’s current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

#### **Cyclical**

Cyclical analysis involves the evaluation of an investment instrument or perhaps its issuer for the purpose of identifying whether (and if so, to what extent) it/they may be impacted by fluctuations in the overall economic conditions throughout time. As an example, as more and more people lose their jobs, broad industries like housing or the automotive industries can be negatively impacted because consumers are less able to purchase things like homes and automobiles.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, and Inflation Risk.

#### **VIII.(A). (cont.) Investment Strategies**

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In the course of our management process and as appropriate on a case by case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

##### **Long-Term Purchases**

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, and Strategy Risk.

##### **Short-Term Purchases**

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, and Strategy Risk.

##### **Trading**

Trading generally involve the acquisition of an investment instrument and holding it for a period of at not more than thirty days.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, and Strategy Risk.

##### **Short Sales**

Selling short involves the sale of an investment instrument that you do not own. In most cases, a short seller will have to go out and borrow or arrange for the borrowing of a particular investment instrument before selling short. When selling short, the seller is expecting the price of the underlying investment instrument to decline but if it does, the seller is able to sell the investment instrument(s) at the present day price (in effect at the time of entering into the short sale) and the profit potential is the difference between the sale price of the borrowed shares and the cost of purchasing the borrowed shares in order to make good on the delivery of the investment instrument(s) to the party on the other side of the initial short sale.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, and Strategy Risk.

##### **Margin Trading**

Margin trading, or “trading on margin,” as it is generally stated, involves the ability to purchase a dollar value of securities that is greater than the dollar value of funds you have available for the purchase. Essentially, trading on margin means that you can borrow additional funds, generally from the firm that holds your brokerage account, to purchase investment instruments that exceed the amount with which you have funded your account.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Margin Risk, Market Risk, Operational Risk, and Strategy Risk.

##### **Option Writing** (including covered/uncovered options or spreading strategies)

We will also employ the use of options trading in the event that such trading complements an investment strategy we may be carrying out for a particular client. An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we may use covered or uncovered options or various strategies such as spreads and straddles. Covered options involve options trading when you own the underlying instrument on which the option is based. Uncovered options involve options trading when you do not own the underlying instrument on which the option is based. Spread options are options whose values are derived from the difference in price of two different underlying assets or components.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, and Strategy Risk.

## **VIII.(B). Risk Disclosures**

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### **Capital Risk**

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

### **Credit Risk**

Credit risk can be a factor in situations where an investment’s performance relies on a borrower’s repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

### **Currency Risk**

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, Euro, Japanese yen, etc.).

### **Economic Risk**

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

### **Financial Risk**

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

### **Higher Trading Costs**

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

### **Inflation Risk**

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

### **Interest Rate Risk**

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

### **Legal/Regulatory Risk**

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

### **Liquidity Risk**

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

### **Margin Risk**

- You can lose more funds than you deposit in a margin account. A decline in value of securities that are purchased on margin may require you to provide additional funds to the custodian holding your margin account in order to avoid a forced sale of those securities or other securities in your account.
- The custodian holding your margin account can force the sale of securities in your margin account. If the equity in your account falls below the margin maintenance level required by law or below the custodian's "house" requirement, the custodian can sell the securities in your account to cover the margin deficiency. You will be responsible for any shortfall in the account after such sale.
- Securities can be sold without contacting you prior to sale. Some investors mistakenly believe they must be contacted before a margin call becomes valid and that securities in their accounts cannot be liquidated to meet the call unless they have been contacted ahead of time. Most firms will attempt to notify you of margin calls, however, they are not required to do so. Even if the custodian has contacted you to provide a specific date by which you can meet a margin call, the custodian can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
- You are not entitled to choose which securities in your margin account are liquidated or sold to meet your margin call. Because the securities are used as collateral for the margin loan, the custodian has the right to decide which securities to sell in order to protect its interests.
- The custodian can increase its "house" maintenance requirement at any time and is not required to provide you with advance, written notice. These changes in policy can take effect immediately and may result in the issuance of a margin maintenance call. Your failure to satisfy this call may cause a forced liquidation in your account.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to clients under certain conditions, a client does not have the right to the extension.

### **Market Risk**

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

### **Operational Risk**

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

### **Past Performance**

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

### **Strategy Risk**

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

## **VIII.(C). Investment-Specific Risks**

There is no single type of investment instrument that we predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand not only the investment product itself but also the attendant risk factors associated with such products.

## **IX. Disciplinary Information**

The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. Following each of the items below, we shall provide details as to each applicable matter or we will answer "No." This information is presented in a question and answer format. The time period required to be covered by our answers in this section is ten years from the date of the events requiring disclosure.

### **IX.(A). Criminal or Civil Action**

In any domestic, foreign, or military court of competent jurisdiction, has PCTA or any of its management persons...		
Been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been identified as the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property,	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?		
Been found to have been involved in a violation of an investment-related statute or regulation; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

#### **IX.(B). Administrative Proceedings**

Has PCTA or any of its management persons been the subject of an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which PCTA or any of its management persons...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority...		
denying, suspending, or revoking the authorization of PCTA or one of its management persons to act in an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
barring or suspending PCTA or one of its management person's association with an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
otherwise significantly limiting PCTA or one of its management person's investment-related activities; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
imposing a civil money penalty of more than \$2,500 on PCTA or one of its management persons?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

#### **IX.(C). SRO Proceedings**

Has PCTA or any of its management persons been involved in a SRO proceeding in which PCTA or any of its management persons ...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

#### **X.(A). Broker-Dealers**



David Harrison Miller and Eric Steven Burnette are registered representatives with and hold ownership interest of Peachtree Capital Corporation, Inc. ("PCC"). From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PCTA always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of PCTA in their capacity as a registered representative.

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**X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators**

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Neither PCTA nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

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**X.(C). Related Persons**

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The purpose of this section is to allow us the ability to identify any other entities that meet the definition of a "related person" of ours that fit one of the categories described below. Once identifying all of our related persons that fit one of these categories (if any), we need to explain to you certain details surrounding any material relationship between any of our related persons and our investment advisory business in general. Next, we will need to describe to you any material relationship between any of our related persons and our investment advisory clients. If there are no other entities in any of the categories introduced below that meet the definition of a related person of ours, then we obviously have no additional details to describe to you. If, however, we do have any related persons that fit one of those categories AND there is some material relationship between those parties and (1) our investment advisory business and (2) our investment advisory clients, we need to provide you some additional details accordingly.

Listed below are the specific categories of potential related persons of ours. In the event that we have a related person that is included in one of those categories, we will address not only the relationship or arrangement that is material to our advisory business or our clients but also any conflict(s) arising out of this relationship/arrangement and how we address such conflict(s). It should be understood that if the checkbox immediately preceding a category is unselected, that category shall be deemed not applicable for the purpose of this item X.(C).

☒ **Broker-dealer, municipal securities dealer, or government securities dealer or broker**

*Related Person:* PCC.

*Conflict(s):* David Harrison Miller and Eric Steven Burnette are registered representatives and hold an ownership interest of PCC.

From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser..

*How we Address the Conflict(s):* First and foremost, we address the conflicts described in the preceding section by disclosing them to you in this Brochure Supplement as well as in PCTA's separate Brochure. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures ("WSPs") that was designed to address, among other things, conflicts of interest such as this one. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall

application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner..

☒ **Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**

*Related Person:* Peachtree Capital and Management Services, LLC. (“PCMS”)

*Fund:* Brookhaven Progress Fund, LLC (“BPF”)

*Conflict:* David Miller, the Managing Member and Chief Compliance Officer of PCTA is also the Principal of PCMS. PCMS is the Managing Member of BPF. As such, Mr. Miller may have an incentive to recommend the purchase of the BPF.

*How we Address the Conflict(s):* First and foremost, we address the conflicts described in the preceding section by disclosing them to you in this Brochure Supplement as well as in PCTA’s separate Brochure. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures (“WSPs”) that was designed to address, among other things, conflicts of interest such as this one. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner. Additionally, Mr. Miller does not anticipate obtaining investors for BPF through his advisory activity at PCTA.

*Related Person:* The Pessego Funds, LLC

*Fund:* The Pessego Long Short Fund, LP, (“PLSF”)

*Conflict(s):* The General Partner is owned by David Miller. As such, Mr. Miller may have incentive to recommend purchasing PLSF.

*How we Address the Conflict(s):* First and foremost, we address the conflicts described in the preceding section by disclosing them to you in this Brochure Supplement as well as in PCTA’s separate Brochure. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures (“WSPs”) that was designed to address, among other things, conflicts of interest such as this one. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

☐ **Futures commission merchant, introducing broker, commodity pool operator, or commodity trading advisor**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Banking or thrift institution**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☒ **Accountant or accounting firm**

*Related Person:* Peachtree Capital Corporation (“PCC”)

*Conflict:* Since the Firm’s related person, PCC, also does accounting work in certain instances this may cause a conflict in recommending potential investments where taxes are an issue.

*How we Address the Conflict(s):* First and foremost, we address the conflicts described in the preceding section by disclosing them to you in this Brochure Supplement as well as in PCTA’s separate Brochure. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures (“WSPs”) that was designed to address, among other things, conflicts of interest such as this one. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

☐ **Lawyer or law firm**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☒ **Insurance company or agency**

*Related Person:* David Harrison Miller

*Conflict:* Mr. Miller sells fixed insurance.

*How we Address the Conflict(s):* First and foremost, we address the conflicts described in the preceding section by disclosing them to you in this Brochure Supplement as well as in PCTA’s separate Brochure. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures (“WSPs”) that was designed to address, among other things, conflicts of interest such as this one. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

☐ **Pension consultant**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☒ **Real estate broker or dealer**

*Related Person:* David Harrison Miller

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Sponsor or syndicator of limited partnerships**

*Related Person* N/A

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A

**X.(D) Use of Other Investment Advisers**

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As described previously in Item IV.(B), from time to time we may recommend or select other investment advisers for you and in return, we will participate in the compensation (i.e. solicitor/referral fees) derived from the services such other investment advisers provide in connection with your assets that they may manage throughout time.. In these cases, we will generally enter into a formal, written agreement (i.e. a solicitor agreement) with such other investment advisers. These sorts of arrangements are often times referred to as “solicitor arrangements” and under such arrangements, we would be serving the role of solicitor for the other investment adviser.

As a result of these such arrangements, we may be incentivized to recommend only the investment advisers from whom we receive solicitor/referral fees as opposed to another investment adviser from whom we do not receive such fees. We continually monitor other investment advisers that we might recommend under a solicitor arrangement in the event that such investment advisers are not meeting the standards that we believe meet your needs, we will seek other investment advisers that may be a better fit for your specific management needs.

Additional details about any such arrangement can be found in the applicable solicitor disclosure document that we are obligated to provide to each of our clients that we may refer to any other investment adviser under one of these solicitor arrangements. You are always welcome to request a copy of our current solicitor disclosure document for any investment adviser that we may have recommended or selected for you.

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

### **XI.A Code of Ethics**

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We take great pride in our commitment to serving our clients’ needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics (“Code”) as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

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#### **XI.(B) Participation in Client Trading**

The information in this item is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to you.

No such arrangements exist.

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#### **XI.(C) Trading Alongside Our Clients**

On occasion, we may invest for our own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the accounts of our clients. Further, we may also engage in transactions that are the same as or different than transactions recommended to or made for our client's accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with our policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a client. Our Designated Supervisor reviews reports of personal transactions in securities by all of our associated persons quarterly or more frequently if required.

##### **Investment Policy**

None of our associated persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the following procedures.

##### **Firm Procedures**

In order to implement our Investment Policy, the following procedures have been put into place.

- 1) If we are recommending that any of our clients buy any security, no associated person may purchase that security prior to a client's purchase of that security; and
- 2) If we are recommending that any of our clients sell any security, no associated person may sell that security prior to a client's sale of that security.

As an alternative to the procedures described in the preceding points, we may include our own order(s) in a batch order with other client orders that would involve average pricing for the entire batch such that we would receive the same pricing as all other clients participating in the batch.

It is the primary intent of these procedures to ensure that the best interests of our clients are always served over that of our own. Trading on our own behalf that results in our own interests being served over that of our clients could be considered a breach of our fiduciary duty and thus, is aggressively discouraged.

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#### **XI.(D) Trading Around the Same Time as Clients**

From time to time, representatives of PCTA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PCTA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PCTA will always transact client's transactions before its own when similar securities are being bought or sold.

Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## **XII. Brokerage Practices**

The purpose of this Item is to present to you the factors that we take into consideration when (1) selecting or recommending broker-dealers to you for the purpose of effecting transactions on your behalf and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

Unless the client directs otherwise, PCTA will generally recommend that all the client's accounts be maintained at, by, or through certain other firms that are unaffiliated with PCTA. Although not all-inclusive, PCTA may recommend the following brokers of record and their corresponding custodian:

PCTA participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

PCTA uses Peachtree Capital Corporation, Inc. as the broker of record for certain of its other client's accounts. For these accounts, the Custodian is National Financial Services, LLC.

In addition to Peachtree Capital Corporation, Inc. PCTA uses TD Ameritrade, National Financial and Charles Schwab as the broker of record and custodian of certain accounts. In addition to these custodians, should a client of PCTA invest in BPF, those monies will either be custodied at Mainstar Trust Company or will be held directly by BPF.

Factors that we consider in recommending certain broker-dealers or custodians to our clients may include such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, we or certain of our supervised persons may receive certain support services that may assist us in our investment decision-making process for all of our clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of brokerage services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for the client's account transactions.

### **XII.(A).(1). Research and Soft Dollar Benefits**

The SEC has defined soft dollar practices as arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker-dealer in exchange for the adviser directing client brokerage transactions to the broker-dealer. Although soft dollar arrangements are perfectly acceptable if structured properly and as long as clients receive proper disclosure of them, soft dollar practices create an inherent conflict of interest because it is possible for an investment adviser to receive soft dollar benefits that it may not use specifically for the benefit of all clients whose commission dollars contributed toward the payment of such soft dollar benefits. In other words, a client may share in the cost of a soft dollar benefit but may not share in the benefit itself. PCTA receives certain benefits from its custodians but is not charged for these benefits and therefore is not considered to participate in any soft dollar benefits.

Section 28(e) of the Exchange Act ("Section 28(e)") provides the framework under which an investment adviser who has and exercises investment discretion (as defined in Section 3(a)(35) of the Exchange Act) over client assets can use client commissions to obtain certain soft dollar benefits (such as research).

<http://www.sec.gov/news/studies/softdollar.htm#back>  
<http://www.sec.gov/about/laws/sea34.pdf>  
<http://www.sec.gov/news/studies/2011/913studyfinal.pdf>  
<http://www.sec.gov/rules/interp/2006/34-54165.pdf>  
<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2004.n1.4005>

PCTA receives research, products, or other services from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that PCTA must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for PCTA to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

Refer to Item XII.(A).(1).(e) below for a description of the types of soft dollar benefits we may be eligible to receive.

The following table will identify several types of soft dollar benefits that we might receive from a broker-dealer in relation to effecting client securities transactions through a particular broker-dealer(s). The selected check boxes will identify the specific benefits that we or any of our related persons have received during our last fiscal year in connection with our soft dollar arrangements. If a box is not selected, neither we nor any of our related persons received that type of item.

<b>Selection</b>	<b>Item</b>	<b>Examples</b>
<input type="checkbox"/>	Accounting fees	Year-end financial audit of investment partnership
<input type="checkbox"/>	Association fees	AIMR dues, ICI annual dues, American Society of CLU & ChFC, etc.
<input type="checkbox"/>	Cable television	DirecTV, Local cable TV, Pay TV
<input type="checkbox"/>	Commission rebates	Cash returned to or expenses paid for a qualified plan
<input type="checkbox"/>	Computer hardware	Monitors, printers, etc.
<input type="checkbox"/>	Computer software	Proxy voter software, maintenance and support, portfolio management software (i.e. Advent, Check Free) etc.
<input type="checkbox"/>	Conferences/seminars	AIMR conference fees, internet conferences, etc.
<input type="checkbox"/>	Consulting services	Advisory services, regulatory consultants, computer consultants, etc.
<input type="checkbox"/>	Courier/postage/express mail	Messenger services, Fedex, Airborne Express, DHL, etc.
<input type="checkbox"/>	Custodial fees	Payment of custodial fees to lower expenses of a retail or institutional account
<input type="checkbox"/>	Electronic databases	Ibbotson Associates, Value Line, Interactive Data Corp, Moody's, etc.
<input type="checkbox"/>	Employee salary/benefits	Salary, insurance policy, health benefits, etc.
<input type="checkbox"/>	Execution assistance	On-line quote systems
<input type="checkbox"/>	Industry publications	WSJ, Economist magazine, etc.

<input type="checkbox"/>	Legal fees	Retainer, research bills
<input type="checkbox"/>	Management fees	Investment adviser fees, pension consultant fees, etc.
<input type="checkbox"/>	Office equipment/supplies	Fax/scanner/copier machine(s), office furniture, staples, paper, etc.
<input type="checkbox"/>	Online quotation/news	Bloomberg, Reuters, etc.
<input type="checkbox"/>	Rent	Office rent
<input checked="" type="checkbox"/>	Proprietary research/analysis reports	Research materials prepared by the executing broker-dealer(s)
<input checked="" type="checkbox"/>	Non-proprietary research/analysis reports	Barra, Zack's Investment Research, Value Line, Global Trend Alert
<input type="checkbox"/>	Telephone expenses	Office phone service, mobile phone service, connection fees for online services
<input type="checkbox"/>	Travel expenses	Hotel accommodations, air fare, auto rental, etc.
<input type="checkbox"/>	Tuition/training	CFA courses, study materials, etc.
<input type="checkbox"/>	Marketing	Payment for or assistance with production of sales materials, web development, radio/t.v. ads, etc.
<input type="checkbox"/>	Miscellaneous expenses	Dinner, parking fees, limo service, concert/sporting event tickets, etc.

## **XII.(A).(2). Brokerage for Client Referrals**

In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

As a result of the brokerage referral arrangements addressed in this item, we may be incentivized to recommend only the broker-dealers from whom we receive client referrals as opposed to another broker-dealer from whom we do not receive such referrals. This sort of arrangement may represent a conflict in that we may recommend a broker-dealer that may not represent the lowest possible transaction or execution costs for you.

We continually monitor the broker-dealers that we might recommend in the event that such broker-dealers appear not to be meeting the standards that we believe meet your needs, we will endeavor to seek other brokers that may be a better fit for your specific brokerage/execution needs.

## **XII.(A).(3). Directed Brokerage**

This item is intended to address situations where we may recommend, request, or require you to provide us instructions as to how to direct brokerage activity on your behalf.

## **XII.(A).(3)(b). Directed Brokerage**

PCTA will not allow clients to direct PCTA to use a specific broker-dealer to execute transactions. Clients must use PCTA recommended custodian (broker-dealer). By requiring clients to use our specific custodian, PCTA may be unable to achieve most favorable execution of client transactions and this may cost clients' money over using a lower-cost custodian.

## **XII.(B). Order Batching**

Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. Reasoning for attempting to effect a batch order is that we may need to trade in the same security for multiple



accounts at or around the same time and batching may allow us to achieve a more favorable price on average for all clients. Batching, however, doesn't guarantee the lowest possible price for execution, however, it is intended to reduce the overall volatility in execution price for a large # of orders that if not batched together, may experience significantly different execution prices. Conversely, in the event that we do not batch a group of orders that otherwise may be a prime candidate for a batched order, the resulting cost for some clients may be higher or lower than what we might be able to achieve by processing a batched order for the benefit of those same clients.

To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## **XIII. Review of Accounts**

### **XIII.(A). Review of Accounts or Financial Plans**

#### **Review of client accounts.**

We will review your accounts on an ongoing basis, but no less frequently than a quarterly basis. The designated reviewer(s) will review your accounts for best execution, suitability, and service. Not all transactions will be reviewed, rather, the designated reviewer(s) will perform a sampling-based review. The designated reviewer(s) will review the performance and cost basis for your transactions. Your investment objectives are used to review for suitability. Quarterly, transactions are reviewed referencing your investment objectives for any transaction that may not fit your stated objectives, or our understanding of your investment objectives will be flagged and reviewed with the investment adviser representative placing the trade.

The periodic review process described above will be performed by David Harrison Miller, Managing Member.

#### **Review of Financial Plans.**

Unless specifically engaged to do so, we do not periodically review financial plans that we have prepared for clients.

### **XIII.(B). Non-Periodic Account Reviews**

Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her accounts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account. Further, reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **XIII.(C). Reports to Clients**

Account statements will be provided no less frequently than quarterly by the custodian, not by us. Account statements will identify account positions, balances, and transaction details. Upon your request, a quarterly account appraisal (written or electronic) may be created for you as well as an annual year-end statement.

In the event we also send account statements to you in addition to those provided by the qualified custodian, you are urged to compare any account statements provided by us to those provided by the custodian.

## **XIV. Client Referrals and Other Compensation**

### **XIV.(A). Compensation we Receive**

As disclosed under Item 12, above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of 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 Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Certain of our associated persons, when acting as registered representatives of a broker-dealer, may receive selling compensation from such broker-dealer as a result of the facilitation of certain securities transactions on your behalf through such broker-dealer.

Additionally, certain of our associated persons, through such associated person's association as a licensed insurance agent, may also receive selling compensation resulting from the sale of insurance products to you or other clients of ours.

Arrangements involving someone's receipt of both advisory and brokerage or other compensation in connection with the advisory services we provide to you can be considered "double-dipping." That term carries negative connotations but in the financial services industry, it is not only acceptable but is completely appropriate and within the permissible activities of those individuals and entities who are properly registered and licensed to engage in such activities. You should be aware that some investment advisers do not receive brokerage or other compensation for transactions they may effect on your behalf and as a result of dealing with other firms, you will not necessarily pay any less for the same services that you may receive from us, however, the individual that you may deal with or his/her sponsoring firm may not be eligible to receive brokerage or other compensation other than the investment advisory compensation that you would normally expect to pay an investment adviser for the same services.

The general industry standard for a client's overall annual fee for investment advisory services is a cap of 3.0%. This means that most investment advisers will keep their service fees for investment advisory work below 3.0% (of the assets they have been engaged to manage) on an annual basis. That said, a client could easily pay in excess of 3.0% of the assets that their investment adviser has been engaged to manage in light of other fees such as brokerage

fees/commissions, execution costs, custodial fees, etc. We routinely monitor our fees to ensure that they are not only consistent with those found in the industry for similar services, but we also review our fees for the purpose of ensuring that our billing practices are consistent with the provisions set for in your advisory agreement with us.

#### **XIV.(B). Compensation we Pay**

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From time to time, we may enter into agreements with various independent solicitors who may refer prospective investment advisory clients to us. We do not charge clients introduced by third-parties fees or costs greater than the fees or costs that we would normally charge any other clients who were not introduced by a third-party solicitor, and have similar portfolios under management with us. Any such agreements will be handled in accordance with the provisions of Rule 206(4)-3 under the Investment Advisers Act of 1940. The specific compensation arrangements vary from situation to situation but can be found in the specific solicitor disclosure document relating to each such solicitor arrangement. For more information on our solicitor arrangements, please call 678-595-9903.

#### **XV. Custody**

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We engage in certain activities that result in us being deemed to have custody of certain of our client's funds and/or securities.

- ☒ Automatic fee deduction from your brokerage or other trading accounts
- ☐ Physical possession or control (even temporary) of client funds or securities
- ☐ The ability to gain access to any client funds and/or securities
- ☐ One of our related persons has custody of funds and/or securities subject to our investment advisory services
- ☒ We or one of our related persons serves as the general partner, managing member, or other similar type of control person to an investment fund to which we provide investment advisory services.

As stated previously in Item XIII.(C)., your account statements will be provided by the qualified custodian that maintains physical possession of your accounts/assets. In the event that we also provide you information related to your accounts, you are urged to review that information to the information contained on the account statements or other statements received from the qualified custodian.

As previously described in Item XII above, should a client of PCTA invest in BPF, certain of those investments will be held directly by BPF. David Miller, our Managing Member and CCO serves as the principal of PCMS which is the managing member of BPF. The remaining funds invested in BPF will be held at Mainstar Trust Company, a non related entity.

Additionally, our Managing Member and CCO serves as the majority owner of The Pessego Funds, LLC. the general partner of PLSF. The amounts paid by an investor to PLSF shall be placed directly in an account with one or more financial institutions or brokerage firms selected by the General Partner, under appropriate arrangements.

#### **XVI. Investment Discretion**

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In connection with our investment advisory services, we will generally seek and obtain your authorization to carry out part of our services on a purely discretionary basis. We will memorialize your authorization of our discretionary authority in our investment advisory agreement.

If you have authorized us to do so, we will exercise discretion over the following areas.

- 1) The specific securities to be bought or sold on the client's behalf
- 2) The amount of securities to be bought or sold on the client's behalf

- 3) Timing as to when such securities are to be bought or sold
- 4) The particular broker or dealer to be used for arranging client securities transactions
- 5) Commission rates to be paid in relation to securities products effected on the client's behalf

We will have authority to exercise complete discretion with regard to the above named factors without restriction. If done so on a non-discretionary basis, we will make certain recommendations that must be authorized by you prior to our facilitation of any such transactions. As may be separately agreed to in writing, we will observe any other specific limitations that may be imposed by you in relation to this discretionary authority.

## **XVII. Voting Client Securities**

### **XVII.(A). Proxy Voting**

#### **Proxy Voting Policies and Procedures and Client Instruction**

We do not vote proxies on behalf of any securities you own.

### **XVII.(B). Proxy Voting**

Since you have not authorized us to vote proxies on your behalf, we will not do so. Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, you should direct your question to the issuer.

## **XVIII. Financial Information**

### **XVIII.(A). Balance Sheet**

We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

### **XVIII.(B). Adverse Financial condition**

In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

### **XVIII.(C). Bankruptcy-Related Matters**

PCTA has not been the subject of a bankruptcy petition.