

Pensionmark Financial Group, LLC

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This Brochure provides information about the qualifications and business practices of Pensionmark Financial Group, LLC. If you have any questions about the contents of this Brochure, please contact us at (888) 201-5488 or email jennifer.tanck@pensionmark.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Pensionmark Financial Group, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Pensionmark Financial Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Summary of Material Changes

As a new applicant, this is our first Brochure. Each year, we will provide each *client with* (i) a free updated *brochure* that either includes a summary of material changes or is accompanied by a summary of material changes, or (ii) a summary of material changes that includes an offer to provide a copy of the updated *brochure* and information on how *clients* may obtain the *brochure*.

Our Brochure may be requested by contacting us toll-free at (888) 201-5488 or by sending an email to jennifer.tanck@pensionmark.com.

Additional information about Pensionmark Financial Group, LLC is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website provides information about any persons affiliated with Pensionmark Financial Group, LLC who are registered, or are required to be registered, as investment adviser representatives of Pensionmark Financial Group, LLC.

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Item 4 – Advisory Business

Pensionmark Financial Group, LLC (“Pensionmark” or “Adviser”) was established in March 2015. Pensionmark is wholly owned by Pensionmark Retirement Group (“PRG”). Troy Hammond is principal owner of PRG.

Pensionmark is an Investment Adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Pensionmark provides advisory services to Retirement Plans including, 401K Plans, 403B Plans, pensions and profit sharing plans, non-qualified plans, foundations, endowments, corporations or other businesses not listed above, collectively (“Client,” “Plan Client,” or “Plan”). Pensionmark provides continuous and regular investment supervisory services rendered to Plan Clients, however, this is typically done on a non-discretionary basis.

Pensionmark will require each Plan Client to make a selection of services *in writing* as part of the **Retirement Plan Services Agreement(s) (RPSA)**, which sets forth the rights and obligations of Pensionmark and the Client. The **RPSA** is customized to state the negotiated fee.

Retirement Plan Advisory Services include, but are not limited to:

1. ERISA 3(21) INVESTMENT ADVISORY FIDUCIARY SERVICES

- ☐ **Development of Investment Policy Statement:**
- ☐ **Recommendations for Selecting & Monitoring the Plan’s Investments**
- ☐ **Investment Performance Measurement & Analysis**
- ☐ **Recommendations For Selecting & Monitoring Qualified Default Investment Alternatives**
- ☐ **Recommendations for Allocating & Rebalancing Model Asset Allocation Portfolios**
- ☐ **Individualized Investment Advice to Plan Participants**

2. ERISA NON-FIDUCIARY SERVICES

Assistance with Fiduciary Oversight & Committee Education

Assistance with Plan Fiduciaries’ Selection & Management of Service Providers

Employee Investment Education & Communication

Pensionmark provides investment advisory services acting in “non-discretionary” basis (serving as a “fiduciary” as defined by §3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974 (“ERISA”). Pensionmark provides specific investment advice to Client with regard to the selection of investment manager(s) and/or investment vehicles available to the Plan within the platform provided by the Plan's Administrator.

Consultations. Adviser may occasionally furnish investment advice on a consulting basis with a Plan Sponsor or Board. To the extent it is requested to do so, Adviser may provide its Clients with investment advisory and consultation services on a “fee for service” basis. Fees for such consultations will be quoted to the Client prior to engagement.

In performing its services, Pensionmark shall not be required to verify or audit the information received from the Plan Client or from the Plan Client’s other professionals, and is expressly authorized to rely thereon. If requested by the Client, Pensionmark shall recommend the services of other professionals for implementation purposes. The Client is under no obligation to engage the services of any such recommended professional. The Client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Pensionmark. It is each Client’s responsibility to promptly notify Pensionmark if there is ever any change in the Client’s financial situation or investment objectives.

Item 5 – Fees and Compensation

Pensionmark will require each Plan Client to make a selection of services *in writing* as part of the **Retirement Plan Services Agreement(s) (RPSA)**, which sets forth the rights and obligations of Pensionmark and the Client. Fees for Retirement Plan Advisory Services are negotiated prior to the signing of the **RPSA**. The **RPSA** is then customized to state the negotiated fee, which, *in general*, is expressed as a percentage of total Plan assets.

In general, fees charged for investment advisory services are payable quarterly, in advance, and are based upon the market value of the Client’s Plan assets on the last business day of the calendar quarter. Fees may be direct billed to the Client or to a third party administrator (“TPA”) or custodian at the Client’s instruction. Fees for Plan Clients engaging Pensionmark in mid-quarter will be prorated and calculated on a per diem basis.

The **RPSA** will continue in effect until terminated by either party upon thirty (30) days written notice to the other party. However, if the Client has not received the Pensionmark Form ADV Part 2 at least 48 hours prior to entering into the investment advisory agreement, the Client may terminate the agreement within five business days of entering into the agreement without penalty.

If any advisory relationship terminates before the last day of a quarter, fees are prorated accordingly, and the Adviser will refund any unearned fees due to the Client.

Flat/Fixed Fee Service. To the extent so engaged by Client, the Adviser may charge a Flat or Fixed fee for investment advisory and consultation services. Fixed fees are negotiable, but generally range from **\$1,000.00 to \$250,000.00** on an annual basis, depending upon the level and scope of the services required. Fixed fee(s) will be charged quarterly in advance, (calculated on a per diem basis) upon the signing of an **RPSA** by the Client. Fees for Clients engaging Adviser mid-quarter will be prorated on a per diem basis. Occasionally advisory services will be quoted on an hourly or per diem basis.

Fees charged may be higher than otherwise available elsewhere. A portion of the fees charged by Pensionmark for advisory services may be paid to Investment Advisory Representatives employed by Pensionmark. All fees described herein may be subject to negotiation depending on a range of factors including, but not limited to, plan size and overall range of services requested.

Pensionmark's fees are exclusive of other related costs and expenses which shall be incurred by the Plan Client. For example, Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, record-keeping/custodial fees, sales charges, redemption fees, wire transfer and electronic fund fees, and other fees and/or taxes. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Pensionmark's fee, and Pensionmark shall not receive any portion of these other fees or costs.

Item 6 – Performance-Based Fees and Side-By-Side Management

Pensionmark does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

Item 7 – Types of Clients

Pensionmark provides advisory services to Retirement Plans including, 401K Plans, 403B Plans, pensions and profit sharing plans, non-qualified plans, foundations, endowments, corporations or other businesses not listed above.

For Plan Clients, Adviser does not require a minimum account size, but may impose a minimum annual consulting fee. Adviser retains the right to waive minimum initial account sizes should Adviser feel it is necessary and appropriate.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment recommendations are based on an analysis of the Plan Client's specific needs, and are drawn from research and analysis. Each Plan is analyzed separately paying particular attention to the limitations on the investment lineup as determined by the Plan documents, the Plan's current service providers/platform and whether the Plan's current platform has an opened or closed architecture. However, in general, security analysis methods include fundamental analysis as well as quantitative and qualitative research on a given investment vehicle. Information for this analysis may be drawn from financial newspapers, magazines and databases, research materials prepared by others, annual reports, corporate filings and prospectuses. Additional sources of information utilized by Pensionmark include meetings and discussions with Investment Managers employed by Investment Companies, statistical summaries and analysis and such other sources Pensionmark's professionals personnel deem appropriate. Pensionmark may utilize services of sub-advisers and established third party research services to assist Pensionmark with formulating asset allocation, industry and sector selection, and investment recommendations in managing the Plan Client's funds. Technical Analysis may be used when analyzing indices and/or securities other than open-ended mutual funds.

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. In general, risks associated with investing include, but are not limited to:

- Interest-rate Risk: Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a

security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Pensionmark or the integrity of Pensionmark's management. Pensionmark has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Pensionmark is not affiliated with any other broker/dealer, RIA, insurance agency or any other financial related entity through common ownership or control.

Many Pensionmark Advisors are life insurance licensed in order to act as "agent of record" for those Plan Clients whose retirement plans are funded with group variable insurance products. Additionally, Financial Advisors at Pensionmark may occasionally recommend fixed or variable annuities or life insurance to their Wealth Clients when assisting them in executing their financial plan. Fixed annuities or other life insurance products may be offered through an independent insurance agency. Insurance products are separate and distinct from advisory services offered and clients are under no obligation to purchase recommended insurance products. Advisors generally spend 10% of his/her time on these non-advisory services. Commissions or fees charged may be higher or lower than obtainable elsewhere.

Item 11 – Code of Ethics

Personal transactions in securities by directors, officers and employees of Pensionmark who have access to nonpublic information regarding Clients' purchase and sale of securities, are involved in making securities recommendations to Clients or who have access such non-public recommendations ("access persons") are subject to the restrictions and procedures in Pensionmark's Code. All supervised persons at Pensionmark must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code addresses, among other things, the following: (i) general principles that address Pensionmark's fiduciary obligations to its Clients, (ii) personal securities trading procedures restricting the purchase and sale, by access persons for their own accounts, of specific securities; (iii) provisions relating to the confidentiality of Client information; (iv) a prohibition on insider trading; and (v) restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment.

Occasionally, access persons of Adviser may recommend that Clients buy or sell the same securities or investment products that access persons of the Adviser also own. In such circumstances, Adviser shall give precedence to Client transactions. Pensionmark's employees and persons associated with Pensionmark are required to follow the Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Pensionmark will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Pensionmark's Clients. In addition, the Code requires pre-approval of specific types of transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between Pensionmark and its Clients.

Pensionmark's Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Compliance Department at (888) 201-5488 or by sending an email to jennifer.tanck@pensionmark.com.

Item 12 – Brokerage Practices

Pensionmark does not select Plan Providers or brokerage firms for client transactions, but may, if consulted with, provide recommendations for such firms. All plan sponsors select the method and forum for executing and custody of the plan assets. As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers on a soft dollar commission basis.

Item 13 – Review of Accounts

Plan Client Accounts are advised by their Financial Advisor, the Investment Advisor Representatives (IAR) responsible for performing periodic reviews and consulting with the respective Client. Additionally, investment company assets in Plans are monitored on a continuous and regular basis by Pensionmark Consulting Research Group. Plan Clients who are under an RPSA receive Quarterly Reviews produced by the Consulting Research Group for each Plan. Jennifer Tanck, Chief Compliance Officer, heads up the Compliance Team that reviews and approves the commentary contained in the Quarterly Reports. Additionally, monthly and quarterly statements are provided by the Plan Client's custodian, but additional reports may be provided by Third Party Administrators employed by the Plan Client.

Plan Clients agree to inform the Pensionmark in writing of any material changes to the Plan Client's financial circumstances that may affect advice being rendered to the Plan. Plan Clients may contact the Adviser during normal business hours to consult with the firm concerning any such material changes.

Item 14 – Client Referrals and Other Compensation

Pensionmark, in some instances, may compensate third-party solicitors (or “Corporate Solicitor”) for Client referrals. In order for a business entity to be compensated by Pensionmark for referring a Client to Pensionmark, the solicitor must be engaged by Pensionmark under a Solicitor or Referral Agreement (“Agreement”) in compliance with Section 206(4)-3 of the Investment Advisers Act of 1940. In general, a Corporate Solicitor is compensated by a percentage of the advisory fee collected for a limited period of time specified in the Agreement. The Client pays no additional fee for the referral over and above Pensionmark’s quoted advisory fee; to the contrary, the fee the Adviser earns is reduced by the amount of the compensation to the Corporate Solicitor. A Client who is solicited by a Corporate Solicitor will receive the Solicitor’s separate Disclosure Statement describing the nature of the arrangement in detail.

Pensionmark Advisors may share in advisory fees paid to Independent Financial Services (IFS) for clients referred to IFS. This referral arrangement may be in place for existing clients that continue to be serviced by IFS. Referral fees are paid pursuant to a written agreement in accordance with Section 206(4)-3 of the Investment Advisers Act of 1940. Referral fees paid to Pensionmark Advisors will be based on IFS’s normal fee schedule; you will not be charged any additional fees or expenses as a result of the referral.

Clients may request details regarding a particular Agreement by contacting us toll-free at (888) 679-6067 or by emailing jennifer.tanck@pensionmark.com.

Item 15 – Custody

Client Custodians issue quarterly account statements from directly to Clients. Pensionmark urges you to carefully review such statements and compare the official custodial records to any reports that we may provide you. Pensionmark’s reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Pensionmark does not act as a qualified custodian for Plan Client assets.

Item 16 – Investment Discretion

Pensionmark acts in a non-discretionary capacity as an ERISA 3(21) investment manager. As such, Pensionmark will make recommendations of investments to plan sponsors, but does not have the authority to make decisions on behalf of the Plan. The plan sponsor/trustee retains ultimate decision-making authority for investments and may accept or reject the recommendations. The plan sponsor is responsible for the selection and monitoring of the 3(21) investment manager and implementation of any of the 3(21) investment manager’s investment recommendations, and assumes responsibility and liability for any decisions made by the plan sponsor.

Adviser may have the authority to negotiate fees on behalf of the Plan Client with its other service providers. Specifically, in its efforts to perform “Request(s) For Proposals” (RFP’s) on behalf of Plan Clients, Adviser assists the Plan Client in determining the most suitable fee for services structure that can be obtained within the constraints of the Retirement Plan Document(s). However, Pensionmark does not have any “control” over the fees or commissions charged by custodians or investment companies for the products or services they provide. Consequently, the Plan Client may pay fees or commissions higher than obtainable elsewhere for similar products or services.

Item 17 – Voting Client Securities

As a matter of firm policy, Pensionmark does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Clients should contact their financial advisor if they have any questions and/or to obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

Item 18 – Financial Information

Registered Investment Advisers are required to provide Clients with certain financial information or disclosures about the investment adviser's financial condition. Pensionmark has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of any bankruptcy proceeding.

Privacy Policy

Pensionmark Financial Group, LLC ("Pensionmark") recognizes that its Clients have an expectation that Pensionmark and its affiliates will maintain the confidentiality of Clients' nonpublic personal information. Consequently, Pensionmark has adopted this Privacy Policy concerning information obtained during the servicing of Client's account(s).

Nonpublic information: Nonpublic information obtained by Pensionmark for purposes of providing services hereunder will not be furnished to third parties for any other purpose other than in furtherance of the services to be provided hereunder. Notwithstanding the foregoing, Pensionmark may disclose nonpublic information (i) to the extent such disclosure is required by court order or by a valid order of a governmental body governmental or quasi-governmental agency (such as FINRA) (ii) prior or after the time of disclosure such information becomes part of the public knowledge or literature, not as a result of any inaction or action of Pensionmark, (iii) reasonably necessary for Pensionmark to enforce its legal rights in any dispute with that Client; or (iv) is approved by Client, in writing, for release. Pensionmark does not disclose nonpublic personal information about its Clients to any party except as permitted by law.

Sources of Personal Information: We collect Personal Information about you from meetings with you and on applications or other forms you have submitted to Pensionmark, as well as information about your investments or transactions with us or others (such as third party service providers or fund companies) from other sources.

How Pensionmark Protects the Confidentiality of Clients' Nonpublic Personal Information:

Pensionmark does not sell or trade Clients' information with nonaffiliated companies. When information is provided to third party service providers, safeguards are in place to assure that information is used only for the purpose it is provided. Pensionmark maintains its records on secured computers. Prospective employees are screened for criminal convictions. Once hired, employees are made aware of Pensionmark's Privacy Policy and of the confidential nature of the information they handle. Employees are limited to accessing only that customer information that is necessary to perform their job functions.

To Whom This Policy Applies: This Notice applies to all our Clients who enter into an Advisory Services Agreement with us. Our Former Clients: Even if you are no longer a Client, our Privacy Policy will continue to apply to you.

Access to and Correction of Information: Upon the written request of Clients, we will make available for their review any file we may maintain for their personal Information; provided, however, that any Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If Clients notify us that any Information is incorrect, we will review it. If we agree, we will

correct our records. If we do not agree, Clients may submit a short statement of dispute, which we will include in any future disclosure of the disputed Information.

Further Information: We reserve the right to change this Privacy Policy at any time. The examples contained within this Privacy Policy are illustrations and are not intended to be exclusive. This Policy attempts to comply with federal and state regulations regarding privacy. Clients may have additional rights under other foreign or domestic laws that may apply to them.

“Opt Out” Provision: Since Pensionmark does not sell or share any Personal Information, an “opt out” provision would not be applicable to this Privacy Policy. Clients may call (888) 201-5488 or jennifer.tanck@pensionmark.com to request further information regarding this policy.