

# The Pinnacle Financial Group

d/b/a North Star Wealth Investors

d/b/a Pension & Wealth Consultants

d/b/a Agrillo Financial Group

d/b/a McKenna Financial Planning

d/b/a NSI Group

d/b/a Melander Wealth Management

d/b/a Mario Molino and Associates

d/b/a Pinnacle Wealth Strategies Group

d/b/a Atlantic Financial Group

d/b/a Prospect Financial Services, LLC

*This brochure provides information about the qualifications and business practices of The Pinnacle Financial Group. If you have any questions about the contents of this brochure, please contact us at (516) 763-9700 or by email at: [joseph.esposito@lpl.com](mailto:joseph.esposito@lpl.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.*

*Additional information about The Pinnacle Financial Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Pinnacle Financial Group's CRD number is: 164395*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of The Pinnacle Financial Group's on 03/20/2020 are described below. Material changes relate to The Pinnacle Financial Group policies, practices or conflicts of interests.

- The Pinnacle Financial Group has updated financial information (Item 18).

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

The Pinnacle Financial Group is a Corporation organized in the state of New York. The firm was formed in May of 2012, and the principal owner is Joseph Esposito.

### B. Types of Advisory Services

The Pinnacle Financial Group (hereinafter "TPFG") offers the following services to advisory clients:

#### *Investment Supervisory Services*

TPFG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. TPFG creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

TPFG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. TPFG will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Pension Consulting Services*

TPFG offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

#### *Selection of Other Advisors*

TPFG may direct clients to third-party money managers. TPFG will be compensated via a fee share from the advisors to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for

clients, TPFPG will always ensure those other advisors are properly licensed or registered as investment advisor.

### ***Services Limited to Specific Types of Investments***

TPFG generally limits its investment advice and money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, options and government securities. TPFPG may use other securities as well to help diversify a portfolio when applicable.

### ***Financial Planning***

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

## **C. Client Tailored Services and Client Imposed Restrictions**

TPFG 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.

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

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. TPFPG may recommend a wrap fee program sponsored by LPL and managed by outside third parties. Appropriate disclosure documents will be provided to any client investing in a wrap fee program.

## **E. Amounts Under Management**

TPFG has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$674,315,163.00	\$0.00	December 2019

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Fees for clients on LPL SWM platform:

Total Assets Under Management	Annual Fee
All assets under management	0.0 - 2.50% *

\*Clients pay an annual average fee of 1.75%. Clients with assets on the LPL SWM platform pay separate transactions fees.

Fees for clients in wrap fee accounts recommended by TPGF:

Total Assets Under Management	Annual Fee
All assets under management	0.56 - 2.50% **

\*\*Clients pay an annual average fee of 2.4%. Clients with assets in wrap fee accounts do not pay separate transaction fees.

Fees for clients using Schwab or TD as a custodian:

Total Assets Under Management	Annual Fee
All assets under management	0.0 - 1.75%***

\*\*\*Clients pay separate transaction fees.

These fees are negotiable depending upon the needs of the client and complexity of the situation. The final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with seven 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's written authorization.

### ***Pension Consulting Services Fees***

The rate for pension consulting services is 2.5% of the plan assets for which TPFG is providing such consulting services. These fees are negotiable.

### ***Selection of Other Advisors Fees***

TPFG will direct clients to third-party money managers. TPFG will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between TPFG and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. These fees are negotiable depending upon the needs of the client and complexity of the situation. Payment of fees for third-party money managers will depend on the specific third-party advisor selected. Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with seven days' written notice.

### ***Financial Planning Fees***

#### **Fixed Fees**

The rate for creating client financial plans is between \$1500 and \$10,000. The fees are negotiable, and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement.

Certain investment adviser representatives of TPFG are also associated with LPL Financial as broker-dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through TPFG. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from TPFG, you will not receive the benefit of the

advice and other services we provide.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly in advance.

### ***Payment of Financial Planning Fees***

Fixed Financial Planning fees are paid via check. Fees are paid 50% in advance and 50% paid upon delivery within 6 months.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by TPFG. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

TPFG collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client. Fees will be deposited back into client's account within fourteen days.

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).

## **E. Outside Compensation For the Sale of Securities to Clients**

Joseph Esposito and other investment adviser representatives are registered representatives with LPL Financial LLC and insurance agents. They accept compensation for the sale of securities to TPFG clients.

### ***1. Sale of Securities to Clients and Compensation***

TPFG and its supervised persons may accept compensation for the sale of securities or other investment products. This presents a conflict of interest and gives TPFG or the supervised person an incentive to recommend products based on the compensation



received rather than on the client's needs.

Please note that when TPFG or its representatives provides investment advisory services, he or she is a fiduciary under the Investment Advisers Act and has a duty to act in your best interests and to make full and fair disclosure to you of all material facts and conflicts of interest.

## ***2. Clients Have the Option to Purchase Recommended Products from Other Brokers***

Clients always have the option to purchase TPFG recommended products through other brokers or agents that are not affiliated with TPFG. However, TPFG can only provide advisory services to clients who purchase products through LPL Financial, Schwab, or TD.

## ***3. Commissions are not the Primary Source of Income for this RIA***

Commissions are not TPFG's primary source of compensation.

## ***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

# **Item 6: Performance-Based Fees and Side-By-Side Management**

TPFG 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.

# **Item 7: Types of Clients**

TPFG generally provides management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit-Sharing Plans
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

## ***Minimum Account Size***

There is an account minimum, \$25,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

## Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

TPFG's methods of analysis include fundamental analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

#### *Investment Strategies*

TPFG uses long term trading and short term.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

#### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### C. Risks of Specific Securities Utilized

TPFG generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Precious Metal ETFs** (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil action to report on behalf of the TPFG and its management.

### **B. Administrative Proceedings**

There are no administrative proceedings to report on behalf of the TPFG and its management.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report on behalf of the TPFG and its management.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Joseph Esposito and the other investment adviser representatives are registered representatives of LPL Financial LLC.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither TPFG nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Joseph Esposito and other investment adviser representatives of TPFG are registered representatives of LPL Financial LLC. LPL restricts the securities that its registered representatives such as Mr. Esposito and the other representatives of TPFG can recommend to their clients. TPFG's representatives also may sell insurance and may receive commissions for insurance product sales.

From time to time, they may 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. TPFG 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 utilize the services of any representative of TPFPG in their capacity as a registered representative. If you have any questions regarding the compensation TPFPG or its representatives receives when recommending a security or insurance product, you should ask TPFPG or its representatives.

Certain employees of TPFPG are Dually Registered Persons. LPL Financial is a broker-dealer that is independently owned and operated and is not affiliated with TPFPG. Please refer to Item 12 for a discussion of the benefits TPFPG may receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

TPFPG may recommend the following LPL platforms to clients:

OMP - Optimum Market Portfolios Program

PWP - Personal Wealth Portfolios Program

MWP - Model Wealth Portfolios Program

MAS - Manager Access Select Program

SWM - Strategic Wealth Management

SWM II - Strategic Wealth Management II

TPFPG will always act in the best interests of the client, including when determining which third party manager to recommend to clients. TPFPG will ensure that all recommended advisors or managers are licensed, or notice filed in the states in which TPFPG is recommending them to clients. If TPFPG directs clients to third-party money managers, TPFPG will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between TPFPG and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. These fees are negotiable depending upon the needs of the client and complexity of the situation. Payment of fees for third-party money managers will depend on the specific third-party advisor selected.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification

of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

TPFG does not recommend that clients buy or sell any security in which a related person to TPFG or TPFG has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of TPFG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of TPFG to buy or sell the same securities before or after recommending

the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. TPFG will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of TPFG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of TPFG 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. TPFG will always transact client's transactions before its own when similar securities are being bought or sold.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

TPFG uses LPL Financial, LLC, Schwab and TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC ("TD Ameritrade"), as custodians. The custodians were chosen based on their relatively low transaction fees and access to mutual funds and ETFs. TPFG will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodians.

TPFG will generally recommend, request or require] that clients establish a brokerage account with LPL Financial to maintain custody of clients' assets and to effect trades for their accounts. LPL Financial provides brokerage and custodial services to independent investment advisory firms, including TPFG. For TPFG's accounts custodied at LPL Financial, LPL Financial generally is compensated by clients through commissions, trails, or other transaction- based fees for trades that are executed through LPL Financial or that settle into LPL Financial accounts. For IRA accounts, LPL Financial generally charges account maintenance fees. In addition, LPL Financial also charges clients miscellaneous fees and charges, such as account transfer fees. [LPL Financial charges TPFG an asset-based administration fee for administrative services provided by LPL Financial. Such administration fees are not directly borne by clients but may be taken into account when TPFG negotiates its advisory fee with clients.]

While LPL Financial does not participate in, or influence the formulation of, the investment advice TPFG provides, certain supervised persons of TPFG are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL Financial. As a result, the use of other trading platforms must be approved not only by TPFG, but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, TPFG is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial.

Clients should understand that not all investment advisers [require, request or recommend] that clients custody their accounts and trade through specific broker-dealers.

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of [TPFG and its Dually Registered Persons] that are conducted through broker-dealers and custodians other than LPL Financial. LPL Financial charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because TPFG has a financial incentive to recommend that you maintain your account with LPL Financial rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

#### ***Benefits Received by TPFG Personnel***

LPL Financial makes available to TPFG various products and services designed to assist TPFG in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of TPFG's accounts, including accounts not held with LPL Financial. These include software and other technology that provide

access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of TPF's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to TPF other services intended to help TPF manage and further develop its business. Some of these services assist TPF to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only TPF, for example, services that assist TPF in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by TPF in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL Financial will either make a payment to TPF to cover the cost of such services, reimburse TPF for the cost associated with the services, or pay the third party vendor directly on behalf of TPF.

The products and services described above are provided to TPF as part of its overall relationship with LPL Financial. While as a fiduciary TPF endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because TPF's [requirement, request or recommendation] that clients custody their assets at LPL Financial is based in part on the benefit to TPF of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. TPF's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

#### *Transition Assistance Benefits*

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.



The amount of the Transition Assistance payments is often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at [his/her] prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at [his/her] prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to associated persons of TPFPG in their capacity as registered representatives of LPL Financial. However, the receipt of Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to TPFPG's advisory **business** because it creates a financial incentive for TPFPG's representatives to recommend that its clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore TPFPG has an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

TPFPG attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. TPFPG considers LPL Financial's when recommending or requiring that clients maintain accounts with LPL Financial. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL Financial.

### ***1. Research and Other Soft-Dollar Benefits***

TPFPG receives no research, product, or services other than execution from a broker-dealer or third party in connection with client securities transactions ("soft dollar benefits").

### ***2. Brokerage for Client Referrals***

TPFPG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

TPFPG will not allow clients to direct TPFPG to use a specific broker-dealer to execute transactions. Clients must use TPFPG recommended custodian (broker-dealer).

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

TPFPG maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing TPFPG the ability to purchase larger blocks

resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least annually by the investment adviser representative of TPFPG assigned to the account. Each investment adviser representative is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

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).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

TPFPG or its representatives may receive compensation from product sponsors. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational and training events, marketing, advertising initiatives. Such compensation may not be tied to the sale of any products. LPL may pay TPFPG or its representatives bonuses based on production, award stock options to purchase shares of LPL's parent company, LPL Investment Holdings Inc., reimburse fees that TPFPG or its representatives pays to LPL for items such as administrative services, and provide other things of value such as free or reduced-cost marketing materials, payments in connection with the transition from another investment firm to LPL, or attendance at LPL conferences and events. These types of compensation from LPL may be based on overall business production and/or on the amount of assets serviced in LPL advisory programs. LPL is

required to state in this item that these bonuses by LPL may give TPFG or its representatives an incentive to recommend an advisory program over other programs and services. However, TPFG or its representatives may only recommend a program or service that he or she believes is suitable for a client.

TPFG and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL also provides other compensation to TPFG and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

Charles Schwab & Co., Inc. Advisor Services provides TPFG with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For TPFG client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to TPFG other products and services that benefit TPFG but may not benefit its clients' accounts. These benefits may include national, regional or TPFG specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of TPFG by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist TPFG in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of TPFG's fees from its clients' accounts (if applicable), and assist with back-office training and support

functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of TPFG's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to TPFG other services intended to help TPFG manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to TPFG by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to TPFG. TPFG is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

TPFG participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. TPFG receives some benefits from TD Ameritrade through its participation in the Program.

As part of the Program, TPFG may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between TPFG's participation in the Program and the investment advice it gives to its clients, although TPFG 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 TPFG 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 TPFG's 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 TPFG by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by TPFG's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit TPFG but may not benefit its client accounts. These products or services may assist TPFG in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help TPFG manage and further develop its business enterprise. The benefits received by TPFG 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, TPFG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by TPFG or its related persons in and of itself creates a conflict of interest and may indirectly influence TPFG's choice of TD Ameritrade for custody and brokerage services.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

TPFG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

TPFG, with client written authority, has limited custody of client's assets through direct fee deduction of TPFG's Fees only. If the client chooses to be billed directly by LPL Financial LLC, Schwab or Pershing, TPFG would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

For those client accounts where TPFG provides ongoing supervision, the client has given TPFG written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides TPFG discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

### **Item 17: Voting Client Securities (Proxy Voting)**

TPFG will not ask for, nor accept, voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

TPFG does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

## **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

In light of the COVID-19 coronavirus and historic decline in market values, TPFG has elected to participate in the CARES Act's Paycheck Protection Program ("PPP") to strengthen its balance sheet. TPFG intends to use this loan predominantly to continue payroll for the firm and may ultimately seek loan forgiveness per the terms of the PPP. Due to this and other measures taken internally, TPFG has been able to operate and continue serving its clients.

## **C. Bankruptcy Petitions in Previous Ten Years**

TPFG has not been the subject of a bankruptcy petition in the last ten years.