



## **PR Wealth Management Group, Inc.**

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### **FORM ADV PART 2A DISCLOSURE BROCHURE**

This brochure provides information about the qualifications and business practices of PR Wealth Management Group, Inc. If you have any questions about the contents of this brochure, contact us at 309-792-8291. 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 PR Wealth Management Group, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

PR Wealth Management Group, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment, dated February 12, 2020 we updated our ADV to include participation in the CARES Act. Please refer to Item 18 *Financial Information* below for more detailed information.

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## Item 4 Advisory Business

### Description of Firm

PR Wealth Management Group, Inc. is a registered investment adviser primarily based in East Moline, Illinois. We also have offices in Nevada and conduct business under the DBA Legacy Wealth Management Group of Las Vegas LLC. PR Wealth Management Group, Inc. is organized as a corporation under the laws of the State of Illinois. We have been providing investment advisory services since 2015. Our principal owners are Joshua M. Robinson and David M. Perry.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to PR Wealth Management Group, Inc. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Financial Planning Services

We offer financial planning services to all our clients which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. Although we offer an a la carte type of financial planning service on specific financial-related topics, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives (both financial and non-financial) which may include shorter-term, targeted objectives. Depending on your circumstances our financial planning software utilizes modulars covering certain topics such as:

1. Comprehensive Plan
2. Cash Flow Planning
3. Retirement Planning
4. Investment Planning
5. Insurance Planning
6. Education Planning
7. Estate Planning
8. Income-Tax Planning

Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Our written financial plan services involve consultation, analysis, and recommendations in insurance and risk management, investment planning, retirement planning, and estate planning. In order to determine a suitable course of action for an individual client, we shall perform a review of the variables that are presented. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular circumstances. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

By selecting our financial planning services a conflict of interest is present because persons providing investment advice on our behalf have an incentive to recommend our continuous portfolio management services for the purpose of generating a fee-based compensation rather than solely based on your needs. Nevertheless, you always have the right to decide whether to act on our financial

planning recommendations. Moreover should you choose to act on any of our recommendations, you also have the right to implement the financial plan and act on our recommendations by placing securities transactions with a brokerage firm selected by you rather than implementing through our portfolio management services as described below.

### **Portfolio Management Services**

We offer discretionary portfolio management services. As part of our portfolio management services, we use one or more sub-advisors to manage all of your account on a discretionary basis. The sub-advisor(s) use one or more of their model portfolios to manage your account.

If you retain our firm for portfolio management services, we will meet with you as a conduit for the recommended sub-advisor to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a customized *Investment Policy Statement* to be shared with our sub-advisor. The recommended sub-advisor provides you with continuous and focused investment advice and/or makes investments on your behalf. After the sub-advisor constructs an investment portfolio for you, they will monitor your portfolio's performance on an ongoing basis, and will re-balance the portfolio as required by changes in market conditions and in your financial circumstances. We will regularly monitor the performance of your accounts managed by sub-advisor(s), and may hire and fire any sub-advisor without your prior approval.

Our discretionary portfolio management services requires you to grant our firm discretionary authority. Discretionary authorization will allow us to work with our sub-advisors who will determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit discretionary authorization (for example, limiting the types of securities that can be purchased or sold for your account) by providing us with your restrictions and guidelines in writing.

We also provide investment advice for clients currently holding variable annuities within their investment portfolio(s). Although persons providing investment advice on behalf of our firm will not receive commissions on the sale of variable annuities to clients, where clients have granted us discretionary authority, these accounts may be included for our annual AUM (Assets Under Management) reporting obligation as well as for calculating our annual advisory fee. Please see *Fees and Compensation* section of our brochure for further information.

### **Sub-Advisory Arrangements**

**Forum Financial Management, LP.** We have engaged Forum Financial Management, LP ("Forum") as a sub-advisor to include the provision of back office services for the benefit of Clients' accounts. We pay Forum a fee for its services, which include, but are not limited to, account administration, technology, and trading. Clients are not charged any additional fees for Forum's services. We share relevant Client information with Forum. Forum maintains a privacy policy whereby Forum does not disclose non-public information obtained from us to any non-affiliated third parties, except as required to process transactions on Client's behalf.

Moreover Client appoints our firm to receive Forum's Disclosure Brochure or Form ADV, Part 2A. Just as our Disclosure Brochure, Forum's brochure contains information about Forum's advisory services, fees, types of clients, methods of analysis, investment strategies and risk of loss, disciplinary information (if any), financial affiliations, Code of Ethics, brokerage practices, review of accounts, other compensation or referral arrangements, custody of client assets, proxy voting, and any relevant

financial information. We retain copies of Forum's Disclosure Brochure and, upon Client request, will provide Client with copies of any Disclosure Brochure of Forum by paper or electronic means. This appointment shall remain in place until such time as revoked by you.

\*Note our legacy client accounts are utilizing AssetMark, Inc. as a sub-advisor.

### **Wrap Fee Programs**

We do not participate in any wrap fee program.

### **Types of Investments**

We primarily offer advice on mutual funds and exchange traded funds (ETFs). Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of February 11, 2021, we provide continuous management services for \$95,149,707 in client assets on a discretionary basis, and \$6,555,786 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

As per Section 130.846 of Illinois State Rules, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any penalty or advisory fees.

### **Portfolio Management Services**

The annual fee for Portfolio Management Services will be charged as a percentage of assets under management, according to the following tiered fee schedule:

#### **Annual Fee Schedule\***

<b>Assets Under Management</b>	<b>Annual Fee</b>
**\$250,000 to \$499,999	1.40%
\$500,000 to \$999,999	1.20%
\$1,000,000 to \$1,999,999	1.00%
\$2,000,000 to \$4,999,999	0.90%
\$5,000,000 to \$9,999,999	0.85%
\$10,000,000 and Above	Negotiated

*\* For portfolios with 70% or greater bond allocation, the annual management fee shall be no greater than 0.75%. Fees for Qualified Plan Services (401(k) Services), the annual management fee shall be no greater than 0.75%.*

*These fees are negotiable to include but not limited to a tiered fee schedule.*

*\*\* Portfolios under \$250,000 may be accepted at our discretion. The maximum fee for accounts under \$250,000 will be 1.60% annually*

Contingent upon the recommended sub-advisor our annual portfolio management fee may be billed in:

- (1) advance and is payable quarterly based in advance based on the value of your account on the last business day of the previous quarter, or
- (2) arrears based on the value of your account on the last business day of the quarter.

If the agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable.

We will combine the account values of family members living in the same household to determine the applicable advisory fee unless instructed by you otherwise. For example, we will combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. As best practices we provide concurrent notice of the fees to the custodian as well as an itemized invoice to you, describing the fee, the formula used to calculate the fee, the amount of assets under management that the fee is based on, and the time period covered by the fee. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. You should compare our invoices with the statements from your account custodian to reconcile the information reflected on each statement. If you have a question regarding your invoice or if you did not receive a statement from your custodian, please contact us at the telephone number on the cover page of this brochure.

You may terminate the portfolio management agreement upon 30-days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Sub-advisory Arrangements**

Clients are not charged any additional fees for arrangements with have with sub-advisors. We pay a portion of our advisory fee to the sub-advisor(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

### **Financial Planning Services**

We charge an hourly fee of \$200 for financial planning services. Although our financial planning services typically takes three to five hours, an estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

A portion of your fee is paid in advance not to exceed \$500 with the remainder due upon completion of services rendered. At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Portfolio Management Service.

You may terminate the financial planning agreement upon 30-days written notice to our firm.



### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, the applicable sub-advisor(s), and others. For information on our brokerage practices, refer to Item 12 *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with Purshe Kaplan Sterling Investments, Inc. CRD #35747 ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. Nevertheless, you always have the right, contractually or otherwise, to act on a purchase and/or sale of securities with someone other than persons providing investment advice on behalf of our firm who are also registered representatives with PKS.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. Nevertheless, you always have the right, contractually or otherwise, to purchase insurance products from anyone not affiliated with our firm.

### **IRA Rollover Considerations**

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 have the right not to complete the rollover. Moreover, if you do complete the rollover, you are not required to have the assets in an IRA managed by our firm.

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 each.

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 brochure.

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

We do not accept performance-based fees or participate in side-by-side management.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, including high net worth individuals, charitable organizations and corporations, and other business entities.

In general, we require a minimum of \$250,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

### **Our Methods of Analysis and Investment Strategies**

We will use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Modern Portfolio Theory (MPT)** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities or bonds. Instead, we will recommend a sub-advisor who will advise you on how to allocate your assets among various classes of securities or model portfolios. We primarily rely on investment model portfolios and strategies developed by the sub-advisor we recommend. We have the ability to hire and fire any sub-advisor without your prior approval if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

**Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this brochure, we primarily recommend mutual funds, and ETFs. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. To the extent and properties of the resulting premiums (discounts) of ETFs from their fair market value, traditional measures are misleading because the net asset value is not accurately represented and/or because the price of the fund is not accurately recorded. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. "Open end" mutual funds allow for new investors indefinitely.

**Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

**Item 10 Other Financial Industry Activities and Affiliations****Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are registered representatives with Purshe Kaplan Sterling Investments, Inc. CRD #35747 ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

**Licensed Insurance Agents**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees.

**Please see Item 5 Fees and Compensation section in this brochure for more information on the compensation received by the above persons who are affiliated with our firm.**

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. This mitigation would also include a prohibition of front-running in conflict or otherwise disadvantage to the interest of the advisory client.

## **Item 12 Brokerage Practices**

We will recommend that clients establish brokerage accounts with the Schwab Institutional a division of Charles Schwab & Co., Inc. ("Schwab"), to maintain custody of clients' assets and to effect trades for their accounts. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a sub-advisor who selects a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian via our sub-advisor. As such, we will also have access to research products and services from your account custodian. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our advisory responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are generally not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Schwab - Your Custody and Brokerage Costs**

For our clients' accounts it maintains via our sub-advisor, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates and/or asset-based fees applicable to our client accounts managed by our sub-advisors were negotiated based on a commitment to maintain \$250 million of clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, we use our sub-advisor to include these back office services for the benefit of our clients' accounts. Please refer to Item 4 *Advisory Business* for more information on our sub-advisory arrangements.

### **Our Interest in Schwab's Services**

The availability of Schwab services through our sub-advisor benefits us because we do not have to produce or purchase them. These services gives us an incentive to recommend that you maintain your account with Schwab via our sub-advisor based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services as discussed above and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest. Nevertheless, you always have the right, contractually or otherwise, to go with another broker-dealer that offers to maintain custody of your assets and to effect trades for your account(s).

### **Research and Other Soft Dollar Benefits**

Please refer to section above.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through Charles Schwab & Co., Inc. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm are registered representatives with Purshe Kaplan Sterling Investments, Inc. CRD #35747 ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. Nevertheless, you always have the right, contractually or otherwise, to act on a purchase and/or sale of securities with someone other than persons providing investment advice on behalf of our firm who are also registered representatives with PKS.

**Item 13 Review of Accounts****Portfolio Management Services**

Joshua M. Robinson and David M. Perry will monitor your accounts on an ongoing basis respectively and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews will be conducted based on various triggering circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with additional or regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian.

**Financial Planning Services**

Messrs. Robinson, Perry, and Feese will review financial plans respectively as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. Generally, we will contact you annually to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others.

Such reviews and updates will be subject to our then current hourly rate. Written updates to the financial plan will be provided in conjunction with the review. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from your custodian.



## Item 14 Client Referrals and Other Compensation

### Charles Schwab & Co., Inc - Institutional

In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 - Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Purshe Kaplan Sterling Investments, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We directly compensate non-employee (outside) consultants, individuals, and/or entities (solicitors) for client referrals. In order to receive a cash referral fee from us, solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to us by a solicitor, you should have received a copy of this brochure along with the solicitor's disclosure statement at the time of the referral. If you become a client, the solicitor that referred you to us will receive a percentage of the advisory fee you pay us for as long as you are our client, or until such time as our agreement with the solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a solicitor are contingent upon your entering into an advisory agreement with us. Therefore, a solicitor has a financial incentive to recommend us to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain us for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian holding your funds and securities at least quarterly. The account statements from your custodian will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. Please refer to Item 5 *Fees and Compensation* for further information.



You should compare our invoices with the statements from your account custodian to reconcile the information reflected on each statement. If you have a question regarding your invoice or if you did not receive a statement from your custodian, please contact us at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You must grant our firm discretion because our firm serves as a conduit for the recommended sub-advisor who manages your account over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Typically investment objectives, guidelines, and/or your ability to impose certain conditions or investment parameters for your account(s) are reflected on your Investment Profile Statement of which we share with the recommended sub-advisor. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this brochure for more information.

## **Item 17 Voting Client Securities**

Without exception, we will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

\*On April 14, 2020, our firm received a Paycheck Protection Plan (PPP) Loan through the Small Business Administration (SBA) in conjunction with the relief afforded from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The firm will use this loan to fund payroll for firm employees similarly situated in respective States where we are registered and the firm has not experienced and does not anticipate any interruptions of service. We anticipate that the loan will be forgiven by 2022 in accordance with the rules set forth by the SBA.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

For accounts custodied at TD Ameritrade, as of April 1, 2014, if a profit results from correcting the trade, you will not retain the profit as all net gains (positive error accounts balances resulting from trade corrections) will be moved to a TD Ameritrade error account and subsequently donated to charity.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.