

# Public Advisors LLC.

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Public Advisors LLC.. If you have any questions about the contents of this brochure, please contact us at (212) 401-6946 or by email at: [stephen@public.com](mailto:stephen@public.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 Public Advisors LLC. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Public Advisors LLC.'s CRD number is: 318234.*

6 Harrison St 5th Floor  
New York, NY 10013  
(212) 401-6946  
[stephen@public.com](mailto:stephen@public.com)  
<https://public.com>

*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Public Advisors LLC. has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore, there are no material changes to report.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Public Advisors LLC. (hereinafter “PALLC”) is a Limited Liability Company organized in the State of New York. The firm was formed in January 2022, and the principal owner is Public.com.

### **B. Types of Advisory Services**

#### ***Robo-Advisory Portfolio Management Services***

PALLC provides “robo-advisory” portfolio management services through an online interface/app. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice. These automated investment solutions are customized to each client and based on individual characteristics, such as the client’s age, risk tolerance, income, and current assets, among others. PALLC’s investment advisory personnel oversee the algorithm and will monitor each client’s account. Clients are encouraged to update their account/questionnaire with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio’s composition.

#### ***Robo-Advisory Investment Consulting Services***

PALLC provides “robo-advisory” investment consulting services through an online interface/app. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice regarding a client’s existing portfolio. Clients will provide their existing portfolio. The algorithm will provide an updated recommendation to the client based on their risk tolerance and suitability questionnaire.

#### ***Robo-Advisory Subscription Services***

PALLC provides “robo-advisory” subscription services through an online interface/app. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice regarding a client’s existing 401k or retirement portfolio. Clients will provide their existing portfolio. The algorithm will provide an updated recommendation to the client based on their risk tolerance and other factors.

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

PALLC generally limits its investment advice equities and ETFs (including ETFs in the gold and precious metal sectors). PALLC may use other securities as well to help diversify a portfolio when applicable.

#### ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

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

PALLC provides online "robo-advisory" portfolio management. Client accounts are generally invested into a target allocation depending on the client's individual profile. This automated approach factors in client financial situation and risk tolerance, although the algorithms used to provide advisory services are designed to be utilized by PALLC across multiple clients. 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 and transaction costs. PALLC does not participate in wrap fee programs.

### **E. Assets Under Management**

PALLC has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	February 2022

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Robo-Advisory Portfolio Management Services Fees*

PALLC provides robo-advisory portfolio management services via an online interface/app.

Total Assets	Annual Fee
All assets	0.25% - 1.00%

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period. The fees are negotiable.

Clients may terminate the agreement without penalty, for full refund of PALLC's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract with thirty days' written notice.

#### *Robo-Advisory Investment Consulting Fees*

##### **Fixed Fees**

The negotiated fixed rate for investment consulting is between \$25 and \$1,000.

Clients may terminate the agreement without penalty, for full refund of PALLC's fees, within five business days of signing the Agreement. Thereafter, clients may terminate the Agreement generally upon written notice.

#### *Robo-Advisory Subscription Services*

The negotiated fixed rate for subscription services is between \$25 and \$100.

Clients may terminate the agreement without penalty, for full refund of PALLC's fees, within five business days of signing the Agreement. Thereafter, clients may terminate the Agreement generally upon written notice.

### B. Payment of Fees

#### *Payment of Robo-Advisory Portfolio Management Fees*

Robo-advisory portfolio management fees are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly. Fees are paid in advance.

### ***Payment of Robo-Advisory Investment Consulting Fees***

Robo-advisory investment consulting fees are paid via wire.

Fixed investment consulting fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon completion.

### ***Robo-Advisory Subscription Fees***

Robo-advisory subscription fees are paid via wire.

Subscription fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon completion.

## **C. Client Responsibility For Third Party Fees**

Clients may be 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 PALLC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

PALLC collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

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

Marco Fuentes is a registered representative of a broker-dealer and an insurance agent. PALLC is registered with the SEC as an internet investment adviser. Per Rule 203A-2(e) Internet investment advisers are defined as advisers that provide investment advice to all of its clients exclusively through an interactive website, except that the investment

adviser may provide investment advice to fewer than 15 clients through other means during the preceding twelve months. Therefore, Marco Fuentes will not offer clients any services related to the other business activities.

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

PALLC 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**

PALLC generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is no account minimum.

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

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis*

PALLC's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

**Charting analysis** involves the use of patterns in performance charts. PALLC uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

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

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.



**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

### *Investment Strategies*

PALLC uses long term trading and short term trading.

**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*

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**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.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### *Investment Strategies*

**Robo-advisory services** use algorithms as the basis of the management process. Risks of this approach include, but are not limited to, that the algorithm might rebalance client accounts without regard to market conditions, that the accounts may be automatically rebalances on a more frequent basis or a less frequent basis than the client might expect, and that the algorithm may not address prolonged changes in market conditions. Additionally, clients should be aware that responses to the adviser's suitability questionnaire are typically the sole basis for the portfolio's allocation.

**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 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.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

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

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked 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.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and

other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Cryptocurrency** investing refers to trading in digital/virtual currencies, such as Bitcoin, that are not back by real assets or tangible securities and are more volatile than traditional currencies and financial assets. Digital currency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Digital currency is not backed or supported by any government or central bank. Digital currency's price is completely derived by market forces of supply and demand, traded between consenting parties with no broker and tracked on digital ledgers commonly known as blockchains. Investing in digital currency comes with significant risk of loss that a client should be prepared to bear and, due to the nature of cryptocurrencies, clients are exposed to the risks normally associated with investing but also unique risks not typical of investing in traditional securities. These, include, but are not limited to, volatile market price swings or flash crashes, market manipulation, economic, regulatory, technical, and cybersecurity risks. Please also see below for additional description/properties:

- **Unregulated** – Digital currency markets and exchanges are not regulated with the same controls or customer protections available in fixed income, equity, option, futures, or foreign exchange investing.
- **Increased Price Volatility** – The price of cryptocurrency is constantly fluctuating. Trade or balance can surge or drop suddenly. Price can drop to zero.
- **Susceptible to Error/Hacking** – Technical glitches, human error and hacking can occur, which typically do not affect traditional securities to the same extent.

- Forks – This implies a splitting of the chain on which the cryptocurrency runs, which makes it go in a different direction, with different rules than the existing blockchain.
  - Soft Fork – only a protocol change; the cryptocurrency still continues to work on the original blockchain rules.
  - Hard Fork – a permanent divergence in the blockchain.

**Leveraged Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Leverage provides additional risk, as any losses sustained will constitute a greater percentage of principal than if leverage had not been employed. Additionally, if losses occur, the value of the account may fall below the lender's threshold thereby forcing the account holder to devote more assets to the account or sell assets on a shorter time frame than desired. Areas of concern for ETFs include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Exchange Traded Notes (ETNs)** are unsecured, unsubordinated debt securities that were first issued by Barclays Bank PLC. This type of debt security differs from other types of bonds and notes because ETN returns are based upon the performance of a market index minus applicable fees, no period coupon payments are distributed and no principal protections exists. The purpose of ETNs is to create a type of security that combines both the aspects of bonds and exchange traded funds (ETF). Similar to ETFs, ETNs are traded on a major exchange, such as the NYSE during normal trading hours. However, investors can also hold the debt security until maturity. At that time the issuer will give the investor a cash amount that would be equal to principal amount (subject to the day's index factor). One factor that affects the ETN's value is the credit rating of the issuer. The value of the ETN may drop despite no change in the underlying index, instead due to a downgrade in the issuer's credit rating

**Past performance is not indicative of future results. 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 actions to report.

## **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

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

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

As a registered representative of Open To The Public Investing, Inc., Marco Fuentes accepts compensation from Open To the Public. He is not compensated on commission, or any formula based on the sale of securities.

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

Neither PALLC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Marco Fuentes is a registered representative of a broker-dealer and an insurance agent. PALLC is registered with the SEC as an internet investment adviser. Per Rule 203A-2(e) Internet investment advisers are defined as advisers that provide investment advice to all of its clients exclusively through an interactive website, except that the investment adviser may provide investment advice to fewer than 15 clients through other means during the preceding twelve months. Therefore, Marco Adan Fuentes will not offer clients any services related to the other business activities.

PALLC is under common ownership with Open To The Public Investing, Inc., a registered broker-dealer, CRD#127818.

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

PALLC does not utilize nor select third-party investment advisers.

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

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

PALLC has 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. PALLC's Code of Ethics is available free upon request to any client or prospective client.

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

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

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

From time to time, representatives of PALLC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PALLC 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. PALLC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage 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 PALLC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PALLC 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; however, PALLC will never engage in trading that operates to the client's disadvantage if representatives of PALLC buy or sell securities at or around the same time as clients.



## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on PALLC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and PALLC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in PALLC's research efforts. PALLC will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

PALLC will require clients to use Apex Clearing.

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

While PALLC has no formal soft dollars program in which soft dollars are used to pay for third party services, PALLC may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). PALLC may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and PALLC does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. PALLC benefits by not having to produce or pay for the research, products or services, and PALLC will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that PALLC's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

PALLC 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***

PALLC will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.



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

PALLC does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Review of Accounts**

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

Robo-advisory portfolio management accounts are reviewed by PALLC. Clients are encouraged to update their account with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio's composition.

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

Robo-advisory portfolio management accounts do undergo non-periodic review by PALLC, although allocations may change based on material market, economic, or political events and/or changes to the client's profile in accordance with PALLC's automated portfolio management.

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

Robo-advisory portfolio management clients will receive at least quarterly a written report that details the client's account including assets held and asset value, which report 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)**

Other than soft dollar benefits as described in Item 12 above, PALLC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to PALLC clients.

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

PALLC may compensate non-advisory personnel (solicitors) for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, PALLC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

PALLC provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, PALLC generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, PALLC's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to PALLC).

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

PALLC 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**

PALLC neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither PALLC nor its management has any financial condition that is likely to reasonably impair PALLC's ability to meet contractual commitments to clients.

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

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