

**Part 2A of Form ADV: *Brochure***  
**MassMutual Plan Fiduciary Services Program**



1295 State Street  
Springfield, MA 01111-0001

1-800-542-6767

[www.mmlinvestors.com](http://www.mmlinvestors.com)

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This brochure provides information about the qualifications and business practices of MML Investors Services, LLC. If you have any questions about the contents of this brochure, please contact us at 1-800-542-6767. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about MML Investors Services, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. MML Investors Services, LLC's CRD number is 10409. MML Investors Services, LLC is an SEC registered investment adviser. Please note that registration does not imply a certain level of skill or training.



## **Item 2 Material Changes**

This Item discusses material changes, if any, that have been made to this Brochure since it was published on March 31, 2022 and provides clients with a summary of such changes.

### **September 16, 2022 Update:**

Item 9 was updated to provide information regarding a Letter of Acceptance, Waiver, & Consent (“AWC”) entered into by MMLIS and FINRA on December 20, 2021. The AWC included findings that the Firm failed to reasonably supervise certain 529 plan share class recommendations and mutual fund fee breakpoints.



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## Item 4 Advisory Business

MML Investors Services, LLC (“MMLIS” or the “Firm”) is registered as a broker-dealer and investment adviser. MMLIS began conducting business in 1981 and has been registered as an investment adviser since 1993. MassMutual Holding LLC is MMLIS principal owner. Massachusetts Mutual Life Insurance Company (“MassMutual”) is MassMutual Holding LLC’s principal owner.

This brochure relates solely to the MassMutual Plan Fiduciary Services Program (the “Program”). MMLIS provides a variety of other investment advisory services, including asset management programs, money manager programs, generic financial seminars and financial planning and consulting services. These programs and services are discussed in separate brochures. Please contact your MMLIS Investment Adviser Representative (“IA Representative”) for information about these other advisory programs and services or to request a copy of our other disclosure brochures.

Under the Program, MMLIS provides investment advisory and other services, including certain fiduciary services under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), to plan sponsors and responsible plan fiduciaries (collectively, “Plan Sponsors”) of retirement plans (“Plans”). Certain of the services are provided by IA Representatives of MMLIS.

The investment advice and other services provided under the Program are limited to investments in investment companies registered under the Investment Company Act of 1940 (*e.g.*, mutual funds), collective investment trusts issued by a bank or trust company, and securities and other insurance products issued by an insurance company. In particular, MMLIS can provide the services described below. The services MMLIS will provide to a particular Plan will be specified in the MassMutual Plan Fiduciary Services Program Agreement (“Agreement”) between MMLIS and the Plan Sponsor.

### FIDUCIARY SERVICES

In the Program, MMLIS, through a home office team, provides the following services as investment manager fiduciary with discretionary authority under Section 3(38) of ERISA:

- (i) reviews the investment options (*e.g.*, mutual funds or group annuity subaccounts) available from the plan platform provider (“Provider”) selected by the Plan Sponsor for the Plan,
- (ii) creates an investment menu consisting of different asset classes and investment options, and
- (iii) periodically monitors the performance of the investments selected for the investment menu, and directs the Plan’s Provider to add, remove or replace investment options.

No investment advice is provided to participants of the Plan. The investment options that are offered are limited to the investment available through the Provider the Plan Sponsor selects. The Plan Sponsor is responsible for determining that the investment menu is appropriate based on the demographics and other characteristics of the Plan and its Participants. The Plan Sponsor may only select the investment menu in



its entirety and does not have the option to remove or substitute an investment option.

### NON-FIDUCIARY SERVICES

MMLIS provides the following non-fiduciary services under ERISA, through its IA Representatives:

- **Enrollment Services:** MMLIS conducts enrollment meetings for employees who are not Plan participants, for the purpose of providing general information and materials about the terms of the Plan, the operation of the Plan, and/or general information about the investment alternatives available under the Plan.
- **Participant Education:** MMLIS conducts investment education meetings for Plan participants for the purpose of providing general information and materials about the terms of the Plan, the operation of the Plan, and/or general information about the investment alternatives available under the Plan.
- **Education for Plan Sponsors:** MMLIS provides education to Plan Sponsors on certain responsibilities and concepts to be aware of when acting as a fiduciary to a retirement plan.

The non-fiduciary services do not constitute investment advice under section 3(21) of ERISA and will not cause MMLIS or IA Representatives to be deemed a fiduciary.

\* \* \*

If the Plan specifically elects in the Agreement that MMLIS shall provide management of the investment menu with discretionary authority, MMLIS will have discretionary authority and control for the limited purpose of adding, removing and/or replacing the plan-level investment options available as choices to plan participants. Other than as noted above, MMLIS does not have and does not accept any discretionary authority, responsibility or control with respect to the management or administration of Plans or the investment of their assets under the Program.

Other than as detailed in the paragraph above, Responsible Plan fiduciaries other than MMLIS and the IA Representative retain decision-making authority and responsibility and make all decisions with respect to all matters with respect to which MMLIS provides services under the Program. In addition, MMLIS does not provide any advice or other services under the Program to Plan participants. MMLIS does not provide legal, tax, accounting or actuarial advice under the Program, and is not responsible for determining whether its recommendations to Plans comply with (i) any tax qualification, legal, accounting, actuarial or other requirements that apply to the Plan or (ii) the governing documents for the Plan. Clients with tax or legal questions should seek a qualified independent expert.

Unless it otherwise agrees in writing, MMLIS will not provide advice or recommendations with respect to (i) Plan investments in employer securities, real estate or any other type of investment that MMLIS may specify from time to time, (ii) self-directed brokerage windows, and (iii) any service or product provided by an affiliate of MMLIS or the IA Representative. The Sponsor, responsible Plan fiduciaries or third



parties other than MMLIS and the IA Representative will be solely responsible for such matters. In the Program, MMLIS and IA Representatives may utilize tools and technology from several providers, such as Morningstar or Bloomberg.

From time to time, MMLIS or the IA Representatives may make the Plan or Plan participants aware of and may offer services available from MMLIS and/or the IA Representative that are separate and distinct from the services provided under the Program. Such services are not provided as part of the Program. If any such separate services are offered to a client, the client will make an independent assessment of such services.

## **Item 5 Fees and Compensation**

The Plan pays MMLIS a fee based on a percentage of Plan assets for the services provided by MMLIS and IA Representatives under the Program. MMLIS' maximum fee for the services it provides under the Program is 1.05%. The fee includes a MMLIS program fee of 0.05% for the services provided by MMLIS' home office team and a fee of up to 1.00% for services provided by IA Representatives.

The fees MMLIS receives, which are negotiable, may be paid:

- Directly by the Plan Sponsor on behalf of the Plan via check or ACH payable to MMLIS;
- Administered by the product provider/record keeper by debiting the fees directly from Plan participant accounts and remitting the fees to MMLIS; or
- Administered by the product provider/record keeper by remitting the fees to MMLIS from the Plan's Pension Expense Reimbursement Account.

The fees earned by MMLIS under the Program are paid in advance or in arrears on a quarterly or monthly basis. The fee is calculated for each billing period based on the Provider's method of calculating the fee which may be based on market value of Plan assets as of the last day of the billing period or the average daily market value balance during a billing period or other methods as agreed between the Plan Sponsor and Provider. The fees to be paid under the Program are specified in an Agreement entered into by MMLIS and Plan Sponsors.

Upon termination of the Agreement, MMLIS's fee for the billing period in which the effective date of termination occurs will be prorated. If billing is in advance, a final statement will be provided and the unearned prorated fee will be returned shortly following the date of termination. If billing is in arrears, a final billing statement for unbilled work performed prior to termination will be provided shortly following the date of termination.

MMLIS pays a portion of the fees it receives under the Agreement to its IA Representatives and to the supervisors who are responsible for supervising the IA Representative.

\* \* \*



In addition to the fees associated with the Program, Plans and Plan participants also pay a fee representing the internal and operating expenses, including management fees, for any mutual funds, variable annuity sub-accounts, and any other pooled investments that are included in the account. For certain mutual funds, expenses may include sub-transfer agent, administrative, shareholder servicing or distribution fees, such as 12b-1 fees. Such fees are not paid to MMLIS. In addition to fund-level expenses, some mutual funds assess redemption fees to specific investors upon the short-term redemption of its funds. Depending upon the particular mutual fund, this may include redemptions for rebalancing purposes. Please see the prospectus for the specific mutual fund or variable annuity for detailed information regarding fees. The product issuer, TPA/recordkeeper, trustee or custodian, and/or investment provider(s) may charge Plans and Plan participants additional fees such as recordkeeping or administrative fees. Clients should review the fees charged by the TPA/recordkeeper, trustee or custodian, investment provider(s), the sponsors or issuer of the securities, and MMLIS's fees to fully understand the total amount of fees to be paid by the client.

Clients who redeem, surrender or sell an existing security to fund an account should carefully consider the costs and benefits of the transaction including any tax liability or charges such as brokerage fees, redemption fees or contingent deferred sales charges. In addition, clients may pay charges to the account custodian or broker-dealer for various account services such as maintenance, termination, and/or wire transfers. Please refer to the disclosure documents of the custodian and/or broker-dealer for additional information. Please refer to Item 12 for additional information related to brokerage practices.

Since fees under the Program are negotiable, clients in the Program will pay different fees for the same types of services. A client could buy a mutual fund or other security or investment without utilizing the services provided under the Program. In that case, the client would not receive the benefits provided by the Program. Clients should note that similar advisory services may be available from other investment advisers or other similar firms for similar or lower fees.

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

This Item is not applicable to the MassMutual Plan Fiduciary Services Program.

## **Item 7 Types of Clients**

The Program is available to Plan Sponsors of participant directed defined contribution plans that are subject to ERISA. In addition to providing investment advisory services to Plan Sponsors under the Program, MMLIS generally provides advice to individuals, high net worth individuals, trusts, estates, endowments and foundations, and business entities.

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

Investing in securities involves risk of loss that Plan clients should be prepared to bear. Clients may experience loss in the value of their Plan accounts due to market fluctuations. There is no guarantee that a



client's investment objectives will be achieved by participating in the Program. Prior to investing, clients should read carefully a copy of the current prospectus for each security, where a prospectus is available. The prospectus contains information regarding the fees, expenses, investment objectives, investment techniques, and risks of the securities recommended by MMLIS in the Program. The investment returns on a Plan's account will vary and there is no guarantee of positive results or protection against loss. No warranties or representations are made by MMLIS concerning the benefits of participating in the Program.

In general, the investment advice and other services provided under the Program are limited to investments in investment companies registered under the Investment Company Act of 1940 (*e.g.*, mutual funds), collective investment trusts issued by a bank or trust company and securities and other insurance products issued by an insurance company. MMLIS, however, may from time to time provide investment advice on other securities to the extent such securities are currently available in the Plan. Notwithstanding the foregoing, unless it otherwise agrees in writing, MMLIS will not provide investment advice or recommendations with respect to (i) Plan investments in employer securities, real estate or any other type of investment that MMLIS may specify from time to time, (ii) self-directed brokerage windows, and (iii) any service or product provided by an affiliate of MMLIS or the IA Representative.

When providing investment management services to the Plan Sponsor of a participant-directed Plan (*e.g.*, creating, monitoring and maintaining the investment menu), MMLIS seeks to recommend a lineup of funds across various types of asset classes. Asset classes could include broad asset classes (such as equity or fixed income), or sub-asset classes (such as large cap, small cap, or international). In deciding what funds to recommend or select, MMLIS analyzes factors such as expense ratio, performance, manager tenure, track record, style consistency and the investment characteristics.

### Risks

Asset allocation assumes that the mix of asset classes will remain fairly consistent over a long-period of time. However, this may not end up being the case. In addition, the client's asset allocation targets typically are not changed unless the client's circumstances or objectives change, which means a client's portfolio may be subject to substantial market volatility in short and intermediate term time periods. In addition, a client with a diversified portfolio spread out over various asset classes may not participate in sharp increases in a particular security, industry or market sector. Clients with a diversified asset allocation may not achieve their investment objectives and may lose money. Finally, asset allocation does not account for individual security risks.

The data reviewed and considered by MMLIS in providing advice to Plans is based on the historical performance and operation of securities and other investments and such a historical review may not be indicative of future results. Accordingly, clients may face more volatility and losses than would be suggested by the past performance of investments and clients' risk and return characteristics may end up varying significantly from what is anticipated based on such past performance.



The risks detailed above are not a complete list of all risks.

## **Item 9 Disciplinary Information**

Detailed below are legal or disciplinary events that are material to a client's or prospective client's evaluation of MMLIS's services.

The Director of The Rhode Island Department of Business Regulation (the "Director") entered into a Consent Order Making Findings and Imposing Remedial Sanctions (the "Order") for the resolution of a matter involving the Firm on December 6, 2012. The matter was resolved prior to instituting administrative proceedings. The Firm neither admitted, nor denied the findings. The matter arose out of the conduct of two former representatives of the Firm who have been barred from engaging in any securities business in the state of Rhode Island as a result of their conduct. On March 28, 2011, the Firm advised the Securities Division that one of these representatives had embezzled money from one of his clients over the course of ten years by inducing the client to invest in fraudulent and non-existent promissory notes sold through the representative's outside business activity. The Director alleged that the Firm failed to reasonably supervise these representatives in violation of R.I. Gen. Laws Section 7-11-212(b)(1). The Order directs the Firm to: (i) immediately cease and desist from any further violations of the Rhode Island Uniform Securities Act of 1990 and the rules promulgated thereunder; (ii) pay a penalty in the amount of \$250,000 to the Rhode Island Department of Business Regulation; (iii) confirm in writing that it has reimbursed the client for losses according to the terms of a settlement negotiated amongst the parties; and, (iv) retain an independent consultant to conduct a comprehensive review of its Rhode Island Detached Branch Offices and registered representatives in such locations and issue a written report to be filed with the Director.

On August 21, 2013, the Firm entered into a Letter of Acceptance, Waiver and Consent ("AWC") with the Financial Industry Regulatory Authority ("FINRA"). The AWC finds that the Firm violated FINRA rules by failing to reasonably supervise and investigate certain of its registered representatives engaged in the sale of promissory notes not approved by the Firm. Without admitting or denying the findings, the Firm consented to a censure, a fine of \$125,000 and agreed to pay restitution to investors totaling no more than \$787,847.70. The Firm will provide proof to FINRA that it made restitution to investors no later than six months after August 21, 2013.

The Firm entered into a Consent Agreement and Order ("Order") with the Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Licensing, Compliance and Examinations ("Bureau") for the resolution of a matter effective July 6, 2015. The Firm neither admitted, nor denied the allegations. The matter arose out of the conduct of a deceased former representative of the Firm who operated an unapproved outside business activity through which he issued, offered and sold unregistered promissory notes to certain Pennsylvania residents. The issuance, offer and sale of the notes by the representative were not approved by the Firm. The Bureau received five complaints and was aware of twelve notes totaling approximately \$385,000. The Firm was subject to a sanction under Section 305(a)(vii) of the 1972 Act, 70 P.S. §1-305(a)(vii) for a failure to reasonably supervise an agent of



the Firm. The Order directed the Firm to (i) pay an administrative assessment in the amount of \$100,000; (ii) pay legal and investigative costs in the amount of \$25,000; (iii) comply with the 1972 Act, and its Regulations as adopted by the Department, 70 P.S. §1-101, et. seq; and (iv) represent to the Department that it had made payments to certain Pennsylvania residents related to the securities activities of the representative and his outside business. Payment to certain Pennsylvania residents in the amount of \$150,840.62 was made on June 30, 2015.

The Firm entered into a Letter of Acceptance, Waiver and Consent (“AWC”) with the Financial Industry Regulatory Authority (“FINRA”) for the resolution of a matter effective November 15, 2016. FINRA made findings that the Firm disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge (“Eligible Customers”). FINRA found that these Eligible Customers were instead sold Class A shares with a front-end sales charge or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. The AWC stated that the Firm failed to establish and maintain a supervisory system and written policies and procedures reasonably designed to ensure that Eligible Customers who purchased mutual fund shares received the benefit of applicable sales charge waivers. The AWC also stated that the Firm failed to reasonably supervise the application of sales charge waivers to eligible mutual fund sales. FINRA found that the firm relied on its financial advisors to determine the applicability of sales charge waivers, but failed to maintain adequate written policies or procedures to assist financial advisors in making this determination, including failing to establish and maintain written procedures to identify applicable sales charge waivers in fund prospectuses for Eligible Customers. Without admitting or denying the findings, the MMLIS consented to a censure and agreed to pay restitution to investors totaling \$1,864,167.77, plus interest.

MMLIS (and three other broker-dealers affiliated with MassMutual) entered into an AWC with FINRA for the resolution of a matter effective June 30, 2017. FINRA made findings that the Firm failed to maintain certain electronic books and records in a non-erasable and non-rewritable format known as the “Write Once, Read Many” (WORM) format that is intended to prevent the alteration or destruction of broker-dealer records stored electronically. The findings also stated that the Firm failed to (i) provide the required 90-day notice to FINRA prior to retaining a vendor to provide electronic storage, (ii) implement an audit system as required for such electronic books and records, (iii) provide letters of undertaking from independent third-parties with the ability to access and download information from the Firm’s electronic storage media; and (iv) enforce written supervisory procedures concerning the Firm’s storage of electronic brokerage records in WORM format. Without admitting or denying the findings, the Firm consented to a censure and agreed to a fine in the amount of \$750,000 (to be paid jointly and severally by the three other MassMutual affiliated broker-dealers). The Firm also agreed to certain undertakings, mainly to submit to FINRA within 60 days a written plan of how the Firm will conduct a comprehensive review of the adequacy of the relevant policies and procedures (written and otherwise), including a description of remedial measures leading to full compliance.

MMLIS entered into an AWC with FINRA for the resolution of a matter effective March 20, 2020. FINRA made findings that the Firm failed to ensure that access to a third-party system was limited to only those



former registered representatives of a company that was acquired by the Firm for whom access was agreed to be given. As a result, additional former registered representatives and associated persons of the Firm had access to the third-party system after the acquisition. Because MMLIS was unaware that these additional registered representatives and associated persons had access to the third-party system after the acquisition, the Firm did not notify the third party when those registered representatives and associated persons ceased to be associated with the Firm. As a result, the third-party did not timely shut off those former registered representatives' and associated persons' access to the third-party system. The third party system stored customer records and information, including nonpublic personal information. Without admitting or denying the findings, the Firm consented to a censure, a fine of \$75,000, and the entry of findings that it failed to prevent certain registered and associated persons who had been terminated from the Firm from continuing to access customer records and information, including nonpublic personal information, in violation of the SEC's Regulation S-P and FINRA Rule 2010.

On September 10, 2021, MMLIS entered into an agreement and order ("Order") with the U.S. Securities and Exchange Commission ("SEC"). The Firm neither admitted nor denied the allegations in the Order. The Firm was censured and ordered to cease and desist from committing or causing violations or future violations of Section 206(2) or 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. In connection with the Order, MMLIS agreed to pay disgorgement of \$1,150,505, prejudgment interest of \$258,952.29 and a penalty of \$700,000. The Order included allegations regarding breaches of fiduciary duties by MMLIS and MSI Financial Services, Inc. ("MSI"), a formerly registered investment adviser and broker-dealer that was integrated with MMLIS in March 2017, in connection with third-party compensation that MMLIS and MSI received based on their advisory clients' investments without fully and fairly disclosing their conflicts of interest. In particular, the Order stated that during certain periods since at least March 2015, MMLIS and MSI invested clients in certain share classes of mutual funds that resulted in the firms receiving revenue sharing payments pursuant to agreements with their unaffiliated clearing broker. The SEC alleged that in spite of these financial arrangements, MMLIS and MSI provided no disclosure or inadequate disclosure of the conflicts of interest arising from this compensation. The SEC alleged that MMLIS and MSI also breached their duty to seek best execution by causing certain advisory clients to invest in share classes of mutual funds that paid revenue sharing when share classes of the same funds were available to the clients that presented a more favorable value under the particular circumstances in place at the time of the transactions. Furthermore, the Order stated that MMLIS and MSI failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices and disclosure of conflicts of interest arising out of its revenue sharing practices. As a result of the conduct described herein, the SEC alleged that MMLIS willfully violated sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder.

MMLIS entered into an agreement and consent order ("Order") with the Massachusetts Securities Division ("MSD") for the resolution of a matter effective September 15, 2021. The Firm neither admitted, nor denied the allegations. The MSD alleged that MMLIS failed to supervise its broker-dealer agents' posting about securities on social media, trading in outside accounts of other individuals, and excessive trading in personal



accounts, and that these allegations constituted violations of Mass. Gen. Laws 204(A)(2)(J). In connection with the Order, MMLIS was censured and agreed to pay a fine of \$4,000,000. MMLIS was ordered to cease and desist from future violations of Massachusetts securities laws and engage an independent third party consultant to review policies and written supervisory procedures regarding (1) its broker-dealer agents' use of social media platforms, (2) detecting and monitoring broker-dealer agent trading in the accounts of others, and (3) monitoring of personal trading of registered agents. MMLIS also agreed to conduct compliance training and three years of annual compliance audits.

MMLIS entered into an agreement and consent order ("Order") with the Massachusetts Securities Division for the resolution of a matter effective September 15, 2021. The Firm neither admitted, nor denied the allegations. The allegations stated that MMLIS employed three hundred four (304) individuals who transacted securities business in Massachusetts, sixty-three (63) individuals who supervised MMLIS agents transacting securities business in Massachusetts, and one hundred eleven (111) agency supervisor officers who assisted in supervising agents while not registered as agents. In connection with the Order, MMLIS was censured and agreed to pay a fine of \$750,000. MMLIS was ordered to cease and desist from future violations of Massachusetts securities law and conduct a review of policies and procedures.

MMLIS entered into an AWC with FINRA for the resolution of a matter effective December 20, 2021. The Firm was censured and ordered to pay \$617,726.28, plus interest, in restitution to impacted customers. In resolving the matter, MMLIS provided substantial assistance to FINRA and, accordingly, no monetary sanction was imposed. The AWC stated that the Firm's systems and procedures for supervising representatives' 529 plan share class recommendations were not reasonably designed. The Firm allegedly failed to provide supervisors with adequate guidance and information necessary to evaluate the suitability of representatives' 529 plan share class recommendations, and also failed to provide guidance to representatives regarding the share class suitability factors specific to 529 plan investments when recommending 529 plans. In particular, supervisors approved numerous 529 C share transactions without having access to or considering beneficiary age, a relevant factor in evaluating the suitability of 529 share-class recommendations. Moreover, the Firm did not conduct training for representatives regarding 529 plan share classes or otherwise provide guidance with respect to the relevant suitability factors when recommending a particular 529 plan share class. The AWC also stated that the Firm failed to reasonably supervise mutual fund and 529 plan transactions for available breakpoints. The Firm's supervisory system was not reasonably designed to identify and apply all available breakpoint discounts. The Firm required its registered representatives to complete a breakpoint worksheet for Class A share purchases in mutual funds of 529 plans to identify available breakpoint discounts, but did not require breakpoint worksheets for direct or automatic contribution transactions made subsequent to an initial investment. The Firm relied on an exception report to identify missed mutual fund and 529 plan breakpoints. However, the exception report only captured transactions of \$500 or more. As a result, the AWC stated the Firm failed to have a system reasonably designed to aggregate for breakpoint purposes, customers' contributions to mutual funds and 529 plans if those contributions were in amounts less than \$500.



MMLIS entered into an agreement and consent order (“Order”) with the Massachusetts Securities Division for the resolution of a matter effective August 16, 2022. The Firm neither admitted, nor denied the allegations and MMLIS was ordered to cease and desist from future violations of Massachusetts securities law. The allegations stated that MMLIS failed to: (1) reasonably supervise a representative’s variable annuity sales practices, (2) ensure that its representative properly informed clients of the general terms of variable annuities recommended, and (3) ensure that its representative properly disclosed commissions received in connection with clients’ purchases of variable annuities and their premium payments. In connection with the Order, MMLIS was censured and the Firm agreed to: (1) pay a fine of \$250,000, (2) make certain remediation payments to clients, and (3) conduct a review of related policies and procedures.

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

MMLIS is a registered broker-dealer and investment adviser doing business in all 50 states, the District of Columbia and the Commonwealth of Puerto Rico. MMLIS’s primary business is assisting clients, other than Plans, in purchasing and selling securities products. These products include: mutual funds, variable annuity contracts, unit investment trusts, direct participation programs, and variable life insurance policies. In addition, MMLIS acts as an introducing broker-dealer for purchases and sales of individual stocks and bonds and other securities. MMLIS spends a majority of its time engaged in broker-dealer activities.

### Relationship with Affiliates

MMLIS’s management persons, including its directors and executive officers, are registered representatives and/or associated persons of MMLIS in its capacity as a broker-dealer. Management persons may also be registered or associated with the Firm’s affiliated broker-dealers MML Distributors, LLC and MML Strategic Distributors, LLC and with its affiliated investment advisers including MML Investment Advisers, LLC.

MMLIS is owned by MassMutual Holding LLC. Massachusetts Mutual Life Insurance Company (“MassMutual”) is MassMutual Holding LLC’s principal owner. MMLIS’s registered representatives and IA Representatives are all licensed insurance agents or brokers of MassMutual and/or other affiliated or unaffiliated insurance companies. When acting as a registered representative or insurance agent or broker, the IA Representative receives compensation for the sale of securities and insurance products. The securities compensation includes sales charges or service fees from the sale of securities.

MML Investment Advisers, LLC acts as an investment adviser, and MML Distributors, LLC acts as principal underwriter, for certain mutual funds, including the MassMutual Select Funds, the MassMutual Premier Funds, MML Series Investment Fund and the MML Series Investment Fund II. MML Distributors, LLC is owned by MassMutual Holding LLC. MMLIS, in its broker-dealer or investment adviser capacity, may recommend that a client invest in these mutual funds.



MassMutual Holding LLC is also the sole shareholder of Barings LLC, a registered investment adviser. MMLIS, in its broker-dealer or investment adviser capacity, may recommend that a client invest in mutual funds advised by Barings LLC.

Recommending a mutual fund advised or distributed by an affiliate (an “Affiliated Fund”), including Barings LLC and MML Distributors, LLC, creates a conflict of interest between MMLIS and advisory clients. Investing in an Affiliated Fund results in additional compensation being paid to MMLIS and/or one of its affiliates. In many cases, there are alternative funds that are available for investment that will provide clients with substantially similar exposure to the asset class or sector represented by an Affiliated Fund. This conflict of interest is addressed through clear and prominent disclosure to clients, suitability reviews of recommended securities and other products and through supervision of the registered representatives and IA Representatives.

Additional information on certain related entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.A. Part 1 of Form ADV can be accessed by following the directions provided on the cover page of this Brochure.

#### Other Business Relationships

MassMutual, directly and/or through one or more of its affiliates, owns common shares (approximately 17% of outstanding common shares) and preference shares of, and has certain shareholder rights with respect to, Invesco Ltd. (“Invesco”) as a result of the sale of MassMutual’s formerly affiliated asset management business, OppenheimerFunds, to Invesco. MMLIS, in its broker-dealer or investment adviser capacity, may recommend that a client invest in an investment product advised and/or distributed by one or more Invesco entities. This conflict of interest is addressed through clear and prominent disclosure to clients, suitability reviews of recommended securities and other products and through supervision of the registered representatives and IA Representatives.

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

MMLIS has adopted a Code of Ethics (“Code”) for its employees, officers, directors and IA Representatives (“Associates”) in compliance with Rule 204A-1 under the Investment Advisers Act of 1940. This Code establishes required standards of business conduct, as well as policies and procedures that are designed to detect and prevent personal trading activities that are, or might be, an abuse of fiduciary duties or create conflicts of interest.

The Code requires that all Associates acknowledge receipt and report violations of the Code. The Code sets forth standards with regard to Associates’ personal securities transactions and establishes general prohibitions. The Code places additional obligations on certain Associates classified as “Access Persons” including the obligation to submit periodic reports to MMLIS regarding their personal securities activities,



including initial and annual holdings reports and quarterly transactions reports. SEC rules and guidance exempt certain types of securities and transactions from Code of Ethics reporting.

The principles set forth in the Code that govern personal investment activities for Associates include:

- The duty at all times to place the interest of advisory clients first;
- The requirement that all covered personal securities transactions be consistent with the Code so as to avoid any actual or potential conflict of interest; and
- The fundamental standard that individuals should not take inappropriate advantage of their positions with respect to MMLIS and/or its advisory clients.

To prevent and detect personal trading violations of the Code, MMLIS reviews the holdings and transaction reports filed by Access Persons. A copy of the Code will be provided to any client or prospective client upon request. Please refer to the cover page of this Brochure for our contact information.

Outside of the Program, MMLIS may purchase for its own account, U.S. government-backed securities, high grade commercial paper and high grade corporate bonds in accordance with its investment policy, as determined by its Board of Directors. These categories of securities may be recommended by IA Representatives in certain advisory programs other than the Program. Any recommendations are unrelated to the Board of Director's investment policy. MMLIS and MassMutual invest in mutual funds managed by various fund families. These funds may also be recommended to clients in advisory programs including the Program. Any recommendations are unrelated to MMLIS' and MassMutual's decision to purchase such securities. These mutual funds are subject to the same level of due diligence as other mutual funds offered in the advisory programs.

MMLIS may recommend the purchase or sale of securities in which it, as investment adviser or broker-dealer, its related persons or any of their respective officers, directors, or employees, directly or indirectly, has a financial position or interest, or of which it buys or sells for itself. Such securities, however, are not sold out of MMLIS inventory. Such transactions may involve trading in securities in a manner inconsistent with the advice given to MMLIS' clients. Personal transactions in securities by affiliated persons of MMLIS will be subject to the procedures described in MMLIS' Code of Ethics and Compliance Manual.

MMLIS may from time to time perform a variety of services for, or solicit business from, a variety of companies including issuers of securities that MMLIS may recommend for purchase or sale by its clients outside of the Program. In connection with providing these services, MMLIS and its affiliated persons may come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, MMLIS and its affiliated persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a client of MMLIS. Accordingly, should MMLIS or any of its affiliated persons come into possession of material nonpublic or other confidential information concerning any company, they will be prohibited from communicating such information to clients, and MMLIS will have no responsibility or liability for failing to disclose such



information to clients as a result of following its policies and procedures designed to comply with applicable law.

## **Item 12 Brokerage Practices**

While MMLIS often effects securities transactions for clients since it is registered as a broker-dealer, MMLIS does not execute securities transactions or serve as the broker-dealer of record with respect to Plan clients under the Program. However, MMLIS will have authority to provide trade instructions to the Plan provider to add, remove or replace the investment options available at the plan level, without prior consultation with, or approval from, the Plan Sponsor. In order to obtain services under the Program, the Plan Sponsor will need to select a Provider. MMLIS limits the Providers available under the Program.

Plan clients pay charges to the Provider for various account services such as maintenance, termination, and/or wire transfers. Plan clients should refer to the disclosure documents of the Provider for information on these charges.

## **Item 13 Review of Accounts**

With respect to investment management services for the Plan Sponsor of a participant-directed plan, MMLIS will periodically monitor the performance of the investments selected for the investment menu, and direct the Plan's Provider to add, remove or replace investment options.

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

MMLIS does not receive additional compensation from parties other than the Plan in connection with providing investment advice through the Program.

MMLIS may enter into arrangements with, and pay compensation to, third parties ("Solicitors") who refer prospective clients to MMLIS. Where required by federal or state law, each arrangement will be governed by a written agreement between MMLIS and the Solicitor. Clients who are referred to MMLIS through a Solicitor will be provided with a separate statement disclosing the nature of the referral arrangement including compensation features, and any other document required to be provided under applicable law. The fees that MMLIS pays to Solicitors under these referral arrangements are not passed on to referred clients (i.e., the client is not charged any additional fees or expenses as a result of the referral arrangement) but depending on the circumstances, the existence of such referral arrangements may affect the amount of MMLIS overall fees.

As previously described, IA Representatives are compensated with a portion of the fee. MMLIS utilizes compensation schedules to calculate the overall compensation paid to IA Representatives for their work associated with the Program and other offerings at MMLIS. The compensation schedule is set annually and is generally based on the amount earned by the IA Representatives during the prior calendar year. This creates an incentive for IA Representatives to recommend more investments this year to earn a higher



portion of compensation the following year. Fees can also count towards rewards, recognition and trips provided by MMLIS and the IA Representative's supervisor or other manager.

In some cases, product issuers or sponsors provide our registered representatives (who may also be IA Representatives) with business entertainment, expense reimbursement for travel associated with educational or other business meetings, financial assistance in covering the cost of marketing expenses and sales events, and business courtesies, such as branded merchandise. We place reasonable limits on customary gifts and entertainment that our registered representatives may accept. However, the receipt of such gifts, entertainment or payment is a conflict of interest, as the registered representative may be more likely to recommend those products or services.

### **Item 15 Custody**

MMLIS does not have custody of client funds or securities in connection with the retirement plan business described herein. The Plan Sponsor is responsible for selecting the custodian and Plan Provider for Plan assets. MMLIS recommends that the Plan Sponsor review the statements and reports received from the custodian and Plan Provider.

### **Item 16 Investment Discretion**

In the Program, the Plan grants discretion and decision-making authority to MMLIS for the limited purpose of adding, removing and/or replacing the plan-level investment options available as choices to plan participants. MMLIS will have authority to provide instructions to the Plan Provider to add, remove or replace the investment options available at the plan level, without prior consultation with, or approval from, the Plan Sponsor.

Except as noted above, MMLIS does not have and does not accept any discretionary authority, responsibility or control with respect to the management or administration of Plans or the investment of their assets under the Program. In providing services under the Program, except as noted above, MMLIS acts only in a consulting or advisory capacity. Responsible Plan fiduciaries other than MMLIS and the IA Representative retain decision-making authority and responsibility and make all decisions with respect to all matters with respect to which MMLIS provides services under the Program.

### **Item 17 Voting Client Securities**

MMLIS does not provide advice or vote with respect to proxies or tender offers that are solicited for securities held by a Plan or provide advice or take any action with respect to any class action or other litigation involving Plan investments or service providers.

### **Item 18 Financial Information**

This Item is not applicable to the Program.



## Important Notices to Clients

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth and other information that will allow us to identify you. We may ask to see your driver's license or other identifying documents. Similarly, we will ask for identifying information and/or documents for accounts opened on behalf of an entity, rather than an individual (e.g. trusts, corporations). If you cannot provide the information or documentation we require, we may be unable to open an account or effect a transaction for you.

### PRIVACY POLICY

We recognize that our relationships with you are based on integrity and trust. As part of that trust relationship, we want you to understand that in order to provide our products and services to you, we must collect, use and share personal information about you. This Privacy Notice describes policies and practices about how we protect, collect and share personal information related to the financial products and services you receive from us. It also describes how you can limit some of that sharing.

#### ***We Protect Your Personal Information By:***

- Using security measures that include physical, electronic and procedural safeguards to protect your personal information from unauthorized access or use in accordance with state and federal requirements.
- Training employees to safeguard personal information and restricting access to personal information to employees who need it to perform their job functions.
- Contractually requiring business partners with whom we share your personal information to safeguard it and use it exclusively for the purpose for which it was shared.

#### ***Personal Information We May Collect:***

The types of personal information we may collect depends on the type of product or service you have with us and may include:

- Information that you provide to us on applications or forms, during conversations with us or our representatives, or when you visit our website (for example, your name, address, Social Security number, date of birth, income and assets).
- Information about your transactions with us and our affiliates, including your account balances and transactional history.
- Information from third parties such as consumer or other reporting agencies or other institutions if you transfer positions or funds to us.

#### ***We May Share All of the Personal Information We Collect, As Described Above, With:***

- Registered representatives who provide our products and services to you;
- Our affiliated companies, such as insurance or investment companies, insurance agencies or broker-dealers that market our products and services to you;
- Companies that perform marketing or administrative services for us;
- Nonaffiliated companies in order to perform standard business functions on our behalf including those related to processing transactions you request or authorize, or maintaining your account;



- Courts and government agencies in response to court orders or legal investigations;
- Credit bureaus; and
- Other financial institutions with whom we may jointly market products, if permitted in your state.

In addition, we may share certain of your personal information with your registered representative, when he or she leaves MML Investors Services to join another financial institution (whom we call a “departing representative”) so that he or she can continue to work with you at his or her new firm.

### **Important Privacy Choices**

MML Investors Services respects your privacy choices. If you prefer that we do not share your personal information about your accounts held with us with your departing representative, you can opt out of such sharing, that is, you may direct us not to do so. If you wish to opt out of the sharing of your personal information with your departing representative you may:

- Call us at (855) 520-7715

You may make this privacy choice and contact us at any time, however, if we do not hear from you we may share your information with your departing representative as described above. If this is a joint account, if one joint owner tells us not to share information that choice will apply to the other owner or owners. If you have already told us your choice, there is no need to do so again.

Other than as described above, we will only share your personal information as permitted by law and, if the law requires us to obtain your consent or give you the opportunity to opt-out of some types of sharing, we will do so before sharing the information.

For California and Vermont residents, we will not share your personal information with your departing representative unless we receive your express consent.

If you are no longer our customer, we may continue to share your personal information as described in this Privacy Notice.

If you have questions or concerns about this Privacy Notice, please contact us at (855) 520-7715.