

## **Premier Private Wealth, LLC**

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**March 7, 2023**

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

This brochure provides information about the qualifications and business practices of Premier Private Wealth, LLC. If you have any questions about the contents of this brochure, contact us at 615-777-2125. 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 Premier Private Wealth, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Premier Private Wealth, LLC 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.

The following is a summary of the material changes made to this Brochure since the last update on March 3, 2022:

- We have added information to Item 4 regarding Selection of Other Advisers
- We have updated our Assets Under Management in Item 5
- We have added information on the receipt of insurance-based compensation to Item 5

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## Item 4 Advisory Business

### **Description of Firm**

Premier Private Wealth, LLC ("Premier") is a registered investment adviser located in Brentwood, TN. We are organized as a limited liability company ("LLC") under the laws of the State of TN. We have been providing investment advisory services since June 2021. The firm is primarily owned by Michael R. Comstock and Julie D. Comstock.

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 Premier Private Wealth, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### **Portfolio Management Services**

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to 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.

We have entered into an agreement to offer clients access to certain programs offered by Commonwealth Financial Network® ("Commonwealth"), a FINRA-registered broker-dealer and SEC-registered investment adviser. Specifically, Commonwealth's PPS Custom Account Program, PPS Select Account Program and PPS Direct Account Program are offered. In the case of the PPS Custom Account Program, we will assist you in the development of personalized asset allocation programs. In the case of the PPS Select Account Program, we will assist you in selecting a portfolio option appropriate for your risk tolerance, while portfolio management is provided by Commonwealth's Investment Management and Research team. In the case of the PPS Direct Account Program, we offer the services of approved money management firms referred to as "Sub-Advisors" to assist in managing Client portfolios. Clients who participate in one or more of Commonwealth's PPS Programs will receive Commonwealth's Form ADV Part 2 and/or Wrap Fee Brochure, in addition to the Premier Form ADV Part 2. Clients should refer to Commonwealth's Form ADV Part 2 and/or Wrap Fee Brochure for detailed information about Commonwealth and Commonwealth's PPS Programs.

Premier and Commonwealth are not affiliated.

As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s). The sub-adviser(s) will charge a separate fee in addition to our fee.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

### **Commonwealth Consulting Programs**

Premier Private Wealth has entered into an agreement with Commonwealth to offer Commonwealth's Wealth Management Consulting and Retirement Plan Consulting programs.

### **Wealth Management Consulting Services**

We offer wealth management consulting services 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. These services can range from broad-based financial planning to consultative or single subject planning that primarily involves advising clients on specific financial-related topics. The topics we address may include, but are not limited to, investment analysis, education planning, individual retirement plan benefits review, retirement income planning and/or investment tax analysis. If you retain our firm for wealth management consulting services, 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. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. 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.

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.

You are under no obligation to act on our wealth management consulting recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **Retirement Plan Consulting Services**

We offer retirement plan consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring and/or ongoing consulting. These retirement plan consulting services are non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification;
- Asset allocation;
- Risk tolerance; and
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of retirement plan consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the retirement plan consulting agreement may terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. The retirement plan consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

### **Selection of Other Advisers**

When appropriate, we refer clients to the PPS Select Program, a Third-Party Money Manager (TPMM), and/or other outside managers, for asset management services. Depending on your needs and circumstances we will recommend that you use the services of a TPMM to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. With some TPMM programs, we will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

The TPMM must be appropriately licensed as an Investment Adviser with the U.S. Securities and Exchange Commission or state(s) in which they conduct business.

### **Family Office and Wealth Planning Services**

We offer Family Office and Wealth Planning Services designed to help our clients organize their financial situation and plan for the successful transfer of wealth to the next generation in the most tax-advantaged manner. Such services generally include assistance or advice in the following areas:

- Family Continuity;
- Estate Planning and Trustee Oversight;

- Integrated Tax and Financial Planning;
- Lifestyle Management;
- Personal Assistant;
- Family Philanthropy; and
- Risk Management

### **Types of Investments**

We primarily offer advice on ETFs and Mutual Funds. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments 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.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

### **Assets Under Management**

As of December 31, 2022, Premier Private Wealth, LLC provides continuous management services on a discretionary basis for approximately \$227 million in client assets.

The specific advisory program you select may cost the client more or less than purchasing program services separately. Factors that bear upon the cost of a particular advisory program in relation to the cost of the same services purchased separately include, but may not be limited to, the type and size of the account; the historical or expected size or number of trades for the account; the types of securities and strategies involved; the amount of fees, commissions, and other charges that apply at the account or transaction level; and the number and range of supplementary advisory and client-related services provided to the account. Lower fees for comparable services may be available from other sources.

Investment recommendations and advice offered by Premier Private Wealth and its advisors do not constitute legal, tax, or accounting advice. You should coordinate and discuss the impact of the financial advice you receive from your advisor with your attorney and accountant. You should inform your advisory representative promptly of any changes in your financial situation, investment goals, needs, or objectives. Failure to notify your advisory representative of any material changes could result in investment advice not meeting your changing needs.

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

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.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

## Item 5 Fees and Compensation

### Portfolio Management Services

Our tiered/blended fee for portfolio management services is based on a percentage of the assets in your account. Our typical client fee is set forth in the following fee schedule:

**Annual Fee Schedule**

<b>Assets Under Management</b>	<b>Annual Fee</b>
First \$500,000	1.5%
Next \$500,000	1.25%
Next \$1,000,000	1.00%
Next \$3,000,000	0.75%
Above \$5,000,000	0.50%

Our advisory fee is negotiable. In addition to the tiered/blended fee schedule above, if negotiated, we will offer a flat rate fee schedule based on a percentage of assets in your account. The maximum flat fee percentage is 1.5% and your negotiated fee is set forth in the portfolio management agreement.

### Portfolio Management Services

Our annual portfolio management fee is billed and payable quarterly in advance, computed as one-quarter of the annual fee based on the value of the account\* (including cash and money market positions) on the last business day of the previous calendar quarter. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion.

If the portfolio management 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.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may 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. 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.

\*Account values in the Commonwealth Financial Practice 360 reporting system will be used for Premier quarterly fee calculations for advisory accounts custodied at National Financial Services (NFS). Although account holdings and asset valuations should generally match, month-end market values reflected in Commonwealth's Practice 360 reporting system sometimes differ from those provided by NFS on their month-end statements. The three most common reasons why these values may differ are (i) differences in the manner in which accrued interest is calculated, (ii) differences in the date upon which "as of" dividends and capital gains are reported, and (iii) differences in whether settlement date valuations or trade date valuations are used. If you have any questions or believe there are material discrepancies between your NFS custodial statement and Commonwealth's Practice 360 reporting system, please contact Premier at 615-777-2125. The Commonwealth Practice 360 report valuations are available online via your Investor 360 account or you may request a copy from your Premier Advisory Representative.

To the extent that you hold positions in your account for which pricing data is not readily available, Commonwealth receives quarter-end values from alternative investment issuers or other service providers which are used when calculating billable AUM for our clients. Neither Premier nor Commonwealth engages in an independent valuation of your account assets and relies on valuations provided by the investment issuers or other service providers. Premier (via Commonwealth and further via the account custodian) will provide periodic account statements which include the market value of the alternative investment based on information received from the investment issuer or other service provider. In providing these account statements, or any other valuation information to you, (i) Premier relies on the valuation information provided by the manager of the alternative investment or other service provider, (ii) the valuation information used to determine the billing fee is based on estimates that may be outdated as of the dates of the account statements, (iii) the products final valuations may be higher or lower than the values reflected in the periodic account statements and (iv) while Commonwealth will adjust material estimated fee billings on a best efforts basis on Premier's behalf, neither Premier nor Commonwealth is under no obligation to provide notice or compensation to you for differences in estimated alternative investment valuations.

Clients who elect to open a margin account acknowledge and agree that margin may be exercised against their account for purposes including, but not limited to, covering debits, management fees, and/or other billing and administrative costs. Management fees on margin accounts will be assessed on the equity (e.g., ownership) portion of the account and not on the account's total market value.

You may terminate the portfolio management agreement, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with us. You will, however, be responsible for any fees and charges incurred from third parties as a result of maintaining the account, such as account maintenance or custodial fees. Thereafter, you may terminate investment advisory services upon written notice to terminate. You will be responsible for any time spent by us in providing advisory services or analyzing your situation. If you terminate investment advisory services during a quarter, 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.

### **Wealth Management Consulting Services**

We offer both fixed and hourly fee arrangements for financial planning services.

Fixed fees for financial planning services generally range from \$2,000 to \$10,000. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. Should you wish to engage us for ongoing financial planning services, you will pay fees on an ongoing basis. Fees for ongoing financial planning services are negotiable based upon the same criteria outlined above.

Alternatively, you may also engage us on an hourly fee basis at \$250/hour for financial planning services, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. 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. Our wealth management consulting fees are negotiable and payable on completion of the contracted services. Generally, our fees are payable via check or, if authorized, by having the payment drawn from your nonqualified Commonwealth/NFS account or by ACH or credit card. (Note: there is a 3% service charge on credit card payments.)

You may terminate the wealth management consulting agreement, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with us. Thereafter, since our wealth management consulting fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the agreement.

### **Family Office and Wealth Planning**

Our fee for family office and wealth planning services is negotiable. The fee is determined at the inception of your advisory relationship with our firm. In determining the fee, we may include the assets in accounts of your family members (e.g., husband, wife, dependents, and related trust accounts) for whom we are providing services. We will endeavor to value your assets based upon a fair value methodology. Our valuation will depend on the information you provide to our firm. We may make certain assumptions when determining fair value, including but not limited

to, comparable valuations on real estate, third party business valuations and annual inflation rates.

Depending on the family office and wealth planning services provided, our fee will be a negotiated fixed fee that is payable in advance or arrears on a monthly, quarterly, semi-annual, or annual basis, determined in advance of services rendered and outlined in the firm's financial planning agreement.

You may terminate the agreement for our family office and wealth planning services, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with us. Thereafter, you may terminate investment advisory services upon written notice to terminate. You will be responsible for any time spent by us in providing advisory services or analyzing your situation. If you terminate investment advisory services during a quarter, you will incur a pro rata charge for services rendered prior to the termination of the financial planning agreement. If our family office and wealth planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the agreement. If you have prepaid family office and wealth planning fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Selection of Other Advisers**

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the *Portfolio Management Services* section in this brochure.

Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

When appropriate, we refer clients to the PPS Select Program, a Third-Party Money Manager (TPMM). The program fees for PPS Select are listed in Commonwealth's Part 2A brochure which would be provided to clients using Commonwealth's programs.

### **Retirement Plan Consulting Services**

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis. However, our general fee schedule is based on a flat percentage of assets in the plan and is set forth in the following annual fee schedule:

#### **Annual Fee Schedule**

<b>Plan Assets</b>	<b>Annual</b>
First \$3,000,000	1.00%

Next \$2,000,000	0.75%
Next \$3,000,000	0.50%
Next \$2,000,000	0.25%
Next \$10,000,000	0.20%
Next \$10,000,000	0.15%
More than \$30,000,000	0.10%

In addition to the tiered/blended fee schedule above, if negotiated, we offer a flat rate fee schedule based on a percentage of assets in the plan.

You may terminate the retirement plan consulting services agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the 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.

### **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 to 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. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Insurance Products**

Advisory Representatives providing investment advice on behalf of our firm are licensed as independent insurance agents. They will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by the Advisory Representatives in their role as insurance agents are separate and in addition to our advisory fees. This compensation is payable to Premier Private Wealth rather than the individual advisor selling the insurance product. Despite the individual advisors not being compensated directly for the sale of insurance, 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 payable to the firm (which increases firm revenue, and therefore potentially the salaries received by our advisors) rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. Please note that insurance sales are a very small portion of our business, representing less than 1% of the firm's overall revenue. Given that, it is unlikely that the sale of insurance products will materially impact the firm's revenue or the compensation received by our advisors.

All Premier advisory program fees are negotiable. Program and/or platform fees (if applicable), transaction charges and other account-related fees assessed by the account custodian or Commonwealth are not negotiable. Premier may waive all or a portion of the advisory program and/or platform fee, whether on an ongoing or a one-time basis, in its sole discretion. In the event a client terminates an advisory agreement with Premier, any unearned fees resulting from payments made by clients in advance will be refunded to the client. Likewise, in the event Premier bills clients in arrears for services that have already been rendered, Premier will prorate such fees up to the termination date of the advisory agreement.

## 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 generally offer investment advisory services to individuals (other than high net worth individuals), high net worth individuals and charitable organizations, but may engage any type of client at the firm's sole discretion.

The minimum household investment required under our Portfolio Management programs is generally \$500,000. Household values below this minimum may be accepted on an individual basis at our discretion. Such circumstances may include, but not be limited to, those situations where additional assets will soon be deposited, anticipated future earning capacity, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.

We may, at our discretion, 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 may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Modern Portfolio Theory** - 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.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

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.**

Unless specifically requested, we will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party money managers. We primarily rely on investment model portfolios and strategies developed by the third party money managers and their portfolio managers. We may replace/recommend replacing a third party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

## **Cash Management**

In managing the cash maintained in your account, we utilize the sole exclusive cash vehicle (money market) made available by the custodian. There may be other cash management options away from the custodian available to you with higher yields or safer underlying investments.

### **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.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Margin transactions**

Securities transactions in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan, inherently have more risk than cash purchases. If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk in accounts utilizing margin includes the amount of money invested plus the amount that was loaned to them.

### **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.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and

sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired or are nearing retirement.

### **Recommendation of Particular Types of Securities**

We primarily recommend ETFs, and Mutual Funds. Although, 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.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

**Municipal Securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.



**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and the overall health of the economy. In general, larger, better-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETFs") 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. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. 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. 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. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Variable Annuities:** A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the

annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

**Real Estate Investment Trust:** A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

**Private Placements:** A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission.

**Risk:** Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

## 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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker;
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund);
3. other investment adviser or financial planner;
4. futures commission merchant, commodity pool operator, or commodity trading adviser;
5. banking or thrift institution;
6. accountant or accounting firm;
7. lawyer or law firm;
8. insurance company or agency;
9. pension consultant;
10. real estate broker or dealer; and/or
11. sponsor or syndicator of limited partnerships.

Premier has chosen to partner with Commonwealth to provide certain services, including but not limited to fee billing and account performance reporting, to our firm and our clients. For the services it provides, Commonwealth charges our advisors an administrative fee at the same time clients are charged asset-based management fees. The administrative fee is charged to and paid by the advisor rather than the advisor's clients.

In the same manner as we offer asset management fee discounts as your account value grows, Commonwealth offers our Premier discounts on administrative fees based on their total assets under management within Commonwealth's PPS programs. As we grow our assets in these programs, we are eligible for lower administrative fees.

This opportunity for discounts in administrative fees for increased assets under management present a conflict of interest because they provide a financial incentive for Premier to recommend Commonwealth's PPS programs over other available managed account programs that do not offer such discounts to advisors. On the other hand, because Commonwealth does not assess administrative fees to advisors when they use advisory programs outside of PPS or our own asset management program, depending upon the costs and fees of a particular outside program, advisors may have a financial incentive to use one or more outside programs rather than PPS or our own program, which also creates a conflict of interest.

As previously stated, we may offer clients the investment advisory programs and/or services of Commonwealth. Should you be offered one or more of these programs, you

are advised that Premier, your Advisory Representative and Commonwealth will receive compensation pursuant to your participation in Commonwealth's programs. The advisory fees associated with these programs may be higher or lower than advisory fees for similar programs with other investment advisors. Premier and your Advisory Representative have a conflict of interest in recommending that you participate in these programs given the compensation that will be received. We attempt to mitigate this conflict by providing you with this disclosure document and noting that clients may be able to receive similar services for less cost from other providers.

### **Licensed Insurance Agency**

Our firm is also licensed as an insurance agency. Therefore, Advisory Representatives providing investment advice on behalf of our firm may be licensed as insurance agents. They 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. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

### **Recommendation of Other Advisers**

We may recommend that you use a third-party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

## **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.

## Item 12 Brokerage Practices

We recommend the brokerage and custodial services of Commonwealth/National Financial Services ("NFS"). While you are free to choose any broker-dealer or other service provider as your custodian, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

In initially selecting Commonwealth/NFS, we conducted due diligence. We examined the ability to service you, staying power as a company, industry reputation, reporting ability, trading platform, products and services available, technology resources, and educational resources. We consider the commissions to be reasonable in comparison to the value provided although they may be higher or lower as compared to other firms.

### **How We Select Brokers/Custodians**

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], limited partnerships)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us

### **Your Brokerage and Custody Costs--Commonwealth/NFS**

For our clients' accounts that we maintain via NFS, Premier and NFS generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that are executed or settled into your account. Commonwealth's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$50,000,000 of their assets in accounts at NFS. For client accounts at Commonwealth, this commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. Because of these factors, in order to minimize your trading costs, we have Commonwealth (via NFS) execute applicable trades for your account(s). We have determined that having Commonwealth/NFS execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians").

### **Products and Services Available to Us from Commonwealth and NFS**

Commonwealth provides us with various products and services that enable us to both serve our clients and grow our business. Commonwealth (through their disclosed clearing relationships with NFS) provide us and our clients with access to its brokerage services—trading, custody, reporting, and related services. Commonwealth also makes available various support services. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. Following is a more detailed description of Commonwealth's support services:

#### **Services That Benefit You**

Commonwealth's brokerage services include access to a broad range of investment products, execution of securities transactions by Commonwealth's clearing firms, and custody of client assets via their clearing firms. The investment products available through Commonwealth include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Commonwealth's services described in this paragraph generally benefit you and your account.

#### **Services That May Not Directly Benefit You**

Commonwealth also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Commonwealth's and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Commonwealth. In addition to investment research, Commonwealth also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

#### **Services That Generally Benefit Only Us**

Commonwealth also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Complementary or discounted attendance at conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession

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

Our relationship with Commonwealth requires that we maintain a certain level of assets within Commonwealth's program. This creates an incentive to recommend that you establish and maintain your account with Commonwealth, based on our interest in receiving Commonwealth'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. To mitigate the conflict, this disclosure is provided to you. As a fiduciary, we must act in your best interests. We believe that our selection of NFS (via Commonwealth) as custodian and broker is in the best interests of our clients for the trades we execute there.

Our selection is primarily supported by the scope, quality, and price of Commonwealth's and NFS' services (see "How We Select Brokers/Custodians") and not their services that benefit only us.

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

Products and services that we receive from Commonwealth consist of research data and analyses, financial publications, recommendations, or other information about particular companies and industries (through research reports and otherwise), and other products or services (e.g., software and data bases) that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Consistent with applicable rules, brokerage products and services consist primarily of computer services and software that permit our firm to effect securities transactions and perform functions incidental to transaction execution. We use such products and services in our general investment decision making, not just for those accounts for which commissions may be considered to have been used to pay for the products or services.

The test for determining whether a service, product or benefit obtained from or at the expense of a broker constitutes "research" under this definition is whether the service, product, or benefit assists our firm in investment decision-making for discretionary client accounts. Services, products, or benefits that do not assist in investment decision-making for discretionary client accounts do not qualify as "research." Also, services, products or benefits that are used in part for investment decision-making for discretionary client accounts and in part for other purposes (such as accounting, corporate administration, record-keeping, performance attribution analysis, client reporting, or investment decision-making for the firm's own investment accounts) constitute "research" only to the extent that they are used in investment decision-making for discretionary client accounts.

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of NFS. As such, we will also have access to research products and services from NFS. These products are in addition to any benefits or research we pay for with soft dollars, and 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 investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms NFS and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by NFS 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.

### **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.

We are independently owned and operated and are not affiliated with NFS or any other qualified custodian. The qualified custodian will hold your assets in a brokerage account and buy and sell securities with our instruction. While we will recommend a qualified custodian to hold your assets, you will decide whether to do so and will open the account directly at the qualified custodian with our assistance.

Periodically, we will review alternative custodians in the marketplace to ensure NFS is meeting our duty to provide best execution for your accounts. The review will include a comparison that involves evaluating criteria such as overall expertise, cost competitiveness and financial condition. The quality of execution will be reviewed through trade journal evaluations. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the current custodian.

Additionally, some product sponsors such as investment companies provide support to Premier and our Advisory Representatives. Such support includes research, educational information and monetary support for due-diligence trips and client events. This additional compensation presents a conflict of interest because Premier or your Advisory Representative has a greater incentive to make available, recommend or make investment decisions regarding investments for your account that provide such additional compensation to us. Further information regarding fees and charges assessed to you by investment products you purchase is available in the appropriate product prospectus, statement of additional information and/or offering document.

There is an incentive for Premier and our Advisory Representatives to recommend Commonwealth, over other broker-dealers, based on the access to products and services that we will receive.

Commonwealth has a wide range of approved securities products for which Commonwealth performs due diligence prior to selection. Commonwealth provides our Advisory Representatives, and therefore Premier, with back-office, operational, technology, and other administrative support. Other services may include consulting, publications, and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Such services are intended to help us and our Advisory Representatives manage and further develop our business enterprise.

### **Special Disclosures for ERISA Plans:**



In this Brochure, Premier has disclosed conflicts of interest, such as receiving additional compensation from third parties (e.g., revenue sharing) for providing marketing, recordkeeping, or other services in connection with certain investments. We have, however, adopted policies and procedures that are designed to ensure compliance with the prohibited transaction rules under the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. For example, Premier has taken several steps to address the conflict of interest associated with Premier's or our Advisory Representatives' receipt of compensation for services provided to ERISA plans.

First, an Advisory Representative negotiates the compensation with ERISA plan sponsors or participants ("ERISA clients") and the compensation is either an annual fee for ongoing services based on a percentage of assets under advisement, a flat fee, or an hourly rate. Second, to the extent that an Advisory Representative receives additional compensation from a third party, the Advisory Representative must report it to Premier to enable the additional compensation to be offset against the fees that the ERISA clients would otherwise pay for Premier's services. Third, Premier has established a policy not to influence any Advisory Representative's advice or management of assets at any time or for any reason based on any compensation that Premier or your Advisory Representative might receive from third parties. In no event will Premier allow Advisory Representatives to provide advice or manage assets for ERISA clients if they have conflicts of interest that Premier believes are prohibited by ERISA.

As a covered service provider to ERISA plans, Premier Private Wealth will comply with the U.S. Department of Labor regulations on fee disclosures, effective July 16, 2011 (or such other date as provided by the Department). Thus, the firm and its advisors will disclose (i) direct compensation received from ERISA clients; (ii) indirect compensation received from third parties; and (iii) transaction-based compensation or other similar compensation shared with related parties servicing the ERISA plan. These fee disclosures will be made reasonably in advance of entering into, renewing, or extending the advisory service agreement with the ERISA client.

### **Directed Brokerage Aggregated Trades**

We do not generally combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "aggregated trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

On occasion, we may decide to purchase or sell the same securities for several clients at approximately the same time. When aggregating trades, we will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

## Mutual Fund Share Classes

In most cases, mutual fund companies offer multiple share classes of the same mutual fund. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. Mutual funds that offer institutional share classes, advisory share classes, and other share classes with lower expense ratios are available to investors who meet specific eligibility requirements that are described in the mutual fund's prospectus or its statement of additional information. These eligibility requirements include, but may not be limited to, investments meeting certain minimum dollar amounts and accounts that the fund considers qualified fee-based programs. The lowest-cost mutual fund share class for a fund may not be offered through our clearing firm or made available for purchase within our managed accounts. Clients should never assume that they will be invested in the share class with the lowest possible expense ratio or cost.

We urge clients to discuss with their advisor whether lower-cost share classes are available in their program account. Clients should also ask their advisor why the funds or other investments that will be purchased or held in their managed account are appropriate for them in consideration of their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged, whether the client will pay transaction charges for fund purchases and sales, whether clients will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance, and relevant tax considerations. Your advisor may recommend, select, or continue to hold a fund share class that charges you higher internal expenses than other available share classes for the same fund.

The purchase or sale of transaction-fee ("TF") funds available for investment through the firm will result in the assessment of transaction charges to you, your advisor or Premier Private Wealth. Although no-transaction-fee ("NTF") funds do not assess transaction charges, most NTF funds have higher internal expenses than funds that do not participate in an NTF program. These higher internal fund expenses are assessed to investors who purchase or hold NTF funds. Depending upon the frequency of trading and hold periods, NTF funds may cost you more, or may cost Premier Private Wealth or your advisor less, than mutual funds that assess transaction charges but have lower internal expenses. In addition, the higher internal expenses charged to clients who hold NTF funds will adversely affect the long-term performance of their accounts when compared to share classes of the same fund that assess lower internal expenses.

The existence of various fund share classes with lower internal expenses that we may not make available for purchase in our managed account programs present a conflict of interest between clients and the firm or its advisors. A conflict of interest exists because the firm and your advisor have a greater incentive to make available, recommend, or make investment decisions regarding investments that provide additional compensation to the firm that cost clients more than other available share classes in the same fund that cost you less. For those advisory programs that assess transaction charges to clients or to the firm or the advisor, a conflict of interest exists because the firm and your advisor have a financial incentive to recommend or select NTF funds that do not assess transaction charges but cost you more in internal expenses than funds that do assess transaction charges but cost you less in internal expenses.

## Item 13 Review of Accounts

If you are participating in the Portfolio Management Services, you will be invited to participate in at least an annual review. You may request more frequent reviews and set thresholds for triggering events that would cause a review to take place. Your Advisory Representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections. Your Advisory Representative will monitor your accounts on an ongoing basis to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various 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.

You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require your Advisory Representative to review the portfolio allocation and make recommendations for changes.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Your Advisory Representative will review financial plans 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 periodically 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. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Such reviews and updates may be subject to our then current hourly rate or annual fee. Written updates to the financial plan may be provided in conjunction with the review. If you implement our wealth management consulting advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

## Item 14 Client Referrals and Other Compensation

We receive economic benefits from a non-client in connection with providing investment advice or other advisory services to you. Through our participation in certain programs or use of a custodian we are entitled to receive economic benefits. As part of our fiduciary duty, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm from a non-client in and of themselves creates a potential conflict of interest and may influence our choice in

providing services to your account. This arrangement does not cause our clients to pay any additional transaction fees beyond those that are traditionally charged by our firm and/or other service providers.

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.

As disclosed under the *Fees and Compensation* section in this brochure, some persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

Commonwealth offers our Advisory Representatives educational, training, and other programs if they meet certain sales production goals. This may include the payment or reimbursement of travel, meals, and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on the total amount of production. This additional compensation presents a conflict of interest because we or your Advisory Representative has a greater incentive to make available, recommend, or make investment decisions regarding investments for your account that enable our Advisory Representatives to meet the production goals noted above. Further information regarding fees and charges assessed to you by investment products you purchase is available in the appropriate product prospectus, statement of additional information, and/or offering document.

We receive an economic benefit from Commonwealth/NFS in the form of the support, products and services Commonwealth/NFS make available to us as well as other investment advisers whose clients maintain their accounts on Commonwealth's platform. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 of this brochure.

Our access to Commonwealth's products and services is not conditioned on our firm or our Advisory Representatives giving particular investment advice, such as buying particular securities for our clients. Product vendors recommended by us may provide monetary and non-monetary assistance for the purposes of funding marketing, distribution, business and client development, educational enhancement and/or due diligence reviews incurred by us or our Advisory Representatives relating to the promotion or sale of the product vendor's products or services. We do not select products as a result of the receipt or potential receipt of any monetary or non-monetary assistance. Our due diligence of a product does not take into consideration any assistance it may receive. While the receipt of products or services is a benefit for you and us, it also presents a conflict of interest. We attempt to mitigate this conflict of interest by:

- Informing you of conflicts of interest in our disclosure document and agreement;
- Maintaining and abiding by our Code of Ethics which requires us to place your interests first and foremost;
- Advising you of the right to decline to implement our recommendations and the right to choose other financial professionals for implementation.

## Item 15 Custody

As paying agent for our firm, Commonwealth 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(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### **Wire Transfer/Money Movement and/or Standing Letter of Authorization**

Our firm, or Advisory Representatives, when directed, will effect wire transfers/money movement from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third-party wire transfers/money movement has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

### **Family Office and Wealth Planning Clients**

Premier serves as a personal assistant to certain clients for whom we also provide investment advisory services. Our capacity as personal assistant deems our firm to have custody over the advisory accounts for which we serve as personal assistant since we have access to the client's credit card. The advisory accounts will continue to be held with a bank, broker-dealer, or other qualified custodian. If Premier acts as personal assistant and has access to your credit card, you will continue to receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. You should carefully review those account statements for accuracy. You should also carefully review your monthly credit card statements.

### **Trustee**

Michael Comstock of Premier serves as trustee to certain accounts for which we provide investment advisory services. Michael's capacity as trustee gives our firm custody over the advisory accounts for which he serves as trustee. These accounts will be held with a bank, broker-dealer, or other qualified custodian. If Premier acts as trustee for any of your advisory accounts, you will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. You should carefully review account statements for accuracy.

## 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.

We do not permit clients to impose any restrictions on a grant of discretionary authority. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

## Item 17 Voting Client Securities

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 solicitations to vote proxies.

## Item 18 Financial Information

We will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.

We do not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you.

We have not filed a bankruptcy petition at any time in the past ten years.

## 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

### **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.

### **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.

### **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 are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation 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:

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:

- 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.
- Employer retirement plans generally have a more limited investment menu than IRAs.
- Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- Your current plan may have lower fees than our fees.
- 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.
- 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.
- Our strategy may have higher risk than the option(s) provided to you in your plan.
- Your current plan may also offer financial advice.
- If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 73.
- Your 401k may offer more liability protection than a rollover IRA; each state may vary.
- 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.

- You may be able to take out a loan on your 401k, but not from an IRA.
- 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.
- If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- 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.