

# **Prairie Sky Financial Group, LLC**

## **Firm. Brochure - Form. ADV Part 2A**

*This brochure provides information about the qualifications and business practices of Prairie Sky Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at (847)512-8820 or by email at: [info@prairieskyfg.com](mailto:info@prairieskyfg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Prairie Sky Financial Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Prairie Sky Financial Group, LLC's CRD number is: 171672.*

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

Version Date: March 2023

## **Item 2: Material Changes**

Prairie Sky Financial Group, LLC is amending its ADV Part 2 Brochure to reflect updates since its last annual amendment filed in March of 2022. This brochure contains material updates to Item 4:

Advisory Business to include descriptions of LPL sponsored advisory programs. Item 7: Types of Clients has been expanded to discuss updated products and relative access to such products. Although not deemed material, the Adviser notes that its AUM was calculated to be \$232,858,999 as of 12/31/22. Additionally, this revised ADV Part 2 contains certain routine annual updates and enhanced disclosures. Recipients of the Brochure are encouraged to read the Brochure carefully in its entirety.

Material changes relate to Prairie Sky Financial Group, LLC'S policies, practices, or conflicts of interests only.

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## **Item 4: Advisory Business**

### ***Business Description***

We provide services to individuals and high net worth individuals, principally concerning mutual funds and ETFs, as well as manager selection and supervision. As a registered investment adviser, we are held to the highest standard of client care - a fiduciary standard. As a fiduciary we always put our client's interests first and must fully disclose any potential conflict of interest. We do not hold customer funds or securities.

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

Prairie Sky Financial Group, LLC (hereinafter "PSFG") is a Limited Liability Company organized in the State of Illinois.

The firm was formed in January 2014, and the principal owners are Mark J Lucaccioni and Michael R. Cason.

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

#### ***Portfolio Management Services***

PSFG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. PSFG creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

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

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

PSFG seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of PSFG's economic, investment or other financial interests. To meet its fiduciary obligations, PSFG attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, PSFG's policy is to seek fair and equitable allocation of investment opportunities/transactions among its

clients to avoid favoring one client over another over time. It is PSFG's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

PSFG offers portfolio management services through our sponsored wrap program utilizing the Strategic Wealth Management custodial account platform of LPL Financial LLC. Please see our separate Wrap Fee Program Brochure for complete information regarding this advisory service.

### **LPL Sponsored Advisory Programs**

Strategic Wealth Management (SWM) is a custodial account opened with LPL which is used by PSFG to manage client assets. PSFG IARs use the SWM platform to directly manage their client(s) assets on either a discretionary or non-discretionary basis using the investment advisory agreements of PSFG.

When appropriate certain IARs may provide additional advisory services through programs sponsored by LPL Financial, LLC ("LPL"). Below is a brief description of each LPL advisory program utilized by our firm. Annualized fees for participation in LPL advisory programs vary up to a stated maximum of 3.00%. Regardless, PSFG has imposed a stated firm maximum below this threshold for the use of any advisory programs. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Form ADV Part 2A or the applicable LPL program's brochure, and the applicable LPL Financial client agreement.

Guided Wealth Portfolios (GWP) offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell open-end mutual funds and exchange-traded funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of Xulu, Inc., doing business as FutureAdvisor ("FutureAdvisor"), based upon model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the "Model Portfolio"). Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although PSFG IARs will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the Program (the "Educational Tool") is provided for a period of up to forty-five (45) days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL, FutureAdvisor and PSFG by enrolling in the advisory service (the "Managed Service"). The Educational Tool and Managed Service are described in more detail in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or

PSFG, do not enter into an advisory agreement with LPL, FutureAdvisor or PSFG, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services. A minimum account value of \$5,000 is required to enroll in the Managed Service.

### ***Selection of Other Advisers***

Our firm may utilize the services of a third-party money manager for the management of client accounts. Investment advice and trading of securities will only be offered by or through the chosen third-party money manager. Our firm will not offer advice on any specific securities or other investments in connection with this service. When referring clients, PSFG requires our affiliated IAR to utilize only providers and strategies approved through LPL Financial LLC. PSFG leverages the due diligence resources of our strategic partnership with LPL Financial, along with internal reviews as may be required, to meet the due diligence requirements for our clients. In order to assist in the selection of a third-party money manager, our firm will gather client information pertaining to the financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Presently, PSFG utilizes the third-party management services of Natixis AIA, Parametric Portfolio Associates, Zacks Investment Management, and Nuveen Asset Management.

Our firm, through its IAR, will review the financial situation and objectives of our clients to determine the need to communicate information to a third-party manager as warranted. IAR will additionally assist clients in understanding and evaluating the services provided by the third-party money manager, including the review of third-party manager reports provided to the client as may be necessary. Clients will be expected to notify their IAR of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

### ***Financial Planning***

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

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

PSFG generally limits its investment advice to mutual funds, fixed income securities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/ inflation linked bonds, non-U.S. securities and private placements, although PSFG primarily recommends mutual funds and ETFs. Clients may come to the adviser with equity securities, and some clients specifically ask for equity investing. Otherwise, equities, fixed income and non-U.S. securities will principally be through mutual funds and ETFs, and occasionally PSFG will invest in a commodity ETF. PSFG may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client<sup>7</sup> Imposed Restrictions**

We offer individualized investment advice to clients utilizing our portfolio management services. Additionally, we offer general investment advice to clients utilizing our Financial Planning & Consulting, Retirement Plan Consulting, Referrals to Third Party Money Management and LPL Sponsored Advisory Program services.

Each client can place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our portfolio management service. We do not manage assets through our other services. PSFG and its IAR reserve the right to terminate advisory services or to not initiate advisory services for a client if the requested restrictions are deemed unreasonable and beyond the firm capacity to employ.

#### **D. Wrap Fee Programs**

PSFG offers portfolio management services through our sponsored wrap program utilizing the Strategic Wealth Management custodial account platform of LPL Financial LLC. Please see our separate Wrap Fee Program Brochure for complete information regarding this advisory service.

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

PSFG has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$227,848,934	\$5,010,065	December 2022



## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Asset-Based Fees for Portfolio Management***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$50,000 - \$250,000	1.75%
\$250,000 - \$500,000	1.50%
\$500,000 - \$750,000	1.25%
\$750,000 - \$5,000,000	1.00%
\$5,000,000 - and up	0.80%

These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of PSFG's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract with 10 days' written notice.

PSFG bills based on the balance on the first day of the billing period.

#### ***Selection of Other Advisers Fees***

PSFG may engage in the selection of third-party money managers but does not have any such arrangements in place at this time. This service may be canceled with 10 days' notice.

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

Clients may terminate the agreement without penalty for a full refund of PSFGs fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement upon written notice.

#### ***Hourly Fees***

The negotiated hourly fee for these services is \$250. Fees are charged 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. PSFG may charge an hourly fee for a "second opinion " of an asset allocations financial plan for the same fee.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

### ***Payment of Selection of Other Advisers Fees***

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected and will be disclosed to the client prior to entering a relationship with the third-party adviser. The billing procedures for this service will vary based on the chosen third-party money manager. The total fee to be charged, as well as the billing cycle, will be detailed in the third-party money manager's ADV Part 2A.

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

Financial planning fees are paid via check.

Hourly financial planning fees are paid 50% **in** advance, but never more than six months in advance, with the remainder due upon presentation of the plan. The fee to be assessed and payment arrangements will be detailed in an agreement to be signed by the client. The total estimated fee, as well as the ultimate fee that we charge you will be based on the scope and complexity of our engagement with you and could vary from fees charged to other clients of PSFG.

### ***Commissionable Securities Sales***

Representatives of our firm may additionally be registered representatives of LPL Financial, LLC Member FINRA/SIPC. As such, they can accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm and/or our representatives an incentive to recommend investment products based on the compensation received. Our firm generally addresses commissionable sales conflicts that arise when explaining to clients these sales create an incentive to recommend based on the compensation to be earned and/or when recommending commissionable mutual funds, explaining that "no-load" funds are also available. Our firm does not prohibit clients from purchasing recommended investment products through other unaffiliated brokers or agents.

### ***Understanding Mutual Fund Share Class Selection / Use of Mutual Fund and Exchange Traded Fund No Transaction Fee ("NTF") Networks***

Mutual Funds typically offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the more commonly offered retail mutual fund share classes (typically, Class A, B and C shares), mutual funds may also offer

institutional, or advisor share classes (the “lower cost share classes”) or other share classes that are designed for purchase in an account enrolled in investment advisory programs. These lower cost share classes usually have a lower expense ratio than other shares classes. In addition, lower cost share classes often do not charge a 12b-1 fee. PSFG will utilize the most appropriate mutual fund share classes for its portfolio allocations available to it. Regardless, clients may still be invested in funds with higher internal expenses when no lower cost share classes for a fund is available at the custodian or the client is not eligible due to investment minimums or other requirements.

Clients, when participating in certain sponsored programs should understand that a transaction charge for mutual fund and exchange traded fund (ETF) purchases and redemptions may occur in accordance with the appropriate custodial agreement. The applicable transaction charge varies depending on the amount of recordkeeping fees received by the custodian / broker-dealer from the mutual fund or ETF and/or whether the sponsor of the mutual fund or ETF participates in a No Transaction Fee (NTF) Network. When an NTF mutual fund or ETF is purchased for a client account, the NTF fund’s sponsor directs a payment to the custodian / broker-dealer on behalf and for the benefit of the client that is used exclusively as a credit to defray the bona fide transaction charge obligations of the client’s account. When an NTF fund is sold, the custodian / broker-dealer waives the transaction charge to the investment adviser representative (IAR).

Clients should understand the cost to the IAR of transaction charges may be a factor the IAR considers when selecting securities and determining whether to place transactions in accounts. Specifically, the IAR has a financial incentive to select NTF funds to avoid paying or to lower the transaction charges. While these transaction charges are not passed to the Client, this does create a conflict of interest. Clients should consider this conflict when monitoring the purchase of NTF funds as all such conflicts may have an impact on the investment performance of accounts.

Clients also should be aware that NTF funds may have higher ongoing internal expenses that can be used to offset payments made by sponsors for transaction charge waivers, and this can reduce the investment returns over time relative to other share classes of the same fund.

Certain Funds (“SWM Eligible Funds”) in the Strategic Wealth Management (SWM) program contain 12b-1 fees. The list of available mutual funds in SWM is selected by LPL Financial, the program manager. In the SWM program, there are certain SWM Eligible Funds available for each fund family. In certain instances, the best available fund may be a share class containing a 12b-1 fee. The Firm does not receive or accept 12b-1 fees on advisory accounts; any 12b-1 fees generated through these funds will be retained by the custodian.

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

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and

distinct from the fees and expenses charged by PSFG. Please see Item 12 of this brochure regarding broker-dealer/custodian.

#### **D. Prepayment of Fees**

PSFG collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check or return deposit back into the client's account.

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

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

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

Neither PSFG nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

PSFG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

We have the following types of clients:

- Individuals and High Net Worth Individuals.
- Trusts, Estates or Charitable Organizations.
- Pension and Profit-Sharing Plans.
- Corporations, Limited Liability Companies and/or Other Business Types.

#### **Retirement Accounts**

As part of our investment advisory services to you, PSFG may recommend you roll assets from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth

IRA (collectively, an “IRA Account”) our firm will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA subject to our management, PSFG will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (i.e., receipt of additional fee-based compensation). 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. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interests and not put our interests 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 interests.
- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

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 a rollover. Note that an employee will typically have four options in this situation:

- leaving the funds in your employer’s (former employer’s) plan.
- moving the funds to a new employer’s retirement plan.
- cashing out and taking a taxable distribution from the plan; or
- rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

### ***Minimum Account Size***

LPL Sponsored Advisory Programs have minimum account requirements of \$5,000 to \$250,000 depending upon the chosen program. PSFG does not impose an account minimum for our firm's portfolio management services.

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

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

#### ***Methods of Analysis***

PSFG's methods of analysis include fundamental analysis and modern portfolio theory.

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

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

#### ***Investment Strategies***

PSFG uses long term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

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

### **B. Material Risks Involved**

#### ***Methods of Analysis***

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

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

## ***Investment Strategies***

PSFG's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

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

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisers:** Although PSFG will seek to select only money managers who will invest clients' assets with the highest level of integrity, PSFG's selection process cannot ensure that money managers will perform as desired and PSFG will have no control over the day-to-day operations of any of its selected money managers. PSFG would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud.

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

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

PSFG's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

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

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain. Client exposure to commodities will be only through ETFs, and not in a significant amount.

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

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/ inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below. Client exposure to fixed income securities will principally be through mutual funds and ETFs.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.



**Private equity funds** carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including the potential for a total loss of investment.

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

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including economic risk, market risk, sector risk, idiosyncratic risk, political/ regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available. Client exposure to non-U.S. securities will principally be through mutual funds and ETFs.

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

## **Item 9: Disciplinary Information**

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

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

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

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

As a registered representative of LPL Financial, Mark J Lucaccioni accepts compensation for the sale of securities.

As a registered representative of LPL Financial, Michael R Cason accepts compensation for the sale of securities.

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

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

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

Mark J Lucaccioni is a registered representative of LPL Financial and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PSFG always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of PSFG in such individual's capacity as a registered representative.

Mark J Lucaccioni is a licensed insurance agent with LPL Insurance Associate, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PSFG always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of PSFG in such individual's capacity as an insurance agent.

Mark James Lucaccioni is the President of Prairie Rock Financial Group, an investment services firm. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSFG always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of PSFG in such individuals outside capacities.

Michael R Cason is a registered representative of LPL Financial and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PSFG always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of PSFG in such individual's capacity as a registered representative.

Michael R Cason is a licensed insurance agent with LPL Insurance Associates, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PSFG always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of PSFG in such individual's capacity as an insurance agent.

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

PSFG has discretion to select third-party investment advisers. PSFG will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between PSFG and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that PSFG has an incentive to direct clients to the third-party investment advisers that provide PSFG with a larger fee split. PSFG will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. PSFG will ensure that all recommended advisers are licensed, or notice filed in the states in which PSFG is recommending them to clients.

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

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

PSFG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual

Review, and Sanctions. PSFG's Code of Ethics is available free upon request to any client or prospective client.

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

Conflict of interest situations that arise in connection with the management of the assets of clients will be overseen on a case-by-case basis.

If an agency cross transaction arises, PSFG will only execute such transaction with the consent of the applicable client. An agency cross transaction is generally defined as a transaction where a person acts as investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

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

From time to time, representatives of PSFG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PSFG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PSFG will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of PSFG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PSFG to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, PSFG will never engage in trading that operates to the client's disadvantage if representatives of PSFG buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be chosen based on PSFG's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and PSFG may also consider the market expertise and research access provided by the broker- dealer/ custodian, including

but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in PSFG's research efforts. PSFG will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian. PSFG requires clients to use LPL.

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

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

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

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

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

PSFG will require clients to use a specific broker-dealer to execute transactions.

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

If PSFG buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, PSFG would place aggregate order with the broker on behalf of all such clients to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. PSFG would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

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

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

All client portfolio management accounts are reviewed at least annually by Mark J. Lucaccioni regarding clients' respective investment policies and risk tolerance levels. All accounts at PSFG are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Mark J. Lucaccioni. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

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

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, PSFG's services will generally conclude upon delivery of the financial plan.

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

Each client will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each client will receive the financial plan upon completion.

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

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

PSFG does not receive any economic benefit, directly or indirectly from any third party for advice rendered to PSFG's clients.

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

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

## **Item 15: Custody**

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

## **Item 16: Investment Discretion**

PSFG provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, PSFG generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

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

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. If proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write, or email us to discuss questions they may have about proxy votes or other solicitations if they are unable to reach the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

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

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

Neither PSFG nor its management has any financial condition that is likely to reasonably

impair PSFG's ability to meet contractual commitments to clients.

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

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