

Prota Financial, LLC

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This Brochure provides information about the qualifications and business practices of Prota Financial. If you have any questions about the contents of this Brochure, please contact us at (713) 568-8171 or via email at mark@protafinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Prota Financial, LLC ("Prota Financial") is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them.

Additional information about Prota Financial is also available via the SEC's website www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for Prota Financial is 283776. The SEC's website also provides information about any persons affiliated with Prota Financial who are registered, or are required to be registered, as Investment Adviser Representatives of Prota Financial.

Item 2 – Material Changes

Since our last annual ADV update filed on February 14, 2022, we have made the following changes:

- Our SEC registration has been approved.
- We have updated Item 4 Advisory Business Introduction
- We have updated Item 5 Fees and Compensation
- We have updated Item 11 Personal Trading
- We have updated Item 12 Brokerage Practices
- We have updated Item 14 Client Referrals and Other Compensation

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure. This section will also identify the date of our last annual Brochure update.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year end which is December 31st. We will provide other ongoing disclosure information about material changes as they occur. We will also provide you with information on how to obtain the complete brochure. Currently, our Brochure may be requested at any time, without charge, by contacting Mark Radulovich at (713) 568-8171.

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Item 4 – Advisory Business Introduction

Our Advisory Business

Prota Financial, LLC (“Prota Financial”, “us”, “we”, “our”) is a Registered Investment Adviser (“Adviser”) which offers investment advice regarding securities and other financial services to clients.

We provide investment advice through Investment Adviser Representatives (“IAR”) associated with us. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on our behalf. In addition, all IARs are required to have a college degree, professional designation, or equivalent professional experience.

Prota Financial was founded in 2016 by Mark Radulovich who serves as Chief Compliance Officer and Managing Member. Prota Financial is also principally owned by Bryan Hays, Managing Member. We provide asset management services to individuals, high net worth individuals and small businesses.

We are committed to the precept that by placing the client’s interests first, we will add value to the asset management process and earn the client’s trust and respect. We value long term relationships with our clients whom we regard as strategic partners in our business.

Services

As of December 31, 2022, we provide asset management services for \$126,363,861 in discretionary assets and \$1,305,453 in non-discretionary assets, managing a total of \$127,669,314 in assets under management.

Asset Management

Asset management is the professional management of securities (stocks, bonds, and other securities) and assets (e.g., real estate) in order to meet your specified investment goals. With an Asset Management Account, you engage us to assist you in developing a custom-tailored portfolio designed to meet your unique investment objectives. The investments in the portfolio account may include equities, bonds, mutual funds, bond funds, ETFs, private equity funds, private credit funds, REITs, and non-listed REITs.

We will meet with you to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. We will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information.

Based on the information you share with us; we will analyze your situation and recommend an appropriate asset allocation or investment strategy. Our recommendations and ongoing management are based upon your investment goals and objectives, risk tolerance, and the investment portfolio you have selected. We will monitor the account, trade as necessary, and communicate regularly with you. Your circumstances shall be monitored in annual account reviews. These reviews will be conducted in person, by telephone conference, and/or via a written inquiry/questionnaire. We will work with you on an ongoing basis to evaluate your asset allocation as well as rebalance your portfolio to keep it in line with your goals as necessary. We will be reasonably available to help you with questions about your account.

We will:

- Review your present financial situation
- Monitor and track assets under management
- Provide portfolio statements, periodic rate of return reports, asset allocation statement, rebalanced statements as needed
- Advise on asset selection
- Determine market divisions through asset allocation models
- Provide research and information on performance and fund management changes
- Build a risk management profile for you
- Assist you in setting and monitoring goals and objectives
- Provide personal consultations as necessary upon your request or as needed.

You are obligated to notify us promptly when your financial situation, goals, objectives, or needs change.

Under certain conditions, securities from outside accounts may be transferred into your advisory account; however, we may recommend that you sell any security if we believe that it is not suitable for the current recommended investment strategy. You are responsible for any taxable events in these instances. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not indicative of future results.

If you decide to implement our recommendations, we will help you open a custodial account(s). The funds in your account will generally be held in a separate account, in your name, at an independent custodian, and not with us.

You will enter into a separate custodial agreement with the custodian which authorizes the custodian to take instructions from us regarding all investment decisions for your account. We will select the securities bought and sold and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. You will be notified of any purchases or sales through trade confirmations and statements that are provided by the custodian. These statements list the total value of the account, itemize all transaction activity, and list the types, amounts, and total value of securities held. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

Model Portfolios/ Strategies

Prota currently uses 7 models – 4 ETF portfolios, 1 mostly stock portfolio, and two Sharia-compliant portfolios: 1 which is only mutual funds and 1 which is in stocks. Unless directed otherwise by the client, all clients are put into one of those portfolios. In rare cases we will adjust a portfolio to include or exclude a holding, usually due to employment conflicts, low cost basis, or other client preference. We also allow for undirected, unmanaged, and un-billed client accounts where they are responsible for all of their own trading. These usually hold securities such as restricted stock, or are used for clients to trade some of their own funds while keeping all accounts on one set of statements.

Our models only include public investments. Private investments (sometimes referred to as “alternative investments”) are handled on a case-by-case basis for each client, and sometimes not used at all.

We may manage assets on both a discretionary and non-discretionary basis. The decision as to whether to grant us discretionary authority over your accounts is made by you at the time of account opening and is detailed in the Advisory Agreement. In addition, you shall have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks, or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request.

Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your initial asset allocation. Rebalancing will occur quarterly or sooner if advisor requests. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice. However, we will work with your tax professionals to assist you with tax planning.

We are available during normal business hours either by telephone, email, or in person by appointment to answer your questions.

Item 5 – Fees and Compensation

We provide asset management for a fee.

Either party may terminate the relationship with a thirty (30) day written notice. Upon termination of any account, any prepaid fees that are in excess of the services performed will be promptly refunded to you. Any fees that are due, but have not been paid, will be billed to you and are due immediately.

Asset Management Fee Schedule

Prota Financial does not impose a minimum account balance for the opening of an account with the Adviser. Prota Financial will charge an annual fee not to exceed 1.00% for its asset management services, which may be negotiable based upon certain circumstances. The fee charged is based upon the amount of money you invest. Multiple accounts of immediately related family members, at the same mailing address, may be considered one consolidated account for billing purposes. We aggregate accounts by household for fee billing purposes. We define household as follows- Any two adults that are signatories to the sign client agreement, as well as all of the minors who are at their same address are considered household members and their accounts aggregated for billing purposes. In rare situations, we may make exceptions for this an allow householding with a wider definition (e.g. aging adults, or adults who cannot live on their own), but that has to be approved by the Chief Compliance Officer.

Fees are charged monthly, in advance. Fees will be assessed based on the balance of the account under management on the last day of the prior month. Fees are due upon submission of the fee calculation to

the Custodian, which generally occurs within the first 10 days of the month. No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fees are reasonable considering the fees charged by other investment advisers offering similar services/programs.

Annual Management Fee Schedule (billed monthly) for all managed accounts custodied at Charles Schwab & Co., Inc. or other custodian holding discretionary assets:

First \$1,000,000	1.00 %
Next \$2,000,000	0.75 %
Rest over \$3,000,000	0.50 %

Your account at the custodian may also be charged for certain additional assets managed for you by us but not held by the custodian (i.e., mutual funds, 401(k)s, 529s, private investments).

The fees we charge can be deducted directly from your account at the custodian. We will instruct the custodian to deduct the fees from your account at the beginning of the month. This fee will show up as a deduction on your following monthly account statement from the custodian.

Third-Party Fees

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, third-party investment companies and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Certain strategies offered by us may involve investment in mutual funds and/or ETFs. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge. Our brokerage practices are discussed in more detail under Item 12 – Brokerage Practices.

Item 6 – Performance Based Fee and Side by Side Management

We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 – Types of Client(s)

We provide portfolio management services to individuals, high net worth individuals and small businesses.

We have no minimum account opening balance.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We use Fundamental Analysis and Modern Portfolio Theory as part of our overall investment management discipline; the implementation of these analyses as part of our investment advisory services to you may include any, or a combination of the following:

Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Modern Portfolio Theory (MPT)

We use Modern Portfolio Theory to help select the funds we use in your account.

Modern portfolio theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk," measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk.

Investment Strategies

In order to perform this analysis, we use many resources, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Seeking Alpha
- Annual reports, prospectuses, filings, etc.
- Company press releases and websites

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases – securities held at least a year
- Short term purchases – securities sold within a year

Risk of Loss

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to bear. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political, and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of all risks associated with the strategies, products, and methodology we offer are listed below:

Alternative Investment Risk

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices
- Lack of liquidity in that there may be no secondary market for the fund and none expected to develop
- Volatility of returns
- Absence of information regarding valuations and pricing
- Delays in tax reporting
- Less regulation and higher fees than mutual funds.

Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk – The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond’s maturity date.
- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.

- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or “retire”) its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political, and social factors, in addition to the various company statistics.
- The data used may be out of date.
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.

Modern Portfolio Theory (MPT) Risk

Modern Portfolio Theory tries to understand the market as a whole and measure market risk in an attempt to reduce the inherent risks of investing in the market. However, with every financial investment strategy there is a risk of a loss of principal. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

Cyclical Analysis Risk

Looking at market cycles in conjunction with other investment strategies can be useful when making investment decisions. However, market cycles are not always predictable. Each financial investment strategy has benefits and risks. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

Exchange Traded Fund (“ETF”) Risk

Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. ETFs are subject to the following risks that do not apply to conventional funds:

- The market price of the ETF’s shares may trade at a premium or a discount to their net asset value;
- An active trading market for an ETF’s shares may not develop or be maintained; and
- There is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged

Mutual Funds Risk

The following is a list of some general risks associated with investing in mutual funds.

- **Country Risk** – The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Currency Risk** -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk** – The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- **Industry Risk** – The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** – The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- **Manager Risk** -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk** -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Technical Analysis Risk

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

Overall Risks

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you will need your money to meet a financial goal in the near-term, you probably cannot afford the risk

of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We do not have any information to disclose concerning Prota Financial or any of our IARs. We adhere to high ethical standards for all IARs and associates.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Affiliations

Neither Prota Financial nor any of its management persons are registered as a broker-dealer or registered as a representative of a broker-dealer, nor does it have any pending application to register. In addition, neither Prota Financial, its management persons or supervised persons are affiliated with any broker-dealer.

Item 11 – Code of Ethics, Participation or Interest in Client Accounts and Personal Trading

General Information

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

Participation or Interest in Client Accounts

Our Compliance policies and procedures prohibit anyone associated with Prota Financial from having an interest in a client account or participating in the profits of a client's account without the approval of the CCO.

The following acts are prohibited:

- Employing any device, scheme, or artifice to defraud
- Making any untrue statement of a material fact

- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice, or course of business
- Engaging in any manipulative practices

Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the CCO.

Personal Trading

We may recommend securities to you that we will purchase for our own accounts. We may trade securities in our account that we have recommended to you but we are only allowed to trade on Fridays. The day of the week may be changed temporarily for various reasons, such as holiday schedules, or other market events. Accounts that are managed in our listed portfolios are traded inline with other accounts, as trades are often aggregated together and submitted at the same time across multiple accounts.

We are also allowed to trade after market hours in the extended session on any day. We can trade mutual funds, bonds, CDs, and alternative investments anytime.

Privacy Statement

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request. We do not sell any client information to anyone.

Conflicts of Interest

Prota Financial's IARs may employ the same strategy for their personal investment accounts as it does for its clients. However, IARs may not place their orders in a way to benefit from the purchase or sale of a security.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

Item 12 – Brokerage Practices

Factors Used to Select Custodians

In recommending a custodian/broker-dealer, we look for a company that offers relatively low transaction fees, access to desired securities, trading platforms, and support services. We require that clients use Charles Schwab as the qualified custodian for their accounts when utilizing our asset management services.

Soft Dollars

Various third-party managers may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under the rules. These research products and/or services will assist the IAR in its investment decision-making process. Such research generally will be used to service all of the IAR's clients, but brokerage commissions paid by the client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where the IAR determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Because these benefits could be considered to provide a benefit to the adviser that might cause the client to pay more than the lowest available commission without receiving the most benefit, they are considered a conflict of interest in recommending or directing custodial and third-party managerial services. Protá Financial mitigates these conflicts of interest through strong oversight of these arrangements by the Chief Compliance Officer, in order to ensure the soft dollar benefits serve the best interests of the client.

There may be other benefits from requiring you to use a particular custodian such as software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Economic Benefits

The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Protá Financial is independently owned and operated and not affiliated with Schwab. Schwab provides Protá Financial with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services.

For Protá Financial client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Protá Financial other products and services that benefit Protá Financial but may not benefit its clients' accounts. These benefits may include national, regional, or Protá Financial specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Protá Financial by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Protá Financial in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and

allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Prota Financial's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Prota Financial's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to Prota Financial other services intended to help Prota Financial manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Prota Financial by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Prota Financial. While, as a fiduciary, Prota Financial endeavors to act in its clients' best interests, Prota Financial's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Prota Financial of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Best Execution

We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, reputation, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

Brokerage for Client Referrals

In selecting and/or recommending broker-dealers, we do not take into consideration whether or not we will receive client referrals from the broker-dealer or third-party.

Directed Brokerage

We do not permit directed brokerage. We will require you to use the custodian of our choosing as the custodial firm.

Trading

Transactions for each client account generally will be effected independently unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or "batch" Orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients' differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

The aggregation or blocking of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner. We prohibit any allocation of trades in a manner that the firm's proprietary accounts, affiliated accounts, or any particular clients receive more favorable treatment than other client accounts. Clients that meet suitability requirements and have available cash will be included in the block.

In aggregate trading, the trading team purchases and/or sells the same securities for many accounts. When possible, the team aggregates the same transactions in the same securities for many clients who have the same brokerage firm. Clients in an aggregated transaction each receive the same price per share of unit, but, if they have different brokerage accounts, they may pay different commissions and have different execution prices. If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will typically receive the average price paid for the securities in the same aggregate transaction on that day. If the brokerage is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, brokerage will normally allocate the partially filled transaction to clients based on an equitable pro rata basis.

We have adopted the following policies and procedures related to the fair allocation of investment opportunities. These policies are designed to help ensure that each client receives fair and equitable treatment in the investment process.

- Our firm does not aggregate trades often
- Client accounts trade in line with other accounts when using a model
- Trading is done by a trading team- Advisors, in general, do not have access to trade client accounts.
- Order is generally reverse chronological order from last trade date.
- Exceptions for change include model changes, case needs, cash needs, cash additions or client requests. These may be traded at any point in time, including after-market client requests.

Item 13 – Review of Accounts

Reviews

Reviews are conducted at least annually. Reviews will be conducted by the Advisor responsible for the account. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections.

Reports

You will be provided with account statements reflecting the transactions occurring in the account on at least a quarterly basis. These statements will be written or electronic depending upon what you selected

when you opened the account. You will be provided with electronic confirmations for each securities transaction executed in the account. All statements and/or reports related to your account will be generated and provided by the custodian. You are obligated to notify us of any discrepancies in the account(s) or any concerns you have about the account(s).

Item 14 – Client Referrals and Other Compensation

We utilize an advertising and referral programs for investment professionals offered through the Ramsey Solutions' SmartVestor program, (hereinafter, "SmartVestor") and SmartAsset for client referrals within a specific geographic region. SmartVestor is offered by Dave Ramsey, a media personality. Referred prospects are not required nor obligated in any way to work with Protta. We pay a monthly membership and advertising fee for leads made available through both the SmartVestor and SmartAsset websites. The monthly fees are not contingent on a referral becoming a client or on the number of referrals that are received. SmartVestor & SmartAsset provide prospective clients with potential investment professionals located in the individual's general geographic area. Unless the prospective client opts out of having their contact information shared, each SmartVestor Pro or SmartAsset provider will generally contact a referred client within one business day of receiving the contact information. If the prospective client opts out of sharing their contact information, the prospective client determines whether to contact our firm from the investment professionals listed on the website. SmartVestor's and SmartAsset's role is limited to facilitating an initial introduction between the prospective clients and our firm. SmartVestor and SmartAsset do not provide prospective clients with an assessment of the merits or shortcomings of any particular investment professional or their investment strategies. SmartVestor and SmartAsset are lead generation services and do not provide investment advice. You will not pay additional fees because of these referral arrangements.

Although this is an advertising and referral program, it is also considered a "solicitor" arrangement by the SEC. For that reason, we will provide all referred prospects with a copy of the applicable disclosure document. This disclosure document will provide you with information about our arrangement with SmartVestor. The selection of an investment adviser is important and should not be based solely on advertising or referrals, including referrals from entities affiliated with well-known personalities. Individuals that are referred to the firm through Dave Ramsey's Ramsey Solutions & SmartAsset are free to work with any investment adviser or financial professional of their choosing.

Generally, solicitors receive payment if a referral becomes a client but in the case of SmartVestor & SmartAsset, the monthly membership and advertising fee are paid regardless of the number of referrals the financial professional receives and it is not based on whether or not the referred prospect becomes a client. You do not pay additional fees because of our financial professional's participation in the SmartVestor and SmartAsset programs.

Item 15 – Custody

We do not have physical custody of any accounts or assets. However, we do have constructive custody of your account(s) since we have the ability to deduct your advisory fees from the custodian. We use Charles Schwab as the custodian and/or broker-dealer for all your accounts. You should receive at least quarterly statements from the broker-dealer or custodian that holds and maintains your investment assets. We urge you to carefully review such statements. If you notice any discrepancies, please contact Prota Financial.

We do not debit the client fees directly from your advisory account. We send information to your custodian to debit your fees and to pay them to us. You authorized the custodian to pay us directly at the onset of the relationship.

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements to the periodic statements you will receive from us.

Item 16 – Investment Discretion

We may manage assets on a discretionary and non-discretionary basis. The decision as to grant discretionary authority is made by you at the time of account opening and is detailed in the Advisory Agreement. Prior to assuming discretionary authority, clients must execute the Advisory Agreement.

When you grant us discretionary authority through your Advisory Agreement, this means you have given us the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account
- Broker-dealer to be used for a purchase or sale of securities for your account

In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

When selecting securities and determining amounts, we observe the investment policies, limitations, and restrictions you have set. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

If you have not given us the authority to manage your account on a discretionary basis, then we cannot trade in your account without your express permission.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. The Custodian will forward you copies of all proxies and shareholder communications relating to your account assets. We are available if you have questions regarding your proxies.

Item 18 – Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings. In no event shall we charge advisory fees that are both in excess of twelve hundred dollars and more than six months in advance of advisory services rendered.