



## **PSI Advisors, LLC**

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

This brochure provides information about the qualifications and business practices of PSI Advisors, LLC. If you have any questions about the contents of this brochure, contact us at 813-444-0337 or by email at: [michele@psiadvisor.com](mailto:michele@psiadvisor.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 PSI Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). PSI Advisors, LLC's CRD number is: 285880.

PSI Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment, dated March 26, 2020, we have made the following material changes to our Form ADV:

- Item 4 and Item 5 have been updated to reflect the changes. to the Model Wealth Portfolio program.
- Item 18 has been updated to disclose a PPP loan our firm has taken to support our ongoing operations.

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## Item 4 Advisory Business

### A. Description of the Advisory Firm

PSI Advisors, LLC (hereinafter referred to as "PSI" or the "Firm") is a Limited Liability Company organized in the State of Florida. The firm was formed in October 2016, and the principal owner is Eric Damien Eaton.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to PSI Advisors, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

PSI conducts its investment advisory business through a network of independent Investment Adviser Representatives ("IARs"). IARs may operate out of PSI's home office or other offices located throughout the United States. PSI's home office is responsible for supervising and monitoring the activities of its IARs and employees in the home office provide compliance support. IARs may operate under their own business name(s) or DBA name(s) and their business name(s) and logos may appear on their sales and marketing materials. All sales and marketing materials used by IARs are reviewed and approved by PSI. The business name(s) and DBA name(s) used by the IARs are separate from and are not owned and controlled by PSI. IARs may also offer and provide other services through their business name(s) or DBA name(s), however all investment advisory services offered by IARs must be through PSI. Information about the IARs' other businesses can be found in the IARs' Form ADV Part 2B Brochure Supplement.

Nearly all of PSI's IARs are also dually registered as Registered Representatives ("RRs") and solicit, offer and sell securities through LPL Financial ("LPL"), an unaffiliated full-service securities broker-dealer that is also registered as a Registered Investment Adviser with the SEC and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). IARs may also be licensed as independent insurance agents through various insurance companies and solicit, offer and sell fixed and/or property and casualty insurance products in the states in which they conduct business. Therefore, IARs can potentially be acting in all three capacities when soliciting, offering and selling investment products, investment advisory services and/or insurance products to the client. The registration as RRs, IARs and being licensed as independent insurance agents creates a potential conflict of interest when IARs solicit, offer and sell securities and insurance products for which clients would pay a commission, while also soliciting, offering and selling investment advisory services and managing the assets in their clients' accounts and charging a separate investment advisory fee.

### B. Types of Advisory Services

PSI and its IARs may solicit, offer and sell fee-based investment advisory services including fee-based financial planning, and/or charge an investment advisory fee for managing the clients' accounts as further detailed below. IARs, when also acting as RRs of LPL, may also solicit, offer and sell securities, including but not limited to individual stocks and bonds, mutual funds, closed end funds, Exchange Traded Funds ("ETFs"), and non-traded alternative products, including but not limited to Real Estate Investment Trusts ("REITs"), and private placements. IARs that are licensed as insurance agents may also solicit, offer and sell fixed and/or property and casualty insurance products. Usually the client will be charged a commission when purchasing securities or insurance products.

Depending on the type of securities or insurance product recommended and sold, and/or the nature of the investment advisory services recommended by the IARs, clients may either be charged a commission or an investment advisory fee or a combination of both. Commissions are most often charged for the purchase of securities or fixed insurance products on a transaction by transaction basis. Purchases and sales for securities may be executed in a commission brokerage account or may be submitted to, purchased and held directly with a product sponsor or insurance company.

IARs provide continuous advice regarding the investment of client funds based on the individual needs of the client. The IAR and the client will discuss the client's specific financial situation, goals, investment objectives, investment experience, time horizon, liquidity needs and risk tolerance. The IAR will then develop asset allocation strategies and/or models and make recommendations to the client to manage the client's portfolio to meet the client's stated goals and investment objectives. PSI's services are described in further detail below.

### ***Retirement Plan Investment Fiduciary and Consulting Services***

PSI offers (1) Discretionary Investment Management Services, (2) Non-Discretionary Investment Advisory Services and/or (3) Retirement Plan Consulting Services to employer-sponsored retirement plans and their participants. Depending on the type of the Plan and the specific arrangement with the plan sponsor ("Sponsor"), we may provide one or more of these services. Prior to being engaged by the Sponsor, we will provide, among other items, a copy of this Form ADV Part 2A along with an Investment Fiduciary and Retirement Plan Consulting ("Agreement") that contains the information required under Sec. 408(b)(2) of the Employee Retirement Income Security Act ("ERISA") as applicable.

The Agreement authorizes our Investment Adviser Representatives ("IARs") to deliver one or more of the following services:

#### **Discretionary Investment Management Services**

These services are designed to allow the Plan fiduciary to delegate responsibility for managing, acquiring and disposing of Plan assets that are covered by the Agreement. We will perform these investment management services through our IARs and charge fees as described in this Form ADV and the Agreement. If the Plan is subject to ERISA, we will perform these services as an "investment manager" as defined under ERISA Section 3(38) and as a "fiduciary" to the Plan as defined under ERISA. Specifically, the Sponsor may determine that we perform the following services:

#### **SELECTION, MONITORING & REPLACEMENT OF DESIGNATED INVESTMENT ALTERNATIVES ("DIAs")**

IAR will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS that contains criteria from which IAR will select, monitor and replace the Plan's DIAs. Once approved by Sponsor, IAR will review the investment options available to the Plan and will select the Plan's DIAs in accordance with the criteria set forth in the IPS. On a periodic basis, IAR will monitor and evaluate the DIAs and replace any DIA(s) that no longer meet the IPS criteria.

#### **CREATION & MAINTENANCE OF MODEL ASSET ALLOCATION PORTFOLIOS ("MODELS")**

IAR will create a series of risk-based Models comprised solely among the Plan's DIAs; and, on a periodic basis and/or upon reasonable request, IAR will reallocate and rebalance the Models in accordance with the IPS or other guidelines approved by Sponsor.

#### **SELECTION, MONITORING & REPLACEMENT OF QUALIFIED DEFAULT INVESTMENT ALTERNATIVES ("QDIA(s)")**

Based upon the options available to the Plan, IAR will select, monitor and replace the Plan's QDIA(s) in accordance with the IPS.

## **Retirement Plan Consulting Services**

Retirement Plan Consulting Services are designed to allow our IARs to assist the Sponsor in meeting his/her fiduciary duties to administer the Plan in the best interests of Plan participants and their beneficiaries. Retirement Plan Consulting Services are performed so that they would not be considered "investment advice" under ERISA. The Sponsor may elect for our IARs to assist with any of the following services:

### **Administrative Support**

- Assist Sponsor in reviewing objectives and options available through the Plan
- Review Plan committee structure and administrative policies/procedures
- Recommend Plan participant education and communication policies under ERISA 404(c)
- Assist with development/maintenance of fiduciary audit file and document retention policies
- Deliver fiduciary training and/or education periodically or upon reasonable request
- Assist with coordinating Plan participant disclosures under ERISA 404(a)
- Recommend procedures for responding to Plan participant requests

### **Service Provider Support**

- Assist fiduciaries with a process to select, monitor and replace service providers
- Assist fiduciaries with review of Covered Service Providers ("CSP") and fee benchmarking
- Provide reports and/or information designed to assist fiduciaries with monitoring CSPs
- Assist with use of ERISA Spending Accounts or Plan Expense Recapture Accounts to pay CSPs
- Assist with preparation and review of Requests for Proposals and/or information
- Coordinate and assist with CSP replacement and conversion\*

### **Investment Monitoring Support**

- Periodic review of investment policy in the context of Plan objectives
- Assist the Plan Committee with monitoring investment performance
- Assist with monitoring Designated Investment Managers and/or third party advice providers
- Educate Plan committee members, as needed, regarding replacement of DIA(s) and/or QDIA(s)

### **Participant Services**

- Facilitate group enrollment meetings and coordinate investment education, as that term is defined in applicable Department of Labor regulations or official guidance
- Conduct employee surveys to determine interest in specific topics
- Conduct individual financial planning sessions with employees and spouses / significant others periodically or upon reasonable request

*\*Additional fees may apply as described below and in the Agreement*

### **Potential Additional Retirement Services Provided Outside of the Agreement**

In providing Retirement Plan Services, we and our IARs may establish a client relationship with one or more Plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

- as a result of a decision by the Plan participant or beneficiary to purchase services from us not involving the use of Plan assets;
- as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to assets held outside of the Plan; or
- through a rollover of an Individual Retirement Account ("IRA Rollover").

If we are providing Retirement Plan Services to a plan, IARs may, when requested by a Plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement. If a Plan participant or beneficiary desires to affect an IRA Rollover from the Plan to an account advised or managed by us, IAR will have a conflict of interest if his/her fees are reasonably expected to be higher than those we would otherwise receive in connection with the Retirement Plan Services. IAR will disclose relevant information about the applicable fees charged by us prior to opening an IRA account. Any decision to affect the rollover or about what to do with the rollover assets remain that of the Plan participant or beneficiary alone.

In providing these optional services, we may offer employers and employees information on other financial and retirement products or services offered by us and our IARs.

### ***Financial Planning***

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. Financial planning may include but is not limited to: investment planning; life insurance; retirement planning; college planning; debt/credit planning; and asset management. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

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

### ***LPL Financial Sponsored Advisory Programs***

PSI may provide advisory services through certain programs sponsored by LPL Financial LLC (LPL), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to PSI. 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 program account packet (which includes the account agreement and LPL Form ADV program brochure) and the Form ADV, Part 2A of LPL or the applicable program.

### ***Strategic Wealth Management ("SWM & SWM II")***

The SWM program is a comprehensive, open-architecture, fee-based investment platform created to deliver customized advice and service to clients. SWM accounts give advisors the ability to offer flexible core/satellite strategy with the ability to hold multiple types of investments in one account and deliver consolidated reporting for all of the investments in the account.

The only difference between SWM and SWM II is that in SWM, the client pays the transaction charges, whereas in SWM II, the advisor pays the transaction charges.



Although clients do not pay a transaction charge for transactions in a Strategic Wealth Management II ("SWM II") account, clients should be aware that PSI pays LPL transaction charges for those transactions. The transaction charges paid by the PSI vary based on the type of security transaction (e.g. mutual fund, equity or Exchange Traded Funds ("ETFs")) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Transaction charges paid by the IAR for equities and ETFs are \$9. For mutual funds, the transaction charges range from \$0 to \$26.50. Because PSI pays the transaction charges in SWM II accounts, there is a potential conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that the cost to the PSI of transaction charges may be a factor that IAR considers when deciding which securities to select and how frequently to place transactions in a SWM II account.

In many instances, LPL makes available mutual funds in a SWM II account that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, called for example, "Class I," "institutional," "investor," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). The Platform Share class offered for a particular mutual fund in SWM II in many cases will not be the least expensive share class that the mutual fund company offers and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through SWM II. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses ("brokerage-related services") to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will typically pay lower fees over time than an investor who holds Class A Shares of the same fund.

PSI has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. This is a conflict of interest which might incline the PSI, consciously or unconsciously, to render advice that is not disinterested. Although the client will not be charged a transaction charge for transactions, PSI pays LPL a per transaction charge for mutual fund purchases and sales in the account. PSI generally does not pay transaction charges for Class A Share mutual fund transactions accounts, but generally does pay transaction charges for Platform Share mutual fund transactions. The cost to PSI of transaction charges generally may be a factor the IAR considers when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to PSI for Class A Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, presents a significant conflict of interest between PSI and the client. In short, it costs PSI less to recommend and select Class A share mutual funds than Platform shares, but Platform shares will generally outperform Class A mutual fund shares on the basis of internal cost structure alone. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with your Advisor the advisory fee for management of an account.

Certain share classes of mutual funds that participate in LPL's No Transaction Fee Program ("SWM MF NTF Program") can be purchased in SWM accounts without a transaction charge. In order to participate in the SWM MF NTF Program, mutual funds pay LPL recordkeeping and/or revenue sharing fees in the form of asset-based or transaction-based fees. A complete list of mutual fund sponsors participating in the SWM MF NTF Program can be found by visiting <https://lplfinancial.lpl.com/disclosures.html>. In the case of SWM II accounts, clients should understand that the cost to PSI of transaction charges may be a factor PSI considers when deciding which mutual

funds to select and whether or not to place transactions in the account. PSI has a financial incentive to select funds in order to reduce or eliminate the transaction charges, including but not limited to funds participating in the SWM MF NTF Program.

LPL offers a similar NTF Network for ETFs. Under the ETF NTF Network, certain ETF sponsors direct a payment to LPL on behalf of client or for the benefit of client that is used exclusively as a credit to defray bona fide transaction charge obligations of the Account, and LPL waives the transaction charge when the ETF is sold. For purchases of other ETFs in the ETF NTF Network, the sponsor pays LPL a flat annual amount and LPL waives the transaction charge for purchases and sales. The ETF sponsors in the ETF NTF Network are currently Invesco, State Street and WisdomTree. For an updated list of ETF sponsors in the ETF NTF Network, please refer to the Disclosures page on [www.lpl.com](http://www.lpl.com).

### **Manager Access Select Program**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. PSI will assist client in identifying a third party portfolio manager ("Portfolio Manager") from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. PSI will provide initial and ongoing assistance regarding the Portfolio Manager selection process. A minimum account value of \$100,000 is required for Manager Access Select, however, in certain circumstances, the minimum account size may be lower or higher.

### **Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Fund shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. PSI will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. PSI will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account. A minimum account value of \$10,000 is required for OMP. In certain instances, LPL will permit a lower minimum account size.

### **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. PSI will have discretion for selecting the asset allocation model portfolio based on client's investment objective. PSI will also have discretion for selecting third party money managers (PWP Advisors), mutual funds and ETFs within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds, ETFs and equity and fixed income securities. A minimum account value of \$250,000 is required for PWP. In certain circumstances, LPL will permit a lower minimum account size.

### **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. PSI will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. PSI will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's state investment objective. LPL's Research Department, a third-party portfolio strategist and/or Advisor, through its IAR, may act as a portfolio strategist responsible for selecting the mutual funds or ETFs within a model portfolio and for making changes to the mutual funds or ETFs selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

MWP requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$25,000. In certain instances, a lower minimum for a portfolio is permitted.

### **Small Market Solution (SMS) Program**

Under SMS, LPL Research (a team, of investment professionals within LPL) creates and maintains a series of different investment menus ("Investment Menus") consisting of a mix of different asset classes and investment vehicles ("investment options") for clients that sponsor and maintain participant-directed defined contribution plans ("Plan Sponsors"). The Plan Sponsor is responsible for selecting the Investment Menu that it believes is appropriate based on the demographics and other characteristics of the Plan and its participants. LPL Research is responsible for the selection and monitoring of the investment options made available through Investment Menus. The investment options that are offered through SMS are limited to the specific investments available through the record keeper that the Plan Sponsor selects. The Plan Sponsor may only select an Investment Menu in its entirety and does not have the option to remove or substitute an investment option. Certain other services may also be available. Please refer to LPL Financial LLC's Retirement Plan Programs Brochure.

### **Guided Wealth Portfolios (GWP)**

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 exchange-traded funds and open-end mutual funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("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 PSI 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 PSI 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 PSI, do not enter into an advisory agreement with LPL, FutureAdvisor or PSI, 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.

Access to the Educational Tool is generally limited to a period of forty-five (45) days. The Educational Tool is intended to be used for educational and informational purposes only. The Educational Tool does not provide comprehensive financial planning and is not intended to constitute legal, financial or tax advice. There may be other relevant factors and financial considerations (e.g., debt load or financial obligations) that LPL, FutureAdvisor and PSI do not take into consideration in formulating any Sample Recommendations provided.

### Selection of FutureAdvisor as Third-Party Robo Advisor

While many robo platforms exist, PSI selected the Guided Wealth Portfolios ("GWP") as it provided a holistic platform that had robust investment trading technology, the backing of LPL Research to build and manage the portfolios today over time for clients, client education and service, and was designed specifically for retirement accumulation. Under PSI's agreement with LPL, PSI was provided the opportunity to offer GWP, which utilizes FutureAdvisor's Algorithm as described herein, to prospective clients. PSI is not otherwise affiliated with FutureAdvisor. FutureAdvisor is compensated directly by LPL for its services, including the Algorithm and related software, through an annual sub-advisory fee (tiered based on assets under management by FutureAdvisor, at a rate ranging from 0.10% to 0.17%). As each asset tier is reached, LPL's share of the compensation shall increase and clients will not benefit from such asset tiers. No additional fee is charged for FutureAdvisor's services.

PSI believes that certain clients will benefit from GWP's advisor-enhanced advisory services, particularly due to the relatively low minimum account balance and the combination of a digital advice solution with access to an advisor. Unlike direct-to-consumer robo platforms, PSI is responsible on an ongoing basis as investment advisor and fiduciary for the client relationship, including for recommending the program for the client; providing ongoing monitoring of the program, the performance of the account, the services of LPL and FutureAdvisor; determining initial and ongoing suitability of the program for the client; reviewing clients' suggested portfolio allocations; reviewing and approving any change in Investment Objective due to changes clients make to their Client Profile; answering questions regarding the program, assisting with paperwork and administrative and operational details for the account; and being available to clients to discuss investment strategies, changes in financial circumstances, objectives or the account in general in person or via telephone. PSI can also recommend other suitable investment programs if clients have savings goals or investment needs for which GWP is not the optimal solution.

### Potential Conflicts of Interest

PSI receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the type and size of the account, type of securities held in the account, changes in its value over time, the ability to negotiate fees or commissions, the historical or expected size or number of transactions, and the number and range of supplementary advisory and client-related services provided to the client, the amount of this compensation may be more or less than what the PSI would but firm's receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

The account fee may be higher than the fees charged by other investment advisors for similar services. For instance, FutureAdvisor offers direct-to-consumer services similar to GWP. Therefore, clients could generally pay a lower advisory fee for algorithm-driven, automated ("robo") investment advisory services through FutureAdvisor or other robo providers. However, clients using such direct robo services will forgo opportunities to utilize LPL-constructed model portfolios or to work directly with a financial advisor.

Clients should consider the level and complexity of the advisory services to be provided when negotiating the account fee (or the advisor fee portion of the account fee, as applicable) with PSI. With regard to accounts utilizing third-party portfolio managers under aggregate, all-in-one account fee structures, because the portion of the account fee retained by PSI varies depending on the portfolio strategist fee associated with a portfolio, PSI has a financial incentive to select one portfolio instead of another portfolio.

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

PSI generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), equities, ETFs, treasury inflation protected/inflation linked bonds, non U.S. securities and private placements. PSI may use other securities as well to help diversify a portfolio when applicable.

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

PSI will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by PSI on behalf of the client. IARs gather financial and asset information from the client to develop the financial plan. Information gathered includes, but is not limited to, the client's income, expenses, assets, liabilities, tax status, future goals, investment objectives, and risk tolerance. PSI may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Based on the results of the financial plan the IAR may make recommendations to the client to achieve his or her stated goals. Financial planning recommendations are not product specific. The decision to implement the financial plan is entirely at the client's discretion. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PSI from properly servicing the client account, or if the restrictions would require PSI to deviate from its standard suite of services, PSI reserves the right to end the relationship.

The financial plan will usually be delivered to the client within 180 days from the date that the Investment Advisory Contract ("IAC") was signed by the client provided all information needed to prepare the financial plan has been provided to the IAR by the client.

### **D. Wrap Fee Program**

PSI participates in wrap fee programs, which are investment programs where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. PSI manages the investments in the wrap fee program. Fees paid under the wrap fee program will be given to PSI as a management fee. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program.

### **Types of Investments**

We primarily offer advice on ETFs. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic. Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

In general, we manage wrap fee accounts on a discretionary basis. Wrap fee accounts are typically more appropriate for active accounts and are managed accordingly. We also manage non-wrap fee accounts on either a discretionary or a non-discretionary basis, and may include a different investment strategy in managing non-wrap accounts.



If you participate in a wrap fee program, we will provide you with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program. You should also review this Part 2A thoroughly to evaluate any differences between the services we offer as wrap versus non-wrap.

## E. Assets Under Management

PSI has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$354,561,511	\$0	December 2019

## Item 5 Fees and Compensation

### A. Fee Schedule

PSI investment advisory clients pay fees that vary from client to client depending on the type, size, and complexity of the client account. PSI may waive or reduce our fees for certain investors without notice to or consent from any other investor, including those investors that are affiliated with PSI. Some investors pay higher or lower fees than other investors due to certain factors, including but not limited to, the investment objective and investment strategy, size of the account, the historical or anticipated transaction activity, and the amount of investor's relationship assets under management with PSI.

#### Retirement Plan Investment Fiduciary and Consulting Services Fees

Fees for Retirement Plan Services are negotiable and vary based upon the nature, scope and frequency of our services as well as the size and complexity of the plan. A general description of the different types of fees for Retirement Plan Services appears below:

Fee Type	How Calculated
Asset-Based Fees	We frequently provide services in exchange for asset-based fee calculated as a percentage of the total value of the Plan's assets (the "Account"). Both asset-based and flat fees are negotiable and based upon size of plan, number of participants, nature, scope and frequency of services provided.
Flat Fees	
Project-Based & Conversion Fees	Negotiable based upon scope of work performed. In some cases, we charge additional project-based fees to facilitate a change in the Plan's recordkeeper and/or Custodian as described in our Agreement

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

The negotiated fees for these services are fixed and may vary for each client. PSI has set an annual maximum fee for each client of \$15,000, which can be discounted to zero. Clients may terminate the agreement without penalty, for full refund of PSI's fees, within five business days of signing the IAC. Thereafter, clients may terminate the IAC generally upon written notice.

#### ***Fees for LPL Advisory Programs***

##### ***Strategic Wealth Management ("SWM & SWMII")***

The SWM program is a comprehensive, open-architecture, fee-based investment platform created to deliver customized advice and service to clients. The only difference between SWM and SWM II is that in SWM, the client pays the transaction charges, whereas in SWM II, the advisor pays the transaction charges.

Although clients do not pay a transaction charge for transactions in a Strategic Wealth Management II ("SWM II") account, clients should be aware that IAR pays LPL transaction charges for those transactions. The transaction charges paid by the IAR vary based on the type of security transaction (e.g. mutual fund, equity or Exchange Traded Funds ("ETFs")) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Transaction charges paid by the IAR for equities and ETFs are \$9. For mutual funds, the transaction charges range from \$0 to \$26.50. Because IAR pays the transaction charges in SWM II accounts, there is a potential conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that the cost to the IAR of transaction charges may be a factor that IAR considers when deciding which securities to select and how frequently to place transactions in a SWM II account.

The account fee charged to the client for each LPL advisory program is negotiable, subject to the following maximum account fees:

Manager Access Select	3.00%*
OMP	2.50%
PWP	2.50%
MWP	2.65%**
SMS	0.95%***
GWP	1.35%****

\* The maximum Manager Access Select account fee for new accounts was reduced to 2.5% effective July 3, 2017.

\*\*The MWP account fee consists of an LPL program fee, a strategist fee (if applicable) and an advisor fee of up to 2.00%. Accounts remaining under the legacy fee structure may be charged one aggregate account fee, for which the maximum account fee is 2.50%. See the MWP program brochure for more information.

\*\* The SMS fee consists of an LPL program fee of 0.20% (subject to a minimum program of \$250), and an advisor fee of up to 0.75%.

\*\*\* GWP Managed Service clients are charged an account fee consisting of an LPL program fee of 0.35% and an advisor fee of up to 1.00%. In the future, a strategist fee may apply. However, LPL Research currently serves as the sole portfolio strategist and does not charge a fee for its services. FutureAdvisor is compensated directly by LPL for its services, including the Algorithm and related software, through an annual sub-advisory fee (tiered based on assets under management by FutureAdvisor, at a rate ranging from 0.10% to 0.17%). As each asset tier is reached, LPL's share of the compensation shall increase and clients will not benefit from such asset tiers.

GWP Educational Tool provides access to sample recommendations at no charge to users. However, if users decide to implement sample recommendations by executing trades, they will be charged fees, commissions, or expenses by the applicable broker or adviser, as well as underlying investment fees and expenses. Account fees are payable quarterly in advance, except that the SMS fee is paid in arrears on the frequency agreed to between client and PSI.

Excluding SMS and GWP, LPL serves as program sponsor, investment advisor and broker-dealer for the LPL advisory programs. In the Managed Service of GWP, LPL is appointed by each client as custodian of account assets and broker-dealer with respect to processing securities transactions for the accounts. In general, FutureAdvisor, in its capacity as investment advisor, will submit transactions

through LPL; however, FutureAdvisor may choose to execute transactions through a broker-dealer other than LPL, subject to its duty to seek to achieve best execution. When securities transactions are effected through LPL, there are no brokerage commissions charged to the account. If FutureAdvisor chooses to execute a transaction through a broker-dealer other than LPL, the execution price may include a commission or fee imposed by the executing broker-dealer. In evaluating whether to execute a trade through a broker-dealer other than LPL, FutureAdvisor will consider the fact that the account will not be charged a commission if the transaction is effected through LPL.

PSI and LPL may share in the account fee and other fees associated with program accounts. Associated persons of PSI may also be registered representatives of LPL. Under SMS, LPL serves as investment advisor but not the broker-dealer. PSI and LPL may share in the advisory portion of the SMS fee.

## **B. Payment of Fees**

### ***Payment of Advisory Account Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance. Refunds are given on a prorated basis, based on the number of days remaining in the billing period on the effective date of termination. 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 effective date of termination. (\*The daily rate is calculated by dividing the annual fee by 365).

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

Financial Planning fixed fees are paid via check.

### ***Payment of Retirement Plans Investment Fiduciary and Consulting Fees***

Depending upon the capabilities and requirements of the Plan's recordkeeper or custodian, we may collect our Fees in arrears or in advance. Typically, Sponsors instruct the Plan's recordkeeper or custodian to automatically deduct our Fees from the Plan account; however, in some cases a Sponsor may request that we send invoices directly to the Sponsor or recordkeeper/custodian. In determining the value of the Account for purposes of calculating any asset-based Fees, PSI will rely upon the valuation of assets provided by Sponsor or the Plan's custodian or recordkeeper without independent verification.

If our Agreement provides for additional, project-based Fees for facilitating a change in the Plan's recordkeeper or custodian (also known as a "Conversion Fee"), we have the ability to collect a higher amount upfront and collect an ongoing, asset-based fee beginning at some point thereafter as agreed to by Sponsor in the Agreement. Certain recordkeepers will offer to pay the Conversion Fee to us directly. In that event, and in order to avoid the resulting conflict of interest associated with accepting such payments, our policy is to apply any Conversion Fees we receive from recordkeepers as an offset against the amount that would otherwise be paid by the Plan's Sponsor as described in the Agreement.

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

PSI will wrap third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). PSI will charge clients one fee, and pay all transaction fees using the fee collected from the client.



## **D. Prepayment of Fixed Fee Payments**

PSI collects fees in advance. Refunds for fixed fees paid in advance will be returned within fourteen days to the client via check. PSI does not bill for transaction fees as they are charged directly by the custodian.

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

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

Nearly all of PSI's IARs are also dually registered as Registered Representatives ("RRs") and solicit, offer and sell securities through LPL Financial ("LPL"), an unaffiliated full-service securities broker-dealer that is also registered as a Registered Investment Adviser with the SEC and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). IARs may also be licensed as independent insurance agents through various insurance companies and solicit, offer and sell fixed insurance products in the states in which they conduct business. Therefore, IARs can potentially be acting in all three capacities when soliciting, offering and selling investment products, investment advisory services and/or insurance products to the client. The registration as RRs, IARs and being licensed as independent insurance agents creates a potential conflict of interest when IARs solicit, offer and sell securities and insurance products for which clients would pay a commission, while also soliciting, offering and selling investment advisory services and managing the assets in their clients' accounts and charging a separate investment advisory fee.

Certain investment adviser representatives of PSI are also associated with LPL Financial as broker-dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through PSI. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from PSI, you will not receive the benefit of the advice and other services we provide.

In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above. When recommending the sale of investment products for which the supervised persons receives compensation, PSI will document the conflict of interest in the client file and inform the client of the conflict of interest.

The individuals that are licensed as registered representatives of LPL Financial are subject to regulations that restrict them from conducting securities transactions away from LPL Financial without written authorization from LPL Financial. Clients should, therefore, be aware that for accounts where LPL Financial serves as the custodian, PSI is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker/dealers and custodians.

Commissions are not PSI's primary source of compensation for advisory services.

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients.

Certain PSI employees are also licensed as insurance agents. In these roles, they accept compensation for the sale of non-investment products to PSI clients. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

PSI does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

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

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Retirement/Pension Plans (401(k))

There is no account minimum for any of PSI's services; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

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

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

PSI uses a variety of methods to analyze a client's situation as well as economic factors to develop investment advice and recommendations. PSI's methods of analysis to formulate investment advice or manage the client's account include Charting analysis, Cyclical analysis, Fundamental analysis, Quantitative analysis and Technical analysis.

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

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

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

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

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

Recommendations will be based on the information provided by the client, the discussions with the client, the analysis of the client's financial situation, investment objectives and risk tolerance and general economic or tax considerations. If the client's personal, financial situation, investment objectives or risk tolerance change, they are advised to promptly notify their IAR. Clients should discuss with their IAR the methods of analysis and strategies used by the IAR.

### ***Investment Strategies***

PSI 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**

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

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

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

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

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

### ***Investment Strategies***

PSI'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 or worthless, resulting in no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

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

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

PSI'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.

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

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

unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**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.

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

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

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in 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 substantial, but limited to the strike price of the option contract minus the premium received if the underlying stock goes to zero, whereas the potential loss for an uncovered call option is unlimited. 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 but not limited to 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.

**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 for the Firm 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**

Certain representatives of PSI are registered representatives of LPL Financial and accept compensation for the sale of securities in this capacity. LPL Financial is a broker-dealer that is independently owned and operated and is not affiliated with PSI. Please refer to Item 12 for a discussion of the benefits PSI may receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

As discussed previously, certain associated persons of the PSI are registered representatives of LPL Financial. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about PSI's clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact us at 813-444-0337 or by email at: [michele@psiadvisor.com](mailto:michele@psiadvisor.com).

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

Neither PSI 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 Interest**

#### ***Affiliations***

The majority of PSI's Investment Adviser Representatives ("IARs") also solicit, recommend, offer and sell securities through LPL. The majority are also licensed as independent insurance agents and hold insurance licenses in the states where they solicit, offer and sell insurance products and are appointed with and represent various insurance companies. As such, IARs are able to receive separate, yet customary commission compensation resulting from the purchase and sales of securities and insurance product transactions on behalf of their investment advisory clients. Clients are not under any obligation to purchase or sell securities or insurance products through the IAR when considering whether to implement any investment advisory recommendations made by the IAR. The decision to implement any or all recommendations is solely based on the discretion of the client.

Eric Damien Eaton is an owner and President of EFS Insurance Inc. ("EFS"), a full service independent property and casualty agency located in Tampa, Florida that serves clients statewide. EFS specializes in all lines of personal and commercial insurance. 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. PSI 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 utilize the services of any representative of PSI in connection with such individual's activities outside of PSI. We are affiliated through common control and ownership. Therefore, persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products



they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm. This affiliated firm is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

Certain employees are registered representatives 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. PSI 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 PSI in such individual's capacity as a registered representative.

Certain employees are investment adviser representatives with PSI Advisors, LLC, and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSI always acts in the best interest of the client and clients are in no way required to use the services of any representative of PSI in connection with such individual's activities outside of PSI.

Certain employees act as registered municipal advisers and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSI always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of PSI in connection with such individual's activities outside of PSI.

Certain employees are licensed insurance agents that are appointed to sell products through LPL Financial or other agencies, 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. PSI 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 utilize the services of any representative of PSI in connection with such individual's activities outside of PSI.

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

We may recommend that you use a third party money manager ("TPMM") based on your needs and suitability. We will receive compensation from the TPMM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPMM we recommend. We do not have any other business relationships with the recommended TPMM(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

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

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

PSI has a written Code of Ethics that applies to all employees and IARs. PSI's Code of Ethics 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. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

PSI's Code of Ethics is available free upon request to any client or prospective client by contacting us at the telephone number on the cover page of this brochure.

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

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

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

From time to time, representatives of PSI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PSI 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. PSI 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 PSI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PSI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our aggregated trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.



## Item 12 Brokerage Practices

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

Custodians/broker-dealers will be recommended based on PSI'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 PSI 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 PSI's research efforts. PSI will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

We recommend the brokerage and custodial services of LPL Financial, and Schwab (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

LPL Financial provides brokerage and custodial services to independent investment advisory firms, including PSI. For PSI's accounts custodied at LPL Financial, LPL Financial generally is compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL Financial or that settle into LPL Financial accounts. For IRA accounts, LPL Financial generally charges account maintenance fees. In addition, LPL Financial also charges clients miscellaneous fees and charges, such as account transfer fees. LPL Financial charges PSI an asset-based administration fee for administrative services provided by LPL Financial. Such administration fees are not directly borne by clients but may be considered when PSI negotiates its advisory fee with clients.

While LPL Financial does not participate in, or influence the formulation of, the investment advice PSI provides, certain supervised persons of PSI are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL Financial. As a result, the use of other trading platforms must be approved not only by PSI, but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, PSI is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial.

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of PSI and its Dually Registered Persons that are conducted through broker-dealers and custodians other than LPL Financial. LPL Financial charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because PSI has a financial incentive to recommend that you maintain your account with LPL Financial rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

### ***Benefits of Using LPL as Custodian***

PSI receives support services and/or products from LPL Financial, many of which assist the PSI to better monitor and service program accounts maintained at LPL Financial; however, some of the services and products benefit PSI and not client accounts. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by PSI in furtherance of its investment advisory business operations

LPL Financial may provide these services and products directly, or may arrange for third party vendors to provide the services or products to PSI. In the case of third party vendors, LPL Financial may pay for some or all of the third party's fees.

These support services are provided to PSI based on the overall relationship between PSI and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution of client transactions as a condition to the receipt of services. PSI will continue to receive the services regardless of the volume of client transactions executed with LPL Financial. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the PSI to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement. However, because PSI receives these benefits from LPL Financial, there is a potential conflict of interest. The receipt of these products and services presents a financial incentive for PSI to recommend that its clients use LPL Financial's custodial platform rather than another custodian's platform.

### **Schwab - Your Custody and Brokerage Costs**

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

## **Schwab Adviser Services**

Schwab Adviser Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

### **Services that Benefit You**

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

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

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

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data, or facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

### **Services that Generally Benefit Only Us**

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

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers; and
- discount of up to \$4,250 on PortfolioCenter® Reporting Software.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

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

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however,

that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above - see "The Custodian and Broker We Use") and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest.

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

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

Specifically, LPL Financial makes available to PSI various products and services designed to assist PSI in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of PSI's accounts, including accounts not held with LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of PSI's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to PSI other services intended to help PSI manage and further develop its business. Some of these services assist PSI to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only PSI, for example, services that assist PSI in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by PSI in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third-party vendor, LPL Financial will either make a payment to PSI to cover the cost of such services, reimburse PSI for the cost associated with the services, or pay the third-party vendor directly on behalf of PSI.

The products and services described above are provided to PSI as part of its overall relationship with LPL Financial. While as a fiduciary PSI endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because PSI generally requires that clients custody their assets at LPL Financial which is based in part on the benefit to PSI of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. PSI's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

### ***Brokerage for Client Referrals***

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

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

We routinely require that you direct our firm to execute transactions through LPL Financial and Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of LPL Financial would normally be required to recommend LPL Financial to you for brokerage services. These individuals are subject to applicable industry rules that restrict them from conducting securities transactions away from LPL Financial unless LPL Financial provides the representatives with written authorization to do so, which LPL Financial has done in this case. Therefore, although these individuals would generally be limited to conducting securities transactions through LPL Financial, in this instance, as noted above, they will generally recommend LPL Financial/Schwab. It may be the case that LPL Financial/Schwab charges higher transaction costs and/or custodial fees than another broker charges for the same types of services. However, if transactions were executed through LPL Financial these individuals (in their separate capacities as registered representatives of LPL Financial) could earn commission-based compensation as a result of placing the recommended securities transactions through LPL Financial. This practice would present a conflict of interest because these registered representatives would have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use the recommended broker, we may not be able to accept your account. See the Fees and Compensation section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### ***Oversight Fee for Assets Held Away***

As stated previously, individuals associated with PSI are licensed as registered representatives of LPL Financial. As a result of this licensing relationship, LPL Financial is responsible for supervising certain activities of PSI to the extent PSI manages assets at a broker/dealer and custodian other than LPL Financial. LPL Financial charges a fee for this oversight. This presents a conflict of interest in that PSI has a financial incentive to recommend that you maintain your account with LPL Financial rather than another custodian in order to avoid the oversight fee. However, to the extent PSI recommends you use LPL Financial for such services, it is because PSI believes that it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial.

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

If PSI 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 in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, PSI would place an aggregate order with the broker on behalf of all such clients in order 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. PSI 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).

We do not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.



## **Item 13 Review of Accounts**

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

Model portfolios created and used by IARs are reviewed and monitored by, Michele J. DeSordo, CCO and Eric D. Eaton.

IARs will provide ongoing investment advice and continuously monitor their clients' portfolios. IARs are required to have a contact meeting with the client no less than annually, which is generally conducted in person, but can be by conducted by telephone. At the annual client contact meeting, the IAR will review the performance of the client's accounts and verify that the client's portfolio is still consistent with the client's stated investment objectives, asset allocation, and risk tolerance.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Michele J DeSordo, CCO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

To the extent services offered to the Plan or Plan Sponsor include performance monitoring or reporting, the IAR or PSI will review performance or provide reports of investment manager(s) or investments selected by the Plan on a frequency as agreed with the Plan or Plan Sponsor. If elected by the Plan, IAR or PSI as applicable, will provide reports evaluating the performance of Plan investment manager(s) or investments.

### **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, PSI's services will generally conclude upon delivery of the financial plan.

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

Each client of PSI's advisory services provided on an ongoing basis 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 financial planning 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)**

PSI and/or its Dually Registered Persons are incentivized to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of compensation to PSI and its Dually Registered Persons, including but not limited to, Transition Assistance, bonus payments, repayable and forgivable loans, stock awards and other benefits.

This compensation is used to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The amount of Transition Assistance is often significant in relation to the overall revenue earned or compensation received by Dually Registered Persons at their prior firm. The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts. Such payments are generally based on the size of the Dually Registered Person's business established at the prior firm and/or assets under custody on the LPL Financial. Specifically, LPL Financial provided Eric Damien Eaton and PSI with a 5-year forgivable loan in the amount of \$650,000 to help cover business expenses while transitioning clients. Please also see Item 5 of Mr. Eaton's Form ADV Part 2B for additional details. LPL Financial provided Brooks Matthew Wallington and PSI with a 1-year forgivable loan in the amount of \$63,000 to help cover business expenses while transitioning clients. Please also see Item 5 of Mr. Wallington's ADV Part 2B for additional details. LPL Financial provided Mark David Scheidter and PSI with a 3-year forgivable loan in the amount of \$227,000 to help cover expenses while transitioning clients. Please also see Item 5 of Mr. Scheidter's ADV Part 2B for additional details.

The Transition Assistance payments and other benefits provided to associated persons of PSI (in their capacity as registered representatives of LPL Financial) creates conflicts of interest relating to PSI's advisory business because there is a financial incentive for PSI to recommend that clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore PSI has an incentive to recommend that clients maintain their account with LPL Financial to generate such benefits. Notwithstanding our agreement with LPL Financial, we believe that LPL Financial provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

PSI attempts to mitigate any conflicts of interest with LPL Financial by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to PSI clients, rather than the Transition Assistance earned. Specifically, as discussed in above, PSI recommends custodians on a best execution basis and acts in the best interests of its clients, consistent with its fiduciary duty. Clients should be aware of this conflict, take it into consideration in deciding whether to custody their assets in a brokerage account at LPL Financial, and are encouraged to discuss with PSI any conflicts of interest.

#### **Charles Schwab & Co., Inc - Institutional**

In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 - Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with LPL Financial, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

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

PSI does not directly or indirectly receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any person who is not advisory personnel for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

### **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. PSI does not take physical custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian at least quarterly and should carefully review those statements.

### **Item 16 Investment Discretion**

PSI provides discretionary and non-discretionary portfolio management services to clients pursuant to a wrap fee program that is further described in the separate Wrap Fee Program Brochure.

Financial planning and pension consulting services are provided to clients on a discretionary and non-discretionary basis.

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.



## Item 17 Voting Client Securities

PSI will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## Item 18 Financial Information

### A. Balance Sheet

PSI 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 PSI nor its management has any financial condition that is likely to reasonably impair PSI's ability to meet contractual commitments to clients.

We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. On 04/30/2020, the firm received a Paycheck Protection Program ("PPP") loan in the amount of \$62,600 through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Due to the economic uncertainties surrounding the current COVID-19 pandemic, we believed it was necessary and prudent for us to apply for, and accept, the Payroll Protection Program loan offered by the Small Business Administration in order to support our ongoing operations. The firm used the PPP funds to continue payroll for the firm's employees, including employees primarily responsible for performing advisory functions for our clients, and make other permissible payments. The loan is forgivable provided the firm satisfies the terms of the loan program.

### C. Bankruptcy Petitions in Previous Ten Years

PSI has not been the subject of a bankruptcy proceeding. Any information regarding personal bankruptcies will be referenced on the ADV Part 2B.

## Item 19 Additional Information

### Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

## **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.

9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.